



AFRICAN COPPER PLC

UNAUDITED CONSOLIDATED FINANCIAL INFORMATION

Three Months ended 31 March 2008

Expressed in Pounds Sterling

The accompanying Financial Information for the three months ended 31 March 2008 and 31 March 2007 have not been audited nor reviewed by the Company's Auditors and has an effective date of 15 May 2008.

African Copper Plc
Consolidated Income Statement
For the three months ended 31 March 2008
(Unaudited)

	Three Months ended 31 March	
	2008	2007
	£'000	£'000
Administrative expenses	(718)	(568)
Share based expenses	(15)	(222)
Depreciation	-	(16)
Exchange loss	(798)	(77)
Operating loss	(1,531)	(883)
Finance income		
Bank interest receivable	475	704
Loss before and after tax	(1,056)	(179)
Basic loss per ordinary share	(0.74)p	(0.14)p

The accompanying notes are an integral part of these consolidated financial statements.

African Copper Plc
Consolidated Balance Sheets

		As at 31 March (unaudited) 2008 £'000	As at 31 December (audited) 2007 £'000
	Note		
ASSETS			
Property, plant and equipment	3	53,499	48,248
Deferred exploration costs	4	4,392	4,322
Other financial assets	5	3,793	4,167
Total non-current assets		61,684	56,737
Other receivables and prepayments		2,248	1,903
Derivative financial assets	6	441	1,841
Cash and cash equivalents		18,260	22,428
Total current assets		20,949	26,172
Total assets		82,633	82,909
EQUITY			
Issued share capital	7	1,468	1,396
Share premium		81,973	76,947
Acquisition reserve		4,485	4,485
Foreign currency translation reserve		(6,211)	(1,207)
Hedging reserves		(2,212)	(812)
Retained losses		(5,862)	(4,843)
Total equity		73,641	75,966
LIABILITIES			
Asset retirement obligation	9	422	464
Total non-current liabilities		422	464
Trade and other payables		8,570	6,479
Total current liabilities		8,570	6,479
Total equity and liabilities		82,633	82,909

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African Copper Plc
Consolidated Statement of Changes in Shareholders' Equity

	Share Capital £'000	Share Premium £'000	Acquisition Reserve £'000	Foreign Currency Translation Reserve £'000	Hedging Reserve £'000	Retained Loss £'000	Total Equity £'000
Balance at 1 January 2007	1,305	69,844	4,485	(1,979)	-	(5,687)	67,968
Foreign exchange adjustments	-	-	-	(813)	-	-	(813)
Total recognized expense recognized directly in equity	-	-	-	(813)	-	-	(813)
Loss for the period	-	-	-	-	-	(179)	(179)
Total recognised loss for the period	-	-	-	(813)	-	(179)	(992)
New share capital subscribed	7	156	-	-	-	-	163
Credit arising on share options	-	-	-	-	-	328	328
Balance at 31 March 2007	1,312	70,000	4,485	(2,792)	-	(5,538)	67,467
Foreign exchange adjustments	-	-	-	1,585	-	-	1,585
Fair value loss on cash flow hedge instruments	-	-	-	-	(812)	-	(812)
Total recognized income and expense recognized directly in equity	-	-	-	1,585	(812)	-	773
Gain for the period	-	-	-	1,585	(812)	295	(1,068)
Total recognized gain for the period	-	-	-	-	-	295	295
New share capital subscribed	84	7,353	-	-	-	-	7,437
Share issue costs	-	(406)	-	-	-	-	(406)
Credit arising on share options	-	-	-	-	-	400	400
Balance at 31 December 2007	1,396	76,947	4,485	(1,207)	(812)	(4,843)	75,966
Foreign exchange adjustments	-	-	-	(5,004)	-	-	(5,004)
Fair value loss on cash flow hedge instruments	-	-	-	-	(1,400)	-	(1,400)
Total recognized expense recognized directly in equity	-	-	-	(5,004)	(1,400)	-	(6,404)
Loss for the period	-	-	-	(5,004)	(1,400)	(1,056)	(7,460)
Total recognized loss for the period	-	-	-	-	-	(1,056)	(1,056)
New share capital subscribed	72	5,026	-	-	-	-	5,098
Credit arising on share options	-	-	-	-	-	37	37
Balance at 31 March 2008	1,468	81,973	4,485	(6,211)	(2,212)	(5,862)	73,641

The accompanying notes are an integral part of these consolidated financial statements

African Copper Plc
Consolidated Cash Flow Statement

	Note	Three months ended 31 March	
		2008 £'000	2007 £'000
Cash flows from operating activities			
Administration expenses		(718)	(568)
Share based expenses		(15)	(222)
Depreciation		-	(16)
Operating loss from continuing operations		(733)	(806)
Decrease/(increase) in receivables		(345)	163
Increase in payables		34	9
Share based payment expense		15	222
Depreciation		-	16
Cash used in operating activities		(1,029)	(396)
Interest received		475	704
Net cash (outflow)/inflow from operating activities		(554)	308
Cash flows from investing activities			
Payments to acquire property, plant and equipment	3	(7,466)	(3,957)
Payments of deferred exploration expenditures	4	(449)	(440)
Net cash outflow from investing activities		(7,915)	(4,397)
Cash flows from financing activities			
Issue of equity share capital, net of issue costs	7	5,099	-
Issue of equity upon exercise of options		-	163
Net cash inflow from financing activities		5,099	163
Net decrease in cash and cash equivalents		(3,370)	(3,926)
Cash and cash equivalents at beginning of the period		22,428	53,254
Exchange loss		(798)	(77)
Cash and cash equivalents at end of the period		18,260	49,251

The accompanying notes are an integral part of these consolidated financial statements

1. Nature of operations, going concern and adequacy of project finance

African Copper Plc (“African Copper” or the “Company”) is a public limited company incorporated and domiciled in England and listed on the AIM market of the London Stock Exchange, the Toronto Stock Exchange and the Botswana Stock Exchange. African Copper is a holding company of a mineral exploration and development group of companies (the “Group”). The Group is involved in the exploration and development of copper deposits in Botswana and is currently developing its first copper mine at the Mowana Mine and is conducting an exploration programme at the Matsitama Project. The Mowana Mine is located in the northeastern portion of Botswana and the Matsitama Project is contiguous to the southern boundary of the Mowana Mine.

On 4 April 2008, Messina Copper (Botswana) (Pty) Ltd (“Messina”), African Copper’s 100% owned subsidiary, raised BWP150.0 million (£11.4 million) from local Botswana institutions (the “Botswana Bond”). The Botswana Bond is denominated in Botswana Pula and is an unsecured fixed rate note that bears interest at 14.0% per annum and has a bullet maturity in 7 years. On 8 February 2008 the Company also raised approximately £5 million in additional equity as part of the finalization of a comprehensive off-take agreement for the Mowana Mine concentrates. To provide the Company with operational flexibility management has been considering the establishment of a revolving working capital and hedging facility for the Mowana Mine. Based on discussions with several Botswana institutions the Company is considering offering additional notes with similar terms to the Botswana Bond as an alternative to the working capital facility that requires the Company to commit to restrictive covenants and hedging requirements.

The Board has reviewed the detailed financial mine plan and consider that with the additional financial resources secured and the nearness of anticipated production, the Company has sufficient financial resources to commence production at the Mowana Mine and adequate working capital for the foreseeable future, being a period of not less than twelve months from the date of signing these financial statements. In the event of operational cost overruns or delays, they believe the Company has adequate flexibility to manage expenditures. The Directors therefore consider it appropriate to prepare these financial statements on a going concern basis.

As more fully explained in Management’s Discussion and Analysis management intend to complete development of the open pit mining operations with the addition of a DMS plant to the processing plant, further evaluate developing the underground portion of the mine at Mowana and continue with the Matsitama exploration project. Further project finance may be required to complete these and if the Company is unable to secure the further finance required, the Company may not be able to fully develop these projects and their carrying values and the investment of the parent company may become impaired.

The address of African Copper’s registered office is 100 Pall Mall, St James’s London SW1Y 5HP. These consolidated financial statements have been approved for issue by the Board of Directors on 15 May 2008.

2. Basis of Preparation

The accounting policies and methods of computation used in the preparation of the unaudited consolidated financial information are the same as those described in the Company’s audited consolidated financial statements and notes thereto for the year ended 31 December 2007 and are consistent with the principles of International Financial Reporting Standards (“IFRS”) and its interpretations adopted by the International Accounting Standards Board (“IASB”), which are the same as those adopted by the European Union. In the opinion of management, the accompanying interim financial information includes all adjustments considered necessary for fair and consistent presentation of financial statements. These interim consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes for the year ended 31 December 2007.

The financial information presented for the twelve months ended 31 December 2007 has been derived from the Group’s audited financial statements for the period as filed with the Registrar of Companies. It does not

constitute the financial statements for that period. The auditors' report on the statutory financial statements for the year ended 31 December 2007 was unqualified and did not contain any statement under Section 237(2) or (3) of the Companies Act 1985.

3. Property, Plant and Equipment

Group	Mine Development and Infrastructure £'000	Mine Plant and Equipment £'000	Other Assets £'000	Total £'000
Cost				
Balance at 1 January 2007	13,259	387	467	14,113
Additions	32,376	-	2,204	34,580
Exchange adjustments	(150)	(5)	(6)	(161)
Balance at 31 December 2007	45,485	382	2,665	48,532
Balance at 1 January 2008	45,485	382	2,665	48,532
Additions	8,876	-	552	9,428
Exchange adjustments	(3,926)	(35)	(166)	(4,127)
Balance at 31 March 2008	50,435	347	3,051	53,833
Depreciation and impairment losses				
Balance at 1 January 2007	-	-	(149)	(149)
Depreciation charge for the year	-	-	(137)	(137)
Exchange adjustments	-	-	2	2
Balance at 31 December 2007	-	-	(284)	(284)
Balance at 1 January 2008	-	-	(284)	(284)
Depreciation charge for the period	-	-	(74)	(74)
Exchange adjustments	-	-	24	24
Balance at 31 March 2008	-	-	(334)	(334)
Carrying amounts				
Balance at 1 January 2007	13,259	387	318	13,964
Balance at 31 December 2007	45,485	382	2,381	48,248
Balance at 1 January 2008	45,485	382	2,381	48,248
Balance at 31 March 2008	50,435	347	2,717	53,499

4. Deferred exploration costs

	£'000
Cost	
Balance at 1 January 2007	2,007
Additions	2,347
Exchange adjustments	(32)
Balance at 31 December 2007	4,322
Balance at 1 January 2008	4,322
Additions	449
Exchange adjustments	(379)
Balance at 31 March 2008	4,392

Impairment loss

During the period the Company did not recognize any provision for impairment against any of its deferred exploration assets

5. Other Non-Current Assets

	31 March 2008 £'000	31 December 2007 £'000
Group		
Bank guarantee	3,793	4,167

50 million Botswana Pula has been lodged in favour of Moolman Mining Botswana (Pty) Ltd. ("Moolman") under the terms of a bank guarantee. As part of the Moolman 5-year mining contract (the "Contract") for the Mowana Mine in Botswana, the Company's subsidiary was required to obtain a bank guarantee in support of certain payment obligations in the Contract. Within 21 days of Moolman receiving final payment of all monies owing under the Contract the payment guarantee ceases.

6. Derivative Financial Assets

	31 March 2008 £'000	31 December 2007 £'000
Company and Group		
Copper put contracts designated as a cash flow hedge	441	1,383
Copper put contracts designated as fair value through income statement	-	458
Total Derivative Financial Assets	441	1,841

7. Share Capital

	No. of shares	£'000
Authorised		
At 31 December 2005 and 31 December 2006		
Ordinary shares of 1p each	495,000,000	4,950
Redeemable preference shares of £1 each	50,000	50
Issued:		
Balance at 1 January 2007	130,507,185	1,305
Ordinary shares issued on private placement	8,367,772	84
Ordinary shares issued on exercise of options	700,000	7

Balance at 31 December 2007	139,574,957	1,396
Ordinary shares issued on Private placement	7,284,000	73
Balance at 31 March 2008	146,858,957	1,469

Shares issued

During 2007, a total of 9,067,772 ordinary shares were issued for net cash consideration of £7,194,078 from the following:

- (i) On 29 March 2007 a total of 700,000 ordinary shares were issued for net cash consideration of £163,961 from the exercise of 350,000 share options to purchase ordinary shares of the Company at Can\$0.25 each and 350,000 share options to purchase ordinary shares of the Company at 35p each. These share options were options originally granted under the Mortbury Limited option plan.
- (ii) On 25 June 2007, a total of 8,367,772 ordinary shares were issued at a price of 11 Botswana Pula (approximately £0.89 and C\$1.89) per ordinary share, raising total gross proceeds of 92,045,492 Botswana Pula (approximately £7.4 million). The Company paid a capital raising fee in cash to Capital Corporate Finance (Pty) Ltd. (Gaborone, Botswana) equal to 5% (exclusive of taxes) of the proceeds raised pursuant to the private placement.

On 8 February 2008, a total of 7,284,000 ordinary shares at a price of £0.70 per ordinary shares, raising total net proceeds of £5,098,800. This private placement was completed as part of the finalization of a comprehensive off-take agreement for the Mowana Mine concentrates.

8. Share based payments

African Copper has established a share option scheme with the purpose of motivating and retaining qualified management and to ensure common goals for management and the shareholders. Under the African Copper share plan each option gives the right to purchase one African Copper ordinary share. For options granted the vesting period is generally up to three years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Company. In 2005 all options were granted at 76p and in 2006 and 2007 all options were granted at 77.5p.

As at 31 March 2008, ordinary share options held by directors and employees were as follows:

Exercise price (£)	Outstanding Number of Options	Weighted average remaining contractual life (years)	Exercisable Number of Options
0.35	500,000	6.48	500,000
0.76	2,505,000	6.84	2,485,000
0.775	8,210,000	8.39	6,923,331
	11,215,000		9,908,331

During the periods ended 2008 and 2007, director and employee stock options were granted, exercised and cancelled as follows:

	Weighted average exercise price in £ per share	Options
At 1 January 2007	0.73	13,319,872
Granted	0.775	200,000
Forfeited	0.77	(1,404,872)
Exercised	0.23	(700,000)
At 31 December 2007	0.76	11,415,000
Granted	-	-
Forfeited	0.775	(200,000)
Exercised	-	-
At 31 March 2008	0.75	11,215,000
Exercisable at the end of the period	0.75	9,908,331

The total expense in respect of share based payments for the period was £36,693 (2007: £328,346), of which £15,380 (2007:£221,610) was recorded as an expense in the income statement and £21,313 (2007: £106,737) was capitalised as part of deferred exploration costs.

9. Asset retirement obligations

The Company estimates the total discounted amount of cash flows required to settle its asset retirement obligations at 31 March 2008 is £422,466 (2007 - £nil). Although the ultimate amount to be incurred is uncertain, the independent Environmental Impact Statement, completed on the Mowana Mine by Water Surveys Botswana (Pty) Limited in September 2006, using an assumption that mining continues to 2023, estimated the undiscounted cost to rehabilitate the Mowana Mine site of 24.3 million Botswana Pula.

Under the terms of the Mining Licence, by the end of the first financial year in which copper is produced and sold, the Company must establish a trust fund to provide for rehabilitation of the Mowana Mine site once the mine closes. The Company will annually make contributions to this fund over the life of the mine so that these capital contributions together with the investment income earned will cover the anticipated costs. At the end of each financial year the Company will reassess the estimated remaining life of mine as well as the cost to rehabilitate the mine site and adjust its annual contributions accordingly.

10. Commitments

The majority of the Company's contractual obligations relate to commitments in respect of development expenditures for the completion of construction at the Mowana Mine and termination payments to the mining contractor at the Mowana Mine should the Company terminate the mining contract early. In respect of this mining contract, the Company's subsidiary was required to obtain a bank guarantee in support of certain payment obligations in the mining contract. (See Note 5 – Other Non-Current Assets). At 31 March 2008 the Company's subsidiary holds a bank guarantee of £3.8 million (50 million Botswana Pula) in respect of these payment obligations.

At 31 March 2008, commitments under such agreements total £12 million:

Contractual Obligations	Total £'000	2008 £'000	2009 £'000	2010 £'000
Goods, services and long lead equipment ^(a)	7,658	7,658	-	-
Mining contract ^(b)	3,055	3,055	-	-
Matsitama exploration licences ^(c)	1,062	885	176	1
Lease agreements ^(d)	228	145	55	28
	12,003	11,743	231	29

- (a) The Company and its subsidiaries have a number of agreements with arms-length third parties who provide a wide range of goods and services and long-lead time equipment. The primary commitments relate to the engineering, procurement, construction and management contract ("EPCM") for the construction of the flotation concentrator and related housing and mine facilities at the Mowana Mine.
- (b) In the event of the optional termination of the Moolman Mining Botswana (Pty) Ltd. mining contract by the Company, a maximum early termination payment of approximately £2.6 million, which payment may be reduced, depending upon the number of months notice given, to £nil upon 6 months notice, together with demobilization charges would be payable.
- (c) Under the terms of the Company's prospecting licences Matsitama is obliged to incur certain minimum expenditures.
- (d) The Company has entered into agreements for lease premises for various periods until 30 August 2009.

11. Related party transactions

The following amounts were paid to companies in which directors of the group have an interest and were incurred in the normal course of operations and are recorded at their exchange amount;

	Three Months Ended		Balance Outstanding at	
	31 March 2008 £'000	31 March 2007 £'000	31 March 2008 £'000	31 Dec 2007 £'000
Amount paid to Summit Resource Management Limited, a company controlled by D Jones, for the provision of fully serviced office accommodation in Canada and reimbursed expenses	20	21	2	3
The Company entered into an agreement with Pickax Corporation ("Pickax") to provide the services of Mr. Joseph Hamilton, a director and Chief Operating Officer of the Company. The agreement commenced on 1 July 2006, during which time Pickax will be paid £164,800 per year. Pickax is a corporation controlled by Joseph Hamilton. This agreement replaced an existing executive services agreement on materially the same terms and conditions.	41	41	-	-
Amount paid to Aegis Instruments, Micromine and MGE Consulting, companies controlled by a director of a subsidiary, in respect of provision of geophysical and geological consulting, administration services and reimbursed expenses	-	-	-	27

12. Subsequent Events

On 4 April 2008 the Group completed the private placement of Botswana Pula 150 million (£11.4 million) of fixed rate unsecured notes issued by Messina Copper (Botswana) (Pty) Ltd, the Company's wholly-owned subsidiary. The notes have been priced at 14.0 percent with a maturity of 7 years.