ANNUAL INFORMATION FORM

AS AT 31 MARCH 2009

of

AFRICAN COPPER PLC

FOR THE YEAR ENDED 31 DECEMBER 2008
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DEFINED TERMS

“ACL” means African Copper Limited.


“Anglo” means Anglo American Prospecting Services (Proprietary) Limited.

“BCL” means Bamangwato Concessions Limited.

“Board” means the Board of Directors of the Company.

“Bondholders” mean the holders of the Bonds. See “Project Financing”.

“Bonds” means the Pula 150 million bonds issued by Messina to the Bondholders. See “Project Financing”.

“Botswana Note Programme” has the meaning ascribed to such term under the heading “Project Financing”.

“BSE” means the Botswana Stock Exchange.

“CCIC” means Caracle Creek International Consulting.

“CIM” means the Canadian Institute of Mining, Metallurgy and Petroleum.

“Companies Act” means the United Kingdom Companies Act, 1985, as amended.

“Company” means African Copper PLC.

“Company Option Plan” means the share option plan of the Company.

“Debt Facility” means the loan facility of US$8.5 million proposed to be made available to the Company by Natasa. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

“Debt for Equity Agreement” means the proposed issue of 530,951,614 new ordinary shares. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

“DMS” means Dense Media Separation.

“Dukwe Project” means the copper deposit in Botswana, which hosts the Mowana Mine, in which the Company holds an indirect 100% interest through Messina. See “Project Details”.

“EPCM” means engineering, procurement and construction management contract.

“Equity Placement” means the private placement of US$8.5 million proposed to be made available to the Company by Natasa. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

“Falconbridge” means Falconbridge Limited.


“Group” means the Company and its subsidiaries. See “Corporate Structure — Intercorporate Relationships”.

“Large Creditors” means Moolman and Messina’s EPCM contractors Read Swatman and Voight (Pty) Ltd and Senet CC. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

“Matsitama” means Matsitama Minerals (Proprietary) Limited, a corporation incorporated under the laws of Botswana, a wholly-owned subsidiary of Mortbury.

“Matsitama Licences” means the five prospecting licences held by Matsitama which cover an area adjacent to, and to the south of, the Dukwe Project.

“Matsitama Project” means the copper exploration project in Botswana in which the Company holds an indirect 100% interest through Matsitama. See “Project Details”.

“Merger” means the 26 May 2004 merger of Mortbury, AFC Minerals Limited and ACL. See “Corporate Structure — Intercorporate Relationships”.

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“Messina” or “MCB” means Messina Copper (Botswana) (Proprietary) Limited, a corporation incorporated under the laws of Botswana, a wholly-owned subsidiary of Mortbury.

“Moolman” means Moolman Mining Botswana (Pty) Ltd. an operating Group of Aveng Limited. See “General Development of the Business – Three Year History”

“Moolman Contract” - means a five-year mining contract signed between Messina with Moolman for the mining at the Mowana Mine. See “General Development of the Business – Three Year History”

“Mowana Mine” means the area within the Botswana Mining Lease ML2006/53L located in northeastern Botswana;

“Mowana Mining Licence” means the 25-year licence in respect of the Dukwe Project granted to Messina on 18 December 2006 designated ML2006/53L by the Botswana Government.


“Mortbury” means Mortbury Limited, a British Virgin Islands corporation, a predecessor and wholly-owned subsidiary of the Company.

“MRI” means MRI Trading AG of Zug Switzerland. See “Description of Business – Distribution Methods and Economic Dependence”.

“Natasa” means Natasa Mining Ltd. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

“New Ordinary Shares” means 2,112,509,612 new Ordinary Shares proposed to be issued by the Company pursuant to the Equity Placement and Debt for Equity Agreement. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

“Notes” means notes representing in aggregate BWP150 million (£11.43 million) as part of the Botswana Note Programme. The Notes are denominated in Pula, bear interest at 14.0% per annum and have a bullet maturity in 7 years. See “Project Financing”.


“Off-take Agreement” means the copper off-take agreement between Messina and MRI pursuant to which MRI will purchase 100% of the quantity copper produced from the Mowana Mine for a period of five years at market terms. See “Description of Business – Distribution Methods and Economic Dependence”.

“Ordinary Share” means an ordinary share in the capital of the Company.

“p” means pence.

“Payment Guarantee” means the Pula 50 million (£3.95 million) payment guarantee that was lodged by Messina in August 2007 in favour of Moolman as security for Messina’s obligations under the Moolman Contract. See “General Development of the Business – Three Year History”

“Preference Shares” means the preference shares in the capital of the Company of £1 each.

“Process Plant” means the 1 million tonne per year flotation concentrator and related facilities designed by Read, Swatman and Voigt (Pty) Limited and SENET CC.

“Projects” means collectively, the Dukwe Project and the Matsitama Project.

“Put Options” means copper put options for up to 5,850 tonnes of copper at a strike price of US$3.00/lb divided evenly over the period April 2008 to December 2008, which equates to 650 tonnes per month over the eight month period. See “General Development of the Business – Three Year History”

“RSG” means RSG Global Pty Ltd.
“SEDAR” means the System for Electronic Document Analysis and Retrieval maintained by CDS Inc. on behalf of the Canadian Securities Administrators.

“Short Term Loan Facility” means a loan of US$1.5 million made available to Messina by Natasa on 20 March 2009 pursuant to the Short Term Loan Facility Agreement. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

“Short Term Loan Facility Agreement” means the agreement dated 13 March 2009 between the Company, Messina, Matsitama, Mortbury and Natasa relating to the Short Term Loan Facility. See “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.


“Thakadu Project” means the area in the central Matsitama Licences that contains the Thakadu and Makala deposits.

“TSX” means the Toronto Stock Exchange.

For an explanation of certain technical terms used in this Annual Information Form, please See “Glossary of Technical Terms” attached as Appendix “G” beginning on page G-1 of this Annual Information Form.

CURRENCY AND EXCHANGE RATES

All dollar amounts in this Annual Information Form are in Canadian Dollars, except where otherwise specifically stated. All references in this Annual Information Form to “C$” or “Canadian Dollars” are references to the Canadian Dollar, references to “£” are references to the British Pound Sterling, references to “US$” or “US Dollars” are references to the United States Dollar and references to “BWP” or “Pula” are references to the Botswana Pula.

The following table sets forth (i) the rates of exchange for one British Pound Sterling and one US Dollar, each expressed in Canadian Dollars in effect at the end of each of the periods noted and (ii) the average rates of exchange for one British Pound Sterling and one US Dollar, each expressed in Canadian Dollars for such periods, based on the Bank of Canada noon rates of exchange for the rates at the end of each of the periods, and the Bank of Canada average rates for such periods.

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>British Pound Sterling End of Period (C$)</th>
<th>Average (C$)</th>
<th>US Dollar End of Period (C$)</th>
<th>Average (C$)</th>
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<tbody>
<tr>
<td>2008</td>
<td>1.7896</td>
<td>1.9617</td>
<td>0.8166</td>
<td>0.9381</td>
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<tr>
<td>2007</td>
<td>1.9600</td>
<td>2.1486</td>
<td>0.9881</td>
<td>1.0747</td>
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<tr>
<td>2006</td>
<td>2.2824</td>
<td>2.0882</td>
<td>1.1653</td>
<td>1.1342</td>
</tr>
</tbody>
</table>

On 31 March 2009, the Bank of Canada noon rate of exchange was C$1.8022 for one British Pound Sterling and C$0.7935 for one US Dollar.

The following table sets forth (i) the rates of exchange for one British Pound Sterling, expressed in US Dollars in effect at the end of each of the periods noted and (ii) the average rates of exchange for one British Pound Sterling expressed in US Dollars for such periods, based on the Federal Reserve Bank of New York noon buying rates of exchange at the end of each of the periods, and the average of the noon buying rates posted by the Federal Reserve Bank of New York for such periods.
On 31 March 2009, the noon buying rate of exchange posted by the International Monetary Fund was US$1.434 for one British Pound Sterling.

The following table sets forth (a) the rates of exchange for one Pula, expressed in Canadian Dollars in effect at the end of each of the periods noted and (b) the average rates of exchange for such periods, based on Bloomberg L.P.’s rates of exchange for the rates at the end of each of the periods, and Bloomberg L.P.’s average rates for such periods.

<table>
<thead>
<tr>
<th>Year ended 31 December</th>
<th>British Pound Sterling</th>
<th>Pula</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>End of Period</td>
<td>Average</td>
</tr>
<tr>
<td></td>
<td>(US Dollar)</td>
<td>(C$)</td>
</tr>
<tr>
<td>2008</td>
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<tr>
<td>2007</td>
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<td>0.1654</td>
</tr>
<tr>
<td>2006</td>
<td>1.9586</td>
<td>0.1936</td>
</tr>
</tbody>
</table>

On 31 March 2009, the noon rate of exchange as reported by First National Bank of Botswana for conversion of Pula into Canadian Dollars was BWP1 = C$0.1609.

FORWARD LOOKING INFORMATION

This Annual Information Form contains “forward looking information”. Forward looking information includes, but is not limited to, information with respect to the terms of the Equity Placement, the Debt Facility and the Debt for Equity Agreement, future price of copper, exploration and mine development plans, the estimation of mineral resources, timing of the development of the Projects, exploration results, budgets, capital and operating cost estimates and forecasts, results of mining operations, mining extraction and recovery rates, the conversion of mineral resources to mineral reserves, estimations of mine life, sales of copper, negotiation of copper sales contracts, success of exploration activities, permitting time lines, requirements for additional capital, strategies of the Company, the impact of exchange rates, government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and the timing and possible outcome of pending and future regulatory applications and other information which are not historical facts. In certain cases, forward looking information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “should”, “might” or “will be taken”, “occur” or “be achieved” and include the negative variation of such phrases.

In particular, this Annual Information Form contains forward looking information pertaining to the completion of information with respect to the terms of the Equity Placement, the Debt Facility and the Debt for Equity Agreement, including the amount of the cash balance anticipated to be retained by the Company for working capital purposes following the completion of the transactions and the Company’s expectation that such amount will be sufficient to meet the Company’s working capital requirements, the anticipated dilutive effect of the Equity Placement and the Debt for Equity Agreement on the holders of ordinary shares, the Company’s intention to delist
the ordinary shares from the Toronto Stock Exchange and the Company’s expectation that Natasa will continue to
develop the Mowana Mine towards commercial production following the completion of the proposed transactions.
With respect to forward looking information contained in this Annual Information Form, the Company has made
assumptions regarding, among other things, the terms of the Equity Placement, the Debt Facility and the Debt for
Equity Agreement and the expected results of completing each such transaction, future prices for copper, future
currency and interest rates, the Company's ability to generate sufficient cash flow from operations, the regulatory
framework representing royalties, taxes and environmental matters in Botswana and the Company's ability to
obtain qualified staff and equipment in a timely and cost-efficient manner to meet the Company's demand.

Although the Company believes that its expectations reflected in forward looking information are
reasonable, such forward looking information involves known and unknown risks, uncertainties and other factors
that may cause the actual results, performance or achievements of the Company or the Projects, or any of them, to
be materially different from any future results, performance or achievements expressed or implied by the forward
looking information. Such factors include, among others, risks associated with the Company’s working capital
deﬁcit and completing the Financing, the Company being controlled by Natasa if the Financing is completed,
future prices of copper, grade or recovery rates, unexpected increases in capital or operating costs, uncertainties
relating to the availability and costs of financing that may be needed in the future, risks related to failure to
convert estimated mineral resources to reserves, conclusions of economic evaluations; changes in project
parameters as plans continue to be reﬁned, possible variations in mineral resources, failure of equipment or
processes to operate as anticipated, accidents, labour disputes and other risks of the mining industry, delays in
obtaining governmental consents, permits, licences and registrations or ﬁnancing or in the completion of
development or construction activities, political risks arising from operating in Africa, changes in equity markets,
inflation, changes in exchange rates, ﬂuctuations in commodity prices and uninsured risks and the other factors
discussed under “Risk Factors”.

Although the Company has attempted to identify important factors that could cause actual actions, events or
results to differ materially from those described in forward looking information, there may be other factors that
cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that
forward looking information will prove to be accurate, as actual results and future events could differ materially
from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking
information. The forward looking information contained herein is made as of the date of this Annual Information
Form and the Company takes no responsibility to update or to revise such information to reﬂect new events or
circumstances, except as required by law.

The mineral resource and mineral reserve ﬁgures referred to in this Annual Information Form are
estimates and no assurances can be given that the indicated levels of minerals will be produced. Such estimates
are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry
practices. Valid estimates made at a given time may signiﬁcantly change when new information becomes
available. While the Company believes that the resource and reserve estimates referred to in this Annual
Information Form are well established, by their nature resource and reserve estimates are imprecise and depend, to
a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate
or are reduced in the future, this could have a material adverse impact on the Company. Due to the uncertainty
that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral
resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration.
## CONVERSION FACTORS

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<th>To Convert From</th>
<th>To</th>
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<td>Kilometres (&quot;km&quot;)</td>
<td>Miles</td>
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<tr>
<td>Grams</td>
<td>Ounces (Troy)</td>
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<td>Grams/Tonne (&quot;g/t&quot;)</td>
<td>Ounces (Troy)/Short Ton</td>
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<td>Tonnes (metric)</td>
<td>Pounds</td>
<td>2.204</td>
</tr>
<tr>
<td>Tonnes (metric)</td>
<td>Short Tons</td>
<td>1.1023</td>
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</table>
CORPORATE STRUCTURE

Name, Address and Incorporation

African Copper PLC was incorporated and registered in England and Wales on 11 February 2004 under the Companies Act as a public limited company under the name “Afrinewco PLC”. On 1 March 2004, the Company changed its name to “African Copper PLC”. The Company’s registered and head office is located at 100 Pall Mall, St. James’s, London, United Kingdom, SW1Y 5HP. The Ordinary Shares trade on AIM and the TSX under the symbol “ACU” and on the BSE under the symbol “African Copper.”

On incorporation, the authorized capital of the Company consisted of 100,000,000 Ordinary Shares of 5p each. By a resolution passed on 4 May 2004: (i) each of the 100,000,000 issued and unissued Ordinary Shares of 5p each was subdivided into 5 Ordinary Shares of 1p each; and (ii) immediately following the subdivision of the Ordinary Shares, 5,000,000 of the authorized but unissued Ordinary Shares of 1p each were consolidated into 50,000 Ordinary Shares of £1 each, and each such Ordinary Share was re-designated as a preference share of £1 each.

Certain amendments to the Company’s Articles of Association, which were introduced to reflect various changes that were recently made to the Companies Act 2006 were approved by the shareholders of the Company at the annual general meeting on 18 June 2008. The amendments are set out in full in the Company’s Circular and Notice of Annual General Meeting dated 8 May 2008 for such meeting of shareholders, which is available under the Company’s profile on SEDAR at www.sedar.com.

At an Extraordinary General meeting held on January 9, 2009 an increase in the authorized share capital of the Company was approved by the shareholders of the Company. The authorized share capital was increased from £5,000,000 to £15,000,000 by the creation of an additional 1,000,000,000 Ordinary Shares of 1 pence each identical to and ranking pari passu with the existing Ordinary Shares in the capital of the Company.

At a Extraordinary General meeting held on January 9, 2009 the Board was provided the authorization to issue up to 750 million Ordinary Shares, but this is insufficient to satisfy the number of shares required to be issued pursuant to the Equity Placement and Debt For Equity Agreement described under the heading “Description of Business – Working Capital Deficit, Financing and Changes in Contracts”.

The Company has set the date of 7 May 2009 for an Extraordinary General Meeting to seek approval from shareholders for the issue of a further 1,362,509,612 new Ordinary Shares in addition to the 750 million Ordinary Shares that the Directors already have power to allot. In addition, in view of the fact that 1,581,557,998 of the New Ordinary Shares to be allotted pursuant to the Equity Placement are proposed to be issued at a price which would otherwise represent a discount to their nominal value of 1p per share (which is not permitted by English law), it is proposed that each of the Company's existing shares are sub-divided into one ordinary share of 0.1p each and one deferred share of 0.9p each. Following the sub-division of each existing share into one Ordinary Share and one deferred share, each shareholder of African Copper with existing shares will (prior to the issue of the New Ordinary Shares) hold the same proportion of the issued ordinary share capital of the Company as it did prior to the sub-division. Each sub-divided Ordinary Share will carry the same rights as each Existing Share. The Deferred Shares created by the sub-division will in effect be worthless.

As at 31 March 2009, the Company has an authorized share capital of £15,000,000 divided into 1,495,000,000 Ordinary Shares of 1p each and 50,000 Preference Shares of £1 each, of which 146,858,957 Ordinary Shares and no Preference Shares are issued and outstanding.
Intercorporate Relationships

Following the Merger, the Company became the holding company for Mortbury and its subsidiaries. The Merger was completed on 26 May 2004, whereupon the assets, liabilities, rights and obligations of each of Mortbury, AFC Minerals Limited and ACL were assumed by the surviving entity, Mortbury, which subsequently became a wholly-owned subsidiary of the Company. Mortbury was established in 1995 for the purposes of acquiring Messina which held a prospecting licence relating to the Dukwe Project.

Messina holds the Dukwe Project comprising exploration licence PL 33/2005, with an area of 139.6 km$^2$, and within the exploration licence a mining licence 2006/53L of 32.7 km$^2$ valid until end 2031. To the north of PL 33/2005 an additional licence was applied for and awarded during 2008; this licence 180/2008 covers an area of 114.4 km$^2$. See “Project Details – Dukwe Project”. The Dukwe Project area with its associated licences encompasses the Mowana Mine and all current estimated mineral resources and reserves associated with the mine; together with north and south extensions of mineralization that lie outside of the Mowana Mine licence area.

Matsitama holds the Matsitama Project, which is comprised of the Matsitama Licences. See “Project Details - Matsitama Project - Licences”.

The following diagram sets out all of the Company’s subsidiaries as at 31 March 2009, their respective jurisdiction of incorporation, the Company’s direct and indirect voting interest in each and the respective Projects held by each subsidiary.
GENERAL DEVELOPMENT OF THE BUSINESS

The Company is the holding company of a mineral exploration and development group of companies that are exploring and developing copper deposits in the Republic of Botswana. Currently, the Company has indirect 100% interests in the Projects, located in Botswana. The Company was incorporated and registered on 11 February 2004. It became the holding company for Mortbury and its subsidiaries following the Merger, in May 2004, which holds the assets related to the Projects. The Ordinary Shares were listed for trading on AIM in connection with the Company’s initial public offering in November 2004, on the BSE on 15 February 2005 and on the TSX on 19 July 2005.

During fiscal 2006 the Company raised aggregate net proceeds of approximately £53,641,555 pursuant to its public offering of 75,000,000 Ordinary Shares, the exercise of 2,474,030 warrants to purchase Ordinary Shares and the exercise of 1,000,000 share options to purchase Ordinary Shares.

During fiscal 2007, the Company raised aggregate net proceeds of approximately £7,194,078 pursuant to a private placement of 8,367,772 Ordinary Shares and the exercise of 700,000 share options to purchase Ordinary Shares.

On 8 February 2008, the Company raised aggregate net proceeds of approximately £5,098,800 pursuant to a private placement of 7,284,000 Ordinary Shares. This private placement was completed as part of the finalization of the Off-take Agreement for the copper concentrates to be produced from the Mowana Mine. See “Description of the Business – Distribution Methods and Economic Dependence” for further information respecting the Off-take Agreement.

On 28 March 2008, Messina received binding subscription agreements from local Botswana institutions for the Notes, representing in aggregate BWP150 million (£11.43 million), as part of the BWP200 million Botswana Note Programme. The Notes are denominated in Pula, bear interest at 14.0% per annum and have a bullet maturity in 7 years. See “Project Financing” for further information.

The net proceeds raised from such transactions have been used by the Company to explore and develop the Projects, to establish revenue protection programs through the purchase of copper “put” contracts, to place payment guarantees in order to secure mining contracts and for general corporate expenses. Due to the severe reduction in the demand and price for copper worldwide during the fourth quarter of 2008, delays in shipping first concentrate resulting from the delays in commissioning of the Mowana Mine, and the prevailing market volatility and uncertainty, the Group was unable to achieve the anticipated cashflow and obtain the required working capital finance for continued operations. The Group requires immediate additional financing to meet its working capital deficit and therefore does not have sufficient cash or debt facilities to pay its existing liabilities or fund future operations. The Group’s ability to meet its obligations and continue as a going concern is dependent on its ability to complete the Financing, re-commence operations at the Mowana Mine and subsequently generate positive cashflow from such operations. See “Three Year History - Dukwe Project – 2008 Developments” and “Description of Business – Working Capital Deficit, Financing and Changes in Contracts.” In response to the Company’s working capital deficit, on 21 January 2009 the Mowana Mine was placed on care and maintenance pending the finalization of obtaining the necessary funding.
THREE YEAR HISTORY

Dukwe Project

2006 Developments

During fiscal 2006, a resource definition drilling programme was completed on mineralization within the Dukwe Project area. Coincidentally, additional metallurgical test work studies including bench scale flotation batch tests and locked cycle tests were completed. Such studies showed that the near surface supergene and transition material could be treated through a flotation concentrator. Engineering of a Process Plant and concentrator was also completed during fiscal 2006.

In early 2006, the Company collected material to complete locked cycle tests and pilot plant studies for the final concentrator design. Recoveries through the mill and concentrator were found to be better than 90% for the primary sulphide material and 83% to 87% for the supergene material. Ore types are mixed and complex in the upper portions of the open pit in that they contain varying amounts of supergene and oxidized material.

A twin hole drill programme was completed in July 2006 in order to test the historic grades encountered in the oxide and supergene zones of the deposit. The results of this twin hole programme showed that at least some of the historic drilling likely underestimated the grade of the near-surface mineralization. It was determined that the core recovered from the twin hole programme compared favourably with the historic drilling in terms of geology and width of mineralization. As a result, most of the historic database was considered to be valid and was integrated with the 38,000 metre sulphide drill programme and was utilized as part of a comprehensive resource estimate that was commissioned for the entire resource to a depth of 550 m below surface. Material located beneath the open pit will be accessible by underground mining and may therefore be utilized to prolong mining operations at the Dukwe Project and to improve project economics by the addition of reserves, assuming the grade, tonnage and continuity is confirmed by underground exploration. Results of the Company’s in-fill drill programme indicate that underground access is required to move this material into a reserve category.

On 18 September 2006 the Board approved the commencement of construction activities at the Dukwe Project. An application to convert the existing Retention Licence covering the Dukwe project to a Mining Licence was filed with the Ministry of Minerals, Energy and Water Affairs.

On 20 November 2006, the Company signed an EPCM contract, for project supervision, infrastructure and civil work respecting the Mowana Mine Project, with Read, Swatman and Voigt (Pty) Ltd of Johannesburg. In order to utilize specific expertise for the construction of the Process Plant, an EPCM contract for construction of the Process Plant was signed with SENET CC, of Johannesburg.

In December 2006, the Government of Botswana granted Messina the Mowana Mining Licence for the area within the Dukwe Project that would contain the surface development and open pit. This approval followed previous approvals by the Government of the EIA and the EMP, the granting of water abstraction rights and the issuance of a conditional archaeological discharge for the site. The issuance of the Mowana Mining Licence allowed the Company to commence the mine construction programme at the Dukwe Project.

2007 Developments

Surface rights over the Mowana Mining Licence area were granted in February 2007. At about the same time, the Company renamed the mine at the Dukwe Project the "Mowana Mine". The term "Dukwe Project" now refers to the larger exploration licences, while the Mowana Mine refers to the immediate Mowana Mining Licence area. The Mowana Mine is fully permitted, subject to a conditional permit issued by the National Museum respecting the destruction of certain archeological sites within the open pit boundaries. All required archeological work was completed in late 2007, and a discharge for most areas was obtained in early 2008. Under the terms of the discharge, mining can commence and the upper levels of the historic mining areas can be destroyed, although
archaeological studies will be ongoing as deeper levels of the historically mined areas are exposed by normal mining activities and declared safe for entry by site engineers.

In May 2007 African Copper took the decision to implement revenue protection for the Mowana mine by purchasing the Put Options.

On 10 May 2007 the Company announced it had signed the Moolman Contract which was a five-year contract with Moolman for the mining at the Mowana Mine. The Moolman Contract included both the mobilization and demobilization of the mining fleet. Mining commenced in July 2007 with the removal of free-digging loose material from the open-pit area. By the end of 2007, the full fleet of face-loading shovels had arrived on-site and by January 2008 were commissioned.

In August 2007 the Payment Guarantee was lodged by Messina in favour of Moolman as security for Messina’s obligations under the Moolman Contract.


The results of this study were used to define open pit designs for near-surface mineralization at Mowana, and to convert those resources that fell within the pit boundaries to reserves in the Mowana Mine Technical Report which is available from the Company’s website or at www.sedar.com.

The resource base available at the Mowana Mine was estimated as:

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnage Mt</th>
<th>Copper %</th>
<th>Contained Metal MM tonnes Cu</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>42.45</td>
<td>0.65</td>
<td>611</td>
</tr>
<tr>
<td>Indicated</td>
<td>45.22</td>
<td>0.76</td>
<td>755</td>
</tr>
<tr>
<td>Total M + I</td>
<td>87.67</td>
<td>0.71</td>
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</tr>
<tr>
<td>Inferred</td>
<td>46.27</td>
<td>0.63</td>
<td>639</td>
</tr>
</tbody>
</table>

Note: The key assumptions, parameters and methods used to estimate the mineral resources are the same as set out in the 14 June 2007 technical report prepared by CCIC.

The current open-pit design was based on only measured and indicated mineral resources (within the meaning of NI 43-101, JORC and SAMREC), and these were converted to proven and probable reserves (within the meaning of NI 43-101, JORC and SAMREC). A portion of the inferred mineral resources coincidentally lie within the open pit boundaries. The reserve base at the Mowana Mine open pit is estimated as:
The Mowana Mine Technical Report also contained a review of all metallurgical testing to date, listed operating cost assumptions and produced a forecast of production for the initial years of production. This technical report also considered the installation of a DMS plant into the process design.

Construction of the Process Plant at the Mowana Mine continued throughout fiscal 2007. On average, about 600 contractors and employees were on site to support the construction activities for the Process Plant and associated infrastructure.

**2008 Developments**

On 25 January 2008 the Company signed the Off-take Agreement with MRI pursuant to which MRI will purchase 100% of the quantity copper produced from the Mowana Mine for a period of five years at market terms. See also “Material Contracts”. The Off-take Agreement is benchmarked to Japanese Smelter Pool terms.

The construction of the 50 house staff housing development at the Mosetse village nearby to the Mowana Mine was completed in April 2008 and occupation of the houses by staff commenced in May 2008.

On 13 June 2008 the Company announced a management reorganization with the appointment of Mr. Christopher Fredericks as Chief Executive Officer. Mr. Fredericks was formerly the Company’s Chief Operating Officer. Mr. Joseph Hamilton resigned as Chief Executive Officer and from the Board of Directors. Mr. Fredericks joined the Board of Directors as of 1 July 2008.

A prospecting application was made for the ground north of the Mowana Prospecting Licence (PL33/2005) and this was received by the Botswana Geological Survey on 8 August 2007. This application was successful and Prospecting Licence 180/2008 covering 114.4 km² was awarded on 1 April 2008 for a period of 3 years. In addition Prospecting Licence 33/2005 was successfully renewed until March 2010 following relinquishment of 50% of the original licence area.

At the request of Messina, on 29 July 2008, Moolman released the Payment Guarantee and Messina agreed to re-instate such security by 30 June 2009. In consideration for the release of the Payment Guarantee, Messina granted Moolman a lien over the run of mine ore, ore stockpiles and copper concentrate at the Mowana Mine.

On 12 November 2008 the Company announced it had exercised and sold the Put Options for £3.3 million (US$4.75 million). The proceeds were used to partly fund the Group’s working capital requirements at the Mowana Mine. As copper traded above US$3/lb for the period April to September 2008, the put options for these periods were not exercised.

Commissioning of the processing facility at the Mowana Mine was completed during the third quarter of 2008. The ramp up to commercial production continued during the fourth quarter of 2008. Following the first
shipment of copper concentrate that was dispatched at the end of October 2008, further production delays were experienced as a result of, among other things, unexpected equipment failures and a lack of spare parts due to the Company's working capital deficit. These delays resulted in production shortfalls during the fourth quarter of 2008 from the copper in concentrate production forecast of approximately 1,500 tonnes to 270 tonnes. During this period a total of 115,000 tonnes of ore was milled at the Process Plant at a head grade of 1.1% copper against a planned target of 235,000 tonnes at a head grade of 1.8% copper. Despite demonstrating the ability to achieve and on certain occasions exceed budgeted capacity, mill throughput was severely constrained by the inability to provide sufficient mill feed due to low mechanical availability of primary and secondary crushing circuits. During the fourth quarter progress was made in balancing and tuning the floatation circuit. Despite these efforts recoveries were below planned levels, this being attributed to unstable feed conditions associated with crusher problems, and secondly a higher than planned oxide content ratio in the feed to the mill. During January 2009 the floatation circuit began to show positive signs of stabilizing and an improvement in copper recoveries was noted. Various reagent test work was carried out during December 2008 indicating the potential for an improvement in copper recoveries.

Due to the severe reduction in the demand and price for copper worldwide during the fourth quarter of 2008, delays in shipping first concentrate resulting from the delays in commissioning of the Mowana Mine, and the prevailing market volatility and uncertainty, the Group was unable to achieve the anticipated cashflow and obtain the required working capital finance for continued operations. As a result the Company actively sought Pounds Sterling 9.7 million (US$15.0 million) in immediate additional working capital and also announced certain initiatives focused on reducing costs and expenditures in order to continue operating in the lower copper price environment. These initiatives included: suspension of mining operations at the Mowana Mine, utilizing existing ore stockpiles for processing, curtailment of capital projects and exploration, reducing operating and administrative costs for only essential operations and negotiations of debt compromise agreements with Bondholders and Large Creditors. In response to the Company’s working capital deficit, on 21 January 2009 the Mowana Mine was placed on care and maintenance pending the finalization of obtaining the necessary funding.

By the end of December 2008 the Company was successful in fully suspending the Moolman Contract and substantially all of the demobilization of Moolman’s mining equipment was complete. As part of the suspension of the Moolman Contract the Company commenced discussion regarding a debt compromise agreement with Moolman. It is proposed as part of the Financing described in the section entitled “Working Capital Deficit, Financing and Change in Contracts” that African Copper will pay Moolman approximately 20 per cent of the amount owed to them in cash and will issue to Moolman new ordinary shares in satisfaction of the balance of the 80% owed to Moolman (a portion of the 530,951,614 new ordinary shares to be issued to the Bondholders and Large Creditors). As part of this debt compromise with Moolman, Moolman will agree to terminate the Moolman Contract with no termination fee, release the lien over the run of mine ore, ore stockpiles and copper concentrate at the Mowana Mine and not require a further Payment Guarantee by 30 June 2009. Interim arrangements were put in place with a smaller local mining contractor in early 2009 to accommodate stockpile drawdown management and ongoing crusher feed requirements.

Matsitama Project

2006 Developments

During fiscal 2006, the Company established an exploration base camp and contracted RSG to undertake a 10,000 metre delineation drill programme at the Thakadu deposit, with some additional drilling at the Makala deposit. The drilling was confined to depths that could be accessed by open-pit methods although the deposits are known to continue to depth. This drilling programme was completed in 2006, and final assays were received by RSG in the first quarter of fiscal 2007. The geological mapping of drill core from Thakadu led to new geological interpretations of the area.
2007 Developments

Early in the third quarter of 2007, the Company released the results of a mineral resource estimate for the Thakadu project in the central part of the Matsitama Belt. These estimates are set out in the Thakadu Technical Report, which is available under the Company’s profile on SEDAR at www.sedar.com. The Thakadu mineral resource estimates enabled the Company to examine the Thakadu mineralization as part of a belt-wide development programme. Exploration continued in 2008 in the vicinity of the Thakadu deposits in an attempt to define further mineralisation.

Within the larger Matsitama Belt, geochemical surveys were initiated to follow-up on the large TITAN surveys that were completed in late 2006 and early 2007. In addition, during 2007, drilling was carried at Nakalakwana Hill where a low-grade copper-gold system has been identified. The alteration zone around Nakalakwana is extensive with haematite flooding of sediments coincident with sericitization. A large 10 kilometre wide grid was established over this area and geophysical and geochemical surveys were completed.

Large regional geochemical surveys were completed in late 2007. Over 15,000 soil samples were submitted for analysis in late 2007, and results were received during 2008. These soil surveys cover areas to the west and south of the known Matsitama belt that had no previous survey coverage. In addition a surface trenching programme was completed at Gaokae which is nickel target within ultramafic to mafic intrusions at the basal part of the Matsitama Belt.

Under Botswana legislation, the Company was required to drop 50% of the surface area covered by the Matsitama exploration licences at the end of the first quarter of 2007. The Company applied to the Geological Survey of Botswana to keep approximately 80% of the surface area of the licences on the basis of prospectivity, work-to-date and exploration expenditures over the past two years. Early in the third quarter of 2007, the Geological Survey approved the application to retain most of the ground encompassed by the licences. Of the four licences, 50% of PL 17/2004 was dropped which represented 12% of the total area of 3,528km². Approximately 88% of the ground was retained.

2008 Developments

During 2008, following compilation of both geophysical and geochemical data, drilling of the most prominent anomalies in the vicinity of the Thakadu deposit was carried out. Results were also received in 2008 from the Gaoke surface trenching and geochemical survey. Work completed during the year continued on the three main Cu-Zn-Pb-Ag-Au structural corridors identified in the belt and in the Ultramafic Formations with Ni-PGM potential, namely: Thakadu Mutsuku Corridor; Nakalakwana Hill Corridor; Lepashe Cu-Snake Corridor; and the Mosupe-Sebotha Ultramafic Formations.

As a result of interpreting the combined historical data of 118,000 soil samples with 17,000 African Copper soil samples, two hundred and seven (207) Cu, Cu-Zn and Cu-Ni first priority Areas of Interest (“AOI’s”) were selected. These AOI’s were identified by compiling the historical results from the last 50 years with the current African Copper interpretation of the geology, structure and geophysics. The area of soil sampling now covers the southern extension of the Bushman Shear, the west part of the Lepashe Cu-Snake Corridor, the western Sebotha (Ni-PGM) Formation and the central mafic volcanics and intrusives of the Matsitama Schist Belt. This sampled area covers 2,000km² which represents 53% of the licence area.

Activities during the fourth quarter of 2008 focused on prospecting, mapping and fill-in soil sampling at 100m line-spacing as previous work was completed at 300m and 400m line-spacing. Final reports on the high priority prospects were completed during the fourth quarter. In line with the market conditions and managements need to aggressively reduce overheads, exploration activity was curtailed at the Matsitama Project with the most of the exploration team retrenched. Opportunities exist for joint venture associations and these are currently being investigated with interested parties.

Under mineral legislation in Botswana a prospecting licence may be renewed for subsequent periods but upon renewal the prospecting licence area must be reduced in size to not more than half the area at the end of the
prior period of the licence. In February 2009 the Group applied to the Geological Survey of Botswana to renew Matsitama exploration licences 014/2004, 015/2004, 016/2004, 017/2004 which were due to expire on 30 June 2009. As part of this application the Group designated a reduction of 43% of the total area of these exploration licences, retaining the exploration ground deemed by management to be the most prospective (or already hosting known mineralization) based on exploration work completed in and prior to 2008.

DESCRIPTION OF THE BUSINESS

African Copper is the holding company of a mineral exploration and development group of companies that are exploring and developing copper deposits in the Republic of Botswana. The Company is currently commercializing its first copper mine at the Mowana Mine and holds permits in exploration properties at the Matsitama Project. The Mowana Mine is located in the north-eastern portion of Botswana and the Matsitama Project is contiguous to the southern boundary of the Mowana Mine.

The Company's strategy is to grow as a base metal (copper) mining company. The Company's most advanced project is the Dukwe Project. The Mowana Mine has a seven-year mine life in the open pit and it offers the Company near-term production, with the potential for future expansion. Assuming the Company in successful in completing the Financing, re-commencing operations at the Mowana Mine and subsequently generates positive cashflow from operations at the Mowana Mine (See “Working Capital Deficit, Financing and Changes in Contracts” and “Risk Factors - The Group relies on key personnel and its management team and outside contractors (including those in Botswana), and the loss of one or more of these persons may adversely affect the Group”), current management would expect the Company would intend to further exploit this reserve while continuing to pursue exploration potential around and under the open pit, and in the Matsitama Belt.

A condition to the Financing is that all existing African Copper directors resign and positions of existing staff of the Group will be made redundant except those positions as set out in writing by Natasa. If the Financing is completed, Natasa has advised that the mine plans at Mowana will be reviewed in order to optimize these. The Board anticipates that further funding will be required before production may be recommenced at the Mowana Mine. The Board expects that such funding will be provided by Natasa but the terms of any further funding will be subject to separate commercial negotiations between the Company and Natasa once the mine plans have been completed and the timing and amount of such funds necessary is known. See “Risk Factors - Risks Associated with Working Capital Deficit and Completing the Financing” and “Risk Factors - If the Financing completes, the Company will be controlled by Natasa”.

The Matsitama Project lies adjacent to and south east of the Dukwe Project. The Matsitama Project offers highly prospective targets, including the Thakadu and Makala copper, silver deposits. With the exception of the Thakadu deposit the Company does not at present consider the areas within the Matsitama Project to be material to the Company as no economic mineralization has yet been identified in the area encompassed by the Matsitama Project. Further exploration may yield indications of mineralization that has the required tenor and size to be considered economic.

The Group requires immediate additional financing to meet its working capital deficit and therefore does not have sufficient cash or debt facilities to pay its existing liabilities or fund future operations. The Group’s ability to meet its obligations and continue as a going concern is dependent on its ability to complete the Financing. See “Working Capital Deficit, Financing and Changes in Contracts”
The first shipment of copper concentrate was dispatched from the Mowana Mine at the end of October 2008 but commercial production was not achieved. Production delays were experienced as a result of, among other things, unexpected equipment failures and a lack of spare parts due to the Company's working capital deficit. The delays in achieving commercial production at the Mowana Mine along with a severe reduction in the demand and price for copper worldwide during the fourth quarter of 2008 resulted in the Company being unable to achieve its anticipated cashflow and obtain the required working capital finance to fund continued operations.

In response to the Company’s working capital deficit, on 21 January 2009 the Mowana Mine was placed on care and maintenance pending the finalization of negotiations to obtain the necessary funding.

Dukwe Project

Prior to ceasing operations at the Mowana Mine on 21 January 2009, management had started to implement a programme to reduce fixed and variable costs and adjust mining rates to enable the Company to sustain operations until such time as market conditions stabilize and improve. Should the Financing be completed and operations re-commence at the Mowana Mine current management would expect these initiatives would be continued “and be expected to include:

- The Group currently has approximately 700,000 tonnes of ore on the Mowana Mine stockpile. Processing ore from the existing stockpiles allows a reduction in short-term mining rate until the balance between the size of the stockpile and the processing rate has been correctly balanced;
- Accessing the highest grade ore in the exposed ore zone strike at the Mowana Mine with smaller scale interim pits. The life of these interim pits is planned to be 18-months. The design offers the opportunity to reduce mining equipment size and reduce the cost of mining at lower volumes;
- Accessing mineral resources from satellite pits, in particular, Thakadu as a low-cost opportunity. The outcrop exposure at Thakadu and the possible small scale of an initial box-cut design lends itself to a small scale operation with limited overheads and the full support of the Mowana Mine infrastructure and management. The possible significant silver credit associated with Thakadu could also be factored into the costs associated with getting run of mine ore to the Mowana Mine plant.
- Focusing on increasing recovery rates of copper through the dual circuit concentrator by optimizing the grade recovery for oxide and sulphide ores. During January 2009 the floatation circuit began to show signs of stabilizing and an improvement in copper recoveries was noted. Various reagent test work was carried out during December 2008 indicating the potential for an improvement in copper recoveries. This test work is being followed up and will be trialed at plant scale level following the restart of operations.
- only funding essential capital projects and suspending all exploration activity.
- reducing operating and administrative costs to support essential operations.

The Mowana Mine Process Plant was commissioned in the third quarter of 2008, however, the ramp-up to achieving commercial production rates is not complete. On 21 January 2009 the Mowana Mine was placed on care and maintenance pending the completion of additional financing to meet its working capital deficit and fund future operations. The key drivers that will impact the success of the Dukwe Project will be:

- the Company’s ability to complete the Financing. See “Risk Factors - Risks Associated with Working Capital Deficit and Completing the Financing”;
- re-commencing operations at the Mowana Mine. See “Risk Factors - The development of the Mowana Mine into a commercial operation and its economic viability cannot be guaranteed”; and
- achieving commercial production rates on a sustained basis without delays caused by equipment breakdown; and
• attaining future profitable operations from the Mowana mine. See “Risk Factors - The Group has little operating history and a history of losses and there can be no assurance that the Group will ever be profitable.

The Company has a large land position in a favourable geological setting, which is relatively underexplored at depth and laterally.

Matsitama Project

In the Matsitama Project area African Copper holds five prospecting licences which are contiguous with the Mowana Mine deposit. All the licences are valid and contain highly prospective areas of mineralization. Mineralisation is currently confined to rocks of the Matsitama Schist Belt (MSB) which overlie ancient granitic rocks of the Zimbabwe Craton. The principle rocks in the MSB are serpentinites, ferruginous meta arkose, calcareous and mica schists, amphibolites, banded ironstones, and various ultramafics. Currently two types of mineralization have been identified in the MSB; these are 1. Base metals with or without Au and Ag in sheared meta-sedimentary-volcanic terrain and 2. PGE elements in Ni-Cr ultramafics. The Cu +/- Zn +/- Pb +/- Ag +/- Au mineralization is located in three different structural corridors and is predominantly hosted by three rock types.
1. Thakadu – Mutsuku Corridor: Cu/ Pb/ Zn and Ag in biotite schist.

2. Nakalakwana Corridor: Cu/ Au/ Ag in biotite schist and ferruginous meta-arkose.

3. Lepashe Cu-Snake Corridor: Cu/ Ni/ Cr/ and V in amphibolite. At Tau sheared quartz/calcite units host anomalous Cu and north of Tholo anomalous Au values occur in soils over a 2km strike length. In the older ultramafics of the Sebotha and Mosupe Formations that surround the central part of the copper rich belt, there is potential for PGE mineralization associated with Ni/Cu mineralization.

Final reports on the high priority prospects within the Matsitama Project were completed during the fourth quarter of 2008. In line with current market conditions and management’s need to aggressively reduce overheads, exploration activity was curtailed at the Matsitama Project with the majority of the exploration team retrenched. Opportunities exist for joint venture associations and these are currently being investigated with interested parties.

**Principal Markets**

The Company’s primary product is expected to be copper. In 2008, the Company produced 270 tonnes of copper in concentrate.

Copper has a wide range of applications because of its many useful properties. It is malleable, durable, strong and resistant to heat. Copper is also one of the most efficient conductors of electricity and heat. Copper is used to manufacture copper wire, copper products and copper alloy products. Wire and cable copper is used for or formed into general industrial cable, utility power cable, telecommunications cable, insulated wire and winding wire for electrical motors. Wire and copper cable is also used in heating and air conditioning systems, plumbing, roofing, and brass fittings. For electrical and electronic devices in common usage such as televisions, radios, lighting, computers and mobile phones, copper wiring is used for electrical leads, adapters, transformers and motors. Copper compounds and chemicals are used to protect plants and crops and to preserve wood. Copper tubing for plumbing, heating systems, air conditioners and refrigerators accounts for a significant use of copper. Copper may also be used in alloy products which include copper sheet and strips and brass fixtures used for building fixtures and fittings.

The price of copper is primarily determined by changes in supply and demand, which are in turn affected and determined by global economic conditions.

**Distribution Methods and Economic Dependence**

In January, 2008, the Company entered into the Offtake Agreement (for copper concentrate sales) with MRI Trading AG, covering 100% of Mowana Mine production during the first 5 years of production. The Offtake Agreement is based on generally accepted international terms for copper concentrates and is benchmarked to published treatment and refining charges. The Offtake Agreement is renewable. See also "Risk Factors - The capital and operating cost estimates for the Dukwe Project are estimates only and may not reflect the actual capital and operating costs incurred by the Company".

**Commercial Production**

Prior to the Mowana Mine being placed on care and maintenance on 21 January 2009 commercial production levels had not been achieved. African Copper must be successful in completing the Financing in order to pay for its existing obligations and have the necessary working capital to re-commence operations at the Mowana Mine. See “Working Capital Deficit, Financing and Change in Contracts” and “Risk Factors - Risks Associated with Working Capital Deficit and Completing the Financing”. Following the completion of the Financing, the mine plans at Mowana will be reviewed in order to optimize these and the Directors anticipate that further funding will be required before production may be recommenced at the Mowana Mine. The Directors
expect that such funding will be provided by Natasa but the terms of any further funding will be subject to separate commercial negotiation between the Group and Natasa once the mine plans have been completed and the timing and amount of such funds necessary is known. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Group and might involve substantial dilution to existing shareholders

**Specialized Skill, Knowledge and Changes to Contracts**

The Company is required under Botswana law to employ and designate appropriately qualified individuals to various positions within the organization for labour, safety and environmental compliance. All senior operating staff and legal appointments were filled in 2008.

**Competitive Conditions**

The mineral exploration and mining business is intensely competitive in all of its phases. The Company competes with numerous other companies and individuals, including competitors with greater financial, technical and other resources than the Company, in the search for and acquisition of exploration and development rights on attractive mineral properties as well as for the recruitment and retention of qualified employees. Although the Company has entered into the Off-take Agreement, the profitability of the Company will depend on its ability to develop its Projects on a cost effective basis. There is no assurance that the Company will compete successfully in marketing its future production, if any, from the Projects, acquiring exploration and development rights on mineral properties or retaining the personnel it requires. See “Risk Factors - The Company may not be able to successfully compete for attractive mineral properties, personnel, licences, and other resources against its competitors”.

**Cycles**

The Company’s revenues will be derived from the extraction and sale of copper concentrate. Copper prices are subject to significant fluctuation and are affected by business cycles and a number of factors beyond the Company’s control. The price of copper has fluctuated widely in recent years and has recently been under severe pressure as the global credit crisis has impacted changes in the worldwide balance of copper supply and demand, largely resulting from slower current and forecasted economic growth and weaker consumption, including by China which had in the recent past supported higher copper prices due to its economic growth during such time. The price of copper is affected by numerous factors beyond the Company’s control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods.

**Employees**

During 2008, as the Company moved towards production at the Mowana Mine, it made a number of key management appointments which the Company expects will have a beneficial impact on aiding its development. As at the end of December 2008, the Company had 208 employees and at 31 March 2008 it had 190 employees.

During 2008 Chris Fredericks succeeded Joe Hamilton (who resigned on 12th June 2008) as the Chief Executive Officer of the Company. Mr. Fredericks was previously the Company’s Chief Operating Officer.

**Foreign Operations**

The Company is incorporated in England and Wales and conducts all of its operations through foreign subsidiaries, and substantially all of its assets are located and held in Botswana through such entities. See “Risk Factors -- Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions”.

-20-
Working Capital Deficit, Financing and Changes in Contracts

The Group requires immediate additional financing to meet its working capital deficit and therefore does not have sufficient cash or debt facilities to pay its existing liabilities or fund future operations. The Group’s ability to meet its obligations and continue as a going concern is dependent on its ability to complete the Financing, re-commence operations at the Mowana Mine and subsequently generate positive cashflow from such operations.

On 16 March 2009 the Company announced that it had signed an agreement with Natasa to assist the Company to meet its immediate and critical working capital requirements. Under the terms of the agreement, Natasa has made available the Short Term Loan Facility, a short-term, interest-free, secured loan facility of US$1.5 million, to be repaid out of the Equity Placement, a proposed US$6.5 million private placement of ordinary shares and funds advanced to the Company pursuant to the Debt Facility, a proposed US$8.5 million debt facility. The Financing is subject to a number of conditions precedents prior to closing including African Copper shareholder approval, agreement of legal documentation in relation to the Debt Facility; the delisting of African Copper from the Toronto Stock Exchange; and the Company’s subsidiaries arranging debt settlement agreements with its Bondholders and Large Creditors such that the Financing will enable the Group liabilities, other than arising from the Debt Facility, to be extinguished in full and allow a remaining cash balance of at least US$3 million to be held by the Group. In the event the remaining cash balance is US$2.5 million (and not US$3 million), the amount of the Debt Facility will be increased to US$9.5 million and the amount of the Equity Placement will be reduced to US$6.0 million. In the event that the remaining cash balance falls between US$3 million and US$2.5 million, the amounts referred to above will be adjusted on a pro rata basis. The Group’s ability to continue as a going concern is dependent upon its ability to complete the Financing, re-commence operations at the Mowana Mine and generate positive cashflows from such operations. Following the completion of the Financing, the mine plans at Mowana will be reviewed in order to optimize these and the Directors anticipate that further funding will be required before production may be recommenced at the Mowana Mine. The Directors expect that such funding will be provided by Natasa but the terms of any further funding will be subject to separate commercial negotiations between the Company and Natasa once the mine plans have been completed and the timing and amount of such funds necessary is known.

It is a condition of the Financing that all the Directors and officers of the Group resign and be replaced with nominees of Natasa. In addition, all positions of existing staff of the Group will be made redundant except those positions as set out in writing by Natasa at closing.

Under the terms of the proposed Equity Placement, Natasa has agreed in principle to subscribe for 1,581,557,998 ordinary shares at 0.30 pence per ordinary share in African Copper to provide aggregate gross proceeds £4.7 million (US$6.5 million). As part of the debt settlement agreements with the Bondholders and Large Creditors it is proposed that the Company will pay to the Bondholders and Large Creditors the sum of £4.3 million (US$5.9 million) representing approximately 20 per cent of the amount owed to them. This payment will be funded from the Financing. In addition, it is proposed that the Company conclude the Debt for Equity Agreement whereby the Bondholders and Large Creditors are issued 530,951,614 new ordinary shares at a deemed price of 3.2 pence per ordinary share in satisfaction of the £17.1 million (US$23.7 million) owed to them. Following completion of the Financing and Debt for Equity Agreement, the Company’s enlarged issued share capital is expected to comprise 2,259,368,569 ordinary shares to be held as set out below:
<table>
<thead>
<tr>
<th>Description</th>
<th>Ordinary shares</th>
<th>% of total following Equity Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing shares in issue</td>
<td>146,858,957</td>
<td>6.5%</td>
</tr>
<tr>
<td>Shares to be issued to Bondholders and</td>
<td>530,951,614</td>
<td>23.5%</td>
</tr>
<tr>
<td>Large Creditors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shares to be issued to Natasa</td>
<td>1,581,557,998</td>
<td>70.0%</td>
</tr>
<tr>
<td>Total following Equity Placement and Debt</td>
<td>2,259,368,569</td>
<td>100.00%</td>
</tr>
<tr>
<td>for Equity Agreement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In view of the fact that 1,581,557,998 of the new ordinary shares to be allotted to Natasa are proposed to be issued at a price which would otherwise represent a discount to their nominal value of 1p per share (which is not permitted by English law), it is proposed that each of the Company's existing shares are sub-divided into one ordinary share of 0.1p each and one deferred share of 0.9p each. Following the sub-division, each existing shareholder of African Copper will (prior to the issue of the new ordinary shares) hold the same proportion of the issued ordinary share capital of the Company as it did prior to the sub-division. Each sub-divided ordinary share will carry the same rights as each existing share. The deferred shares created by the sub-division will in effect be worthless.

**Social and Environmental Policies**

The Group’s mining, exploration and development activities are subject to various levels of local laws and regulations relating to protection of the environment, including requirements for closure and reclamation of mining properties. The Group has adopted an Environmental Management Plan which requires the assessment of the operations’ compliance with applicable laws, regulations, permit requirements, policies, guidelines, procedures and adopted codes of practice. The Group has appointed an Environmental Section Manager at the Mowana Mine who is responsible for assessing the performance of the adopted policies in reducing risk and managing liabilities.

The Mowana Mine operating facilities have been designed to mitigate environmental impacts. The operations have processes, procedures or facilities in place to manage substances that have the potential to be harmful to the environment. The Group also has various programs to reuse and conserve water at its operations. The Group has also implemented safeguards at its properties that are designed to protect wildlife in the surrounding areas.

The Group has implemented programs to manage the handling of ore and rock to reduce the potential for contamination of surface or groundwater by either acid or neutral drainage. Such procedures include segregation of rock with potential for leaching, containment systems for the collection and treatment of drainage and reclamation and closure steps designed to minimize water infiltration.

During 2008, the Group’s operations were in compliance in all material respects with applicable corporate standards and environmental regulations and there were no material notices of violations, fines or convictions relating to environmental matters at any of the Group’s operations.

As part of the goal to minimize the impact on the environment, comprehensive closure and reclamation plans will be developed through the periodic review and update of the preliminary closure plans developed for the EIA prior to the commencement of construction. The Group has estimated future site reclamation and closure obligations, which it believes will meet current regulatory requirements. For more information on the Group’s site reclamation and closure obligations, See "Note 21 of the notes to the consolidated financial statements of the Group for the year ended 31 December 2008".
The closest community to the Mowana Mine is approximately 10 kilometers to the south. As such, the Mowana Mine will have limited direct effects in regards to sound, air quality, dust suppression, water and drainage or other impacts to the ambient environment. The presence of contractors and employees will undoubtedly have social pressures but the development of commercial enterprises in the surrounding villages in 2008 has had a substantial positive economic impact. The Group’s relationship with village councils remains open, cordial and respectful. The Group holds regular meetings in all surrounding villages and provides consultative forums for the resolution of any complaints.

RISK FACTORS

The following risk factors should be considered in assessing the Group’s activities. Should any one or more of these risks occur, it could have a material adverse effect on the business, prospects, assets, financial position or operating results of the Group. The risks noted below do not necessarily comprise all those faced by the Group. Additional risks not currently known to the Group or that the Group currently deems would not likely influence an investor’s decision to purchase securities of the Group may also impact the Group’s business, prospects, assets, financial position or operating results.

Risks Associated with Working Capital Deficit and Completing the Financing

The Group requires immediate additional financing to meet its working capital deficit and therefore does not have sufficient cash or debt facilities to pay its existing liabilities or fund future operations. The Group’s ability to meet its obligations and continue as a going concern is dependent on its ability to complete the Financing, re-commence operations at the Mowana Mine and subsequently generate positive cashflow from such operations. There can be no assurance that the Company will be successful in negotiating and entering into the definitive Equity Placement, Debt Facility and Debt for Equity Agreements.

The closing of the Financing is subject to a number of conditions precedent including African Copper shareholder approval, agreement of legal documentation in relation to the Debt Facility; the delisting of African Copper from the Toronto Stock Exchange; and the Company’s subsidiaries arranging debt settlement agreements with the Bondholders and Large Creditors such that the Financing will enable the Group liabilities, other than arising from the Debt Facility, to be extinguished in full and allow a remaining cash balance of at least US$3 million to be held by the Group. In the event the remaining cash balance is US$2.5 million (and not US$3 million), the amount of the Debt Facility will be increased to US$9.5 million and the amount of the Equity Placement will be reduced to US$6 million. In the event that the remaining cash balance is between US$3 million and US$2.5 million, the amounts referred to above will be adjusted on a pro rata basis.

There can be no assurance that any of the conditions precedent to the Financing will be fulfilled and therefore the Financing closed. In particular:

- The terms of the Financing involve substantial dilution to existing shareholders. Following completion of the Equity Placement, the Company’s enlarged issued share capital is expected to comprise 2,259,368,569 new ordinary shares with current ordinary African Copper shareholders owning 6.5%. In light of this, there can be no assurance that the shareholders of the Company will approve the Financing.

- It is a condition that all Group debts, other than arising from the Debt Facility, be extinguished in full following the closing of the Financing and that at least a US$3.0 million cash balance will remain from the proceeds of the Financing following the discharge of such debts. Taking account of the proposed debt compromise agreements with the Bondholders and Large Creditors the current Group liabilities exceed US$12.0 million (thereby providing less than US$ 3.0 million working capital) and there is no certainty that the Group can arrange further debt settlement agreements with other trade creditors to
allow Group liabilities to be extinguished in full and allow a remaining working capital balance of US$3.0 million as described above.

Should the African Copper shareholders not approve the Financing and/or the Group is unable to complete the proposed transaction with Natasa, the Group will not be able to avoid formal insolvency proceedings (in the absence of immediate alternative funding), and in such event it is unlikely that there will be any assets available for distribution to shareholders.

If the Financing is completed, there is no assurance that US$3 million working capital will be sufficient to re-commence operations at the Mowana Mine and provide the Mowana Mine sufficient working capital to be able to generate future positive cashflow from operations. Following the completion of the Financing, the mine plans at Mowana will be reviewed in order to optimize these and the Directors anticipate that further funding will be required before production may be recommenced at the Mowana Mine. The Directors expect that such funding will be provided by Natasa but the terms of any further funding will be subject to separate commercial negotiation between the Group and Natasa once the mine plans have been completed and the timing and amount of such funds necessary is known. Additional financing may not be available when needed or if available, the terms of such financing might not be favourable to the Group and might involve substantial dilution to existing shareholders.

If the Financing completes, the Company will be controlled by Natasa

In the event that the Financing is implemented in full, Natasa will own 70 per cent. of the enlarged share capital of the Company, will have security over the Company's principal asset, the Mowana Mine and will control the Board. Accordingly, Natasa will control the direction of the Group. Following implementation of the Financing, there will be no limit or restrictions on the ability of Natasa to acquire further shares in the Company. With an additional five per cent. of the ordinary share capital, Natasa would also be able to pass special resolutions at Shareholder meetings of the Company and in practice Natasa is likely to be able to pass special resolutions with a shareholding of 70 per cent in view of the fact that the remaining 30 per cent. of the Ordinary Shares are unlikely to be voted in full at general meetings of the Company. If Natasa is able to pass special resolutions, this would mean that it could, inter alia:

- change the constitution of the Company and the capital structure of the Company;
- issue further shares to itself at a price to be determined by Natasa which may be significantly dilutive to Shareholders' interests;
- dispose of the Group's assets;
- cancel the Company's trading facility on AIM.

The Company currently depends significantly on a single project, the Mowana Mine

The Company’s activities are focused primarily on the Mowana Mine. Any further adverse changes or developments affecting this project would have a material and adverse effect on the Company’s business, financial condition, working capital and results of operations.

The development of the Mowana Mine into a commercial operation and its economic viability cannot be guaranteed

The Mowana Mine was commissioned in the third quarter of 2008 and the ramp-up into commercial
production is not complete. On 21 January 2009 the Mowana Mine was placed on care and maintenance pending raising of additional financing to meet its working capital deficit and fund future operations.

In general, new mining operations that are commencing commercial operations have no operating history upon which to base estimates of future cash operating costs. For new mines such as the Mowana Mine, estimates of mineral resources and mineral reserves are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies. This information is used, in part, to calculate estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, the configuration of the ore body, expected recovery rates, comparable facility and equipment operating costs, anticipated climatic conditions and other factors.

Operating costs are dependent on the costs of various reagents, supplies, spares and labour. While open pit mining costs can sometimes be better estimated than underground mining costs, they are also very dependent on fuel, tyre and maintenance costs, mining rates, equipment configuration, foreign currency exchange rates and availability of skilled labour.

There can be no assurance that the Company will re-commence commercial production or that future cash operating costs will equal estimates due to, among other things, actual tonnages and grades, recovery rates, changes in the economics, delays caused by equipment breakdown, cost overruns and availability of power from South Africa. The continued shut down of the Mowana Mine or, after commercial production re-commences, any reduction in tonnages, grades and/or recovery rates and overruns in operating costs could have a material adverse effect on the Company’s business, working capital and financial condition.

There can be no assurance that the personnel, systems, procedures and controls currently operated by the existing management team or established by the new operating team after completion of the Financing, as applicable, will be adequate to support the Company’s operations.

The capital and operating cost estimates for the Mowana Mine are estimates only and may not reflect the actual capital and operating costs incurred by the Group

There can be no assurance that the actual ore and waste mining costs, transportation and processing costs incurred by the Group will not be greater than currently estimated. Operating cost estimates include supplies and inputs, the cost of which the Group has little control over. These include, but are not limited to, transportation and handling charges, the cost of fuel, the cost of electricity, labour costs, reagent charges, the price of construction materials including steel, and the cost of mining equipment and spares. A material increase in one or more of these supplies and inputs may materially increase the actual capital and/or operating costs incurred by the Group. Any material increase may cause the Mowana Mine to become economically unviable or result in additional delays in the completion of the development of the project, either of which would have a material adverse effect on the Group’s business, financial condition, working capital and results of operations.

Copper price volatility may affect the production, profitability, cash flow and financial position of the Group

The Group’s revenues will be derived from the extraction and sale of copper concentrate. The Group sold the Put Contracts on 12 November 2008 and has not entered into any further hedge agreements in respect of copper at this time. Such contracts would mitigate gains and losses in situations when the price changes. The price of copper has fluctuated widely in recent years and has recently been under severe pressure as the global credit crisis has impacted changes in the worldwide balance of copper supply and demand, largely resulting from slower current and forecasted economic growth and weaker consumption, including by China which had in the recent past supported higher copper prices due to its economic growth during such time. The price of copper is affected by numerous factors beyond the Group’s control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and increased production due to new extraction developments and improved extraction and
production methods. The effect of these factors on the price of copper, and therefore the current or future economic viability of the Mowana Mine and any other of the Company’s projects, cannot accurately be predicted. The potential profitability of the Group is significantly affected by the price of copper and any further decreases in the prevailing price of copper for any significant period of time would have an adverse and material impact on the economic evaluations contained in this MD&A and on the Group’s results of operations, working capital and financial conditions, as well as the economic viability of the Group’s projects.

Nominated Adviser

The Company's current broker and nominated adviser, Numis Securities Limited (“Numis”), has expressed its intention to resign at the same time as the Company's existing Directors step down from the Board if the proposals with Natasa are completed. The Company anticipates being able to find a new nominated adviser to replace Numis. However, should the Company be unable to appoint a new nominated adviser to replace Numis at the relevant time, the Company would be suspended from trading on AIM until a new appointment occurs. If no such appointment is made within one month, the Company's AIM quotation would be cancelled.

Should the Company’s AIM quotation be cancelled as a result of not appointing a new nominated advisor and the Company de-lists from the TSX, which is a condition precedent of the Financing, then the only public exchange that the Company’s ordinary shares would be traded upon would be the Botswana Stock Exchange. Liquidity on such exchange may be limited.

Future production will be subject to the normal risks of mining operations

The Group’s future mining operations, if re-commenced, are subject to all of the hazards and risks normally incidental to exploration, development and the production of copper.

The Group’s future mining activities may be subject to prolonged disruptions due to weather conditions, hazards such as unusual or unexpected geologic formations, flooding or other conditions that may be encountered in the drilling and removal of material. There may be a higher than normal risk of sourcing and hiring suitably trained plant management, operating and maintenance staff and these people may not be readily available in Botswana or not otherwise easily employed from within the Southern Africa region. This situation could also be impacted by delays in obtaining necessary work and other labour permits to allow expatriate expertise to be utilized to the extent necessary.

The Group’s copper concentrate will require smelting, and such smelting capacity may not be available or may adversely affect project economics

The production from the Mowana Mine is in the form of copper concentrate which needs to be treated at third-party smelters. The availability of smelter capacity is not guaranteed and costs of such treatment including related transportation cost to the smelter may adversely affect the economic viability of such production.

The Group relies on key personnel and its management team and outside contractors (including those in Botswana), and the loss of one or more of these persons may adversely affect the Group

The Group’s business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The Group has entered into employment agreements with certain of its key executives. The success of the Group is, and will continue to be, to a significant extent, dependent on the expertise and experience of the directors and senior management and the loss of one or more could have a materially adverse effect on the Group.

A condition to the Financing is that all existing African Copper directors resign and positions of existing staff of the Group will be made redundant except those positions as set out in writing by Natasa. Accordingly, no
assurance can be given that following the completion of the Financing that Natasa will maintain existing staff or appoint new staff with the requisite expertise to operate the Group’s business.

**Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions**

The Company conducts its operations through foreign subsidiaries, and substantially all of its assets are held in such entities. Accordingly any limitation on the transfer of cash or other assets between the parent corporation and such entities, or among such entities, could restrict the Company’s ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist in the future, could have a material and adverse impact on the Company’s business, financial condition, working capital and operations.

In addition, operating in foreign jurisdictions exposes the Group to the effects of political, economic or other risks, including changes in foreign laws (whether arbitrary or not), expropriation or nationalization of property, risks of loss due to civil strife, acts of war, insurrection or terrorism (including the effects of such acts which occur in neighbouring states), cancellation or renegotiation of contracts or the inability to enforce legal rights in the foreign jurisdiction.

**Government regulations may have an adverse effect on the Group**

The Group, its subsidiaries, its business and its operations are subject to various laws and regulations. The costs associated with compliance with such laws and regulations may cause substantial delays and require significant cash and financial expenditure, which may have a material adverse effect on the Group’s business, financial condition, working capital, results of operations, and prospects and, in particular, the development of the Mowana Mine.

The Group’s operations and its ability to hold various mineral rights require licences, permits and authorizations and, in some cases, renewals of existing licences, permits and authorisations from various governmental and quasi-governmental authorities. The Group believes that it currently holds or has applied for all necessary licences, permits and authorisations to carry on the activities that it is currently conducting and to hold the mineral rights it currently holds under applicable laws and regulations in effect at the present time, and also believes that it is complying in all material respects with the terms of such licences, permits and authorisations. However, the Group’s ability to obtain, sustain or renew such licences, permits and authorisations on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable governmental and quasigovernmental bodies and there can be no assurance that the Group will be able to obtain, sustain or renew any such licences, permits or authorisations on acceptable terms or at all.

**Currency fluctuations may adversely affect the costs that the Group incurs in its operations**

Copper is sold throughout the world, principally in US Dollars. The Group’s costs are incurred primarily in Pula, and to a lesser extent in British Pounds Sterling, South African Rand and Canadian Dollars. Changes in the currency exchange rates of the US Dollar against the any of these currencies may affect the actual capital and operating costs of the Projects and will affect the results presented in the Group’s financial statements and cause its financial position to fluctuate. As well, such fluctuations may affect the cash flow that the Group hopes to realise from its operations. Accordingly, the Group is exposed to exchange rate fluctuations which could have a material adverse effect on the Group’s business, financial condition, working capital, results of operations and prospects.

Further, there is no guarantee that the Government of Botswana will not impose restrictions on the convertibility of and obligations to remit and convert to local currency in future. Such fluctuations in foreign currency or restrictions on the convertibility of and obligations to remit and convert to the currency of Botswana could have a material adverse effect on the Group’s business, financial condition, working capital, results of operations and prospects.
The prevalence of HIV/AIDS in Botswana may adversely impact the Group’s proposed mining operations

The per capita incidence of the HIV/AIDS virus in Botswana has been estimated as being very high, according to public sources. As such, HIV/AIDS remains the major healthcare challenge faced by Botswana and the Group’s operations in the country. If the number of new HIV/AIDS infections in Botswana continues to increase and if the Government of Botswana imposes more stringent obligations on employers related to HIV/AIDS prevention and treatment, the Group’s operations in Botswana and its profitability and financial condition could be adversely affected.

Insurance and uninsured risks

Although the Group maintains liability insurance against certain risks in an amount that it considers consistent with industry practice for a corporation in the development stage, the nature of these risks is such that liabilities could exceed policy limits or could be excluded from coverage, in which event the Group could incur significant costs that could have a material adverse effect upon the Group’s business, financial condition, working capital and/or results of operation. As well, there are risks against which the Group cannot insure or against which it may elect not to insure. The potential costs that could be associated with any liabilities not covered by insurance which may be taken out or in excess of insurance coverage may cause substantial delays and require significant capital outlays, adversely affecting the Group’s financial condition, working capital and/or results of operation.

The Group has little operating history and a history of losses and there can be no assurance that the Group will ever be profitable

The Group requires immediate additional financing to meet its working capital deficit and therefore does not have sufficient cash or debt facilities to pay its existing liabilities or fund future operations. The Group’s ability to meet its obligations and continue as a going concern is dependent on its ability to complete the Financing, re-commence operations at the Mowana Mine and subsequently generate positive cashflow from such operations. The Group has no mineral properties from which any ore has ever been extracted and sold at commercial levels and its ultimate success will depend on its ability to generate cash flow from producing properties in the future. The Group has not earned profits to date and there is no assurance that it will do so in the future.

The success of current and future exploration activities cannot be assured

Due to the Group’s working capital deficit and need to raise immediate financing all exploration on the Group’s properties has been curtailed and the majority of the exploration team has been retrenched. The exploration and development of mineral deposits involves significant financial risks over a prolonged period of time, which even a combination of careful evaluation, experience and knowledge cannot eliminate. While discovery of a mineral structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenditure may be required to establish mineral reserves by drilling and to construct mining and processing facilities at a site. It is impossible to ensure that pre-feasibility studies or full feasibility studies on the projects or the current or proposed exploration programmes for the Projects will ever result in the discovery of an economically viable mineral deposit or in a profitable commercial mining operation.

Whether a copper deposit will be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as its size and grade, proximity to infrastructure, financing costs and governmental regulations, including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of copper and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Group’s projects not being, or ceasing to be, viable, which would have a material adverse effect on the Group’s business, financial condition, working capital and results of operations.
PROJECT DETAILS

Mowana

The information that follows is derived from the Mowana Mine Technical Report. Detailed disclosure with respect to the Project is contained in the Mowana Mine Technical Report, which is available for review under the Company’s SEDAR profile at www.sedar.com and is incorporated herein by reference. At the time of the preparation of the Mowana Mine Technical Report, each of the individuals who contributed to the Mowana Mine Technical Report was, or was supervised by, a “qualified person”, as that term is defined in NI 43-101. Messrs. Lancelot Stilwell, Robert Palmer, Iain Kelso and John Cox were the qualified persons who authored the Mowana Mine Technical Report and are independent of the Group.

Summary

African Copper Plc (AC) appointed Read, Swatman & Voigt (Pty) Ltd. (RSV) an independent consultant to prepare a Canadian National Instrument 43-101 compliant Technical Report on the Mowana Mine (formerly known as the Dukwe Copper Project).

RSV has compiled this Technical Report from information supplied by others, as detailed in Sections 2.3 and 3. Where appropriate, either African Copper Plc or RSV have retained independent experts to contribute to specific sections of this report as outlined in the Preface to this report, and in Sections 2.3. The responsibility for, and accuracy of, those sections belongs to the individual authors, as listed in the preface, and as declared in the attached Statement of Qualifications. RSV has reviewed the work presented herein and found the independent authors have completed it to generally accepted industry standards. Please note that, as this Report contains work published by the various Consultants before the change of name, the terms Mowana Mine and Dukwe Copper Project both appear in the text but refer to the same deposit.

This report contains no specific recommendations since the process plant was under construction. Rather, this report contains a review of the work completed to date, highlights areas that may be critical concerns during operations, gives capital and operating cost estimates, and shows the improvements that may be introduced through the implementation of a Dense Media Plant into the original design. This report reviews pit designs and displays the conversion of resources to reserves based on the metallurgical work reviewed here and the operating cost estimates reported.

African Copper PLC is the holding company of a mineral exploration and development group of companies that are exploring and developing copper projects in the Republic of Botswana. The Group has a 100% interest in the rights of two mineral properties in Botswana -- the Mowana Project and the Matsitama Project. Together they give African Copper exclusive rights to explore the Matsitama Belt of Botswana, including the Mowana and the Thakadu-Makala deposits.

African Copper PLC (African Copper) is a tri-listed (AIM, TSX, Botswana Stock Exchange) international exploration and development company. The ordinary shares of African Copper trade on AIM and the TSX under the symbol "ACU", and on the BSX under the symbol "African Copper".

The Mine is located some 120km northwest of Francistown, a city in north-eastern Botswana, and is centred on coordinates 20°31’38" South and 26°35’46" East at an elevation of 1,005m amsl. Access to the Mine is via a well-maintained 12.5km long gravel road from the sealed Francistown-Maun highway. A modern railway line and a 132kV electrical power line run parallel to this highway. Skilled labour and most services are available in Francistown, and the proximity to the mature mining industry of South Africa ensures that most required services and supplies are available.
African Copper holds a Mining Licence over an area of 32.7km$^2$ and a Prospecting Licence over an area of 283km$^2$ through Messina Copper (Botswana) Pty Ltd, a wholly owned subsidiary. The Mining Licence is valid until 31st December 2031. The Prospecting licence has an anniversary date of 30th June 2008 at which point at least 50% of the area must be released in order to renew the remaining licence for a further two years. The licences are free and clear of encumbrances, such as underlying payments or royalties to previous owners. The mineral rights are 100% attributable to African Copper through wholly owned subsidiaries.

The Mowana Mine is hosted within NNE striking, steeply east dipping carbonaceous and argillaceous metasediments of the Matsitama Metasedimentary Group that are enclosed within foliated granitoids of the Mosetse Complex. Sulphide mineralization occurs within sub-vertical epithermal quartz-calcite vein breccias containing predominantly chalcopyrite + pyrite ± galena and sphalerite mineralization. Sulphide mineralization is capped by secondary oxide and supergene copper enrichment up to depths of approximately 50m and 150m below surface respectively. This in turn is overlain by Phanerozoic Karoo Supergroup siltstones, conglomerates and local tillite over the north and west areas of the deposit with depths up to 90m. Regolith cover over the southern extent of the deposit generally consists of shallow (1-3m) clay rich black soils.

Four deformation periods have been interpreted within the project area, the strongest and most significant with regards to veining and mineralization being the deformation that initiated the regional scale Bushman lineament - a NNE-SSW trending major shear zone that forms the western boundary of the Matsitama Schist belt. A final post mineralization deformation event produced a number of NE trending parallel faults transecting the mineralized breccia at a low angle into three main zones of roughly equal length. From north to south, they are Mapanipani North, Mapanipani and Bushman sections.

The footwall argillaceous metasedimentary rocks exhibit alteration mineralogy and textures of retrograde regional greenschist metamorphism from either a higher grade lower amphibolite facies or arguably a more localized thermal metamorphic hornfels. In the Mapanipani and Bushman sections localized but well developed talc/serpentine alteration from metasomatism occurs within dolomitic lithologies.

Sulphide bearing veins are generally spatially associated with carbonaceous (graphitic) argillites and are composed of quartz+calcite ± K feldspar in varying ratio’s with three stages of quartz veining having been identified. Only the second vein generation bears Cu, Pb & Zn sulphides. Areas of intense vein stockworks have been termed breccias and form the copper deposits. Fluorite and barite are rare but locally evident. Pyrite + chalcopyrite occur mostly as semi-massive patches and coarse aggregates. Galena±sphalerite occurs locally almost always associated with fluorite in discreet zones generally separate from chalcopyrite mineralization which it slightly post-dates.

In 2005 and 2006 MCB completed an extensive 30,000 metre diamond drill program which culminated in an October 2006 N143-101 compliant resource estimate completed by RSG Global Consulting. This report incorporated data collected up until the end of July 2006.

During the first half of 2007, MCB appointed Caracle Creek International Consulting, Inc. ("CCIC") an independent firm of geological consultants, to examine the existing geological data and to update the ore resources using available data up to the end of 2006. CCIC published a N143-101 compliant report in June 2007, in which it estimated the Measured and Indicated mineral resources to total 146.9 million tonnes at an average grade of 0.45% Cu. A further 86.7 million tonnes at an average grade of 0.36% Cu are classified as Inferred mineral resource.
<table>
<thead>
<tr>
<th>Geozone</th>
<th>Orebody</th>
<th>Classification</th>
<th>Tonnes</th>
<th>Cu %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shells</td>
<td>Measured</td>
<td>11,546,890</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Indicated</td>
<td>19,485,516</td>
<td>1.41</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sub total</td>
<td>31,032,406</td>
<td>1.42</td>
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<tr>
<td></td>
<td>Inferred</td>
<td>18,369,151</td>
<td>1.16</td>
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<td>Breccia</td>
<td>Measured</td>
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<tr>
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<td>Indicated</td>
<td>53,190,422</td>
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<td>Sub total</td>
<td>115,908,348</td>
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<td></td>
<td>Inferred</td>
<td>46,309,310</td>
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<tr>
<td>Combined</td>
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<td>74,264,816</td>
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<td>Indicated</td>
<td>72,675,938</td>
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<td>Sub total</td>
<td>146,940,754</td>
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<td></td>
<td>Inferred</td>
<td>86,669,778</td>
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</table>

NOTE: CCIC is an independent consulting firm commissioned by African Copper. The CCIC estimate was prepared under the supervision of Justin Glanvill Bsc.(Hons), Pr. Sci Nat., and a "Qualified Person" for the purposes of NI43-101 in Canada. A report entitled "Dukwe Copper Project-2007 Geological Modelling and Resource Reestimation-Effective Date 14th June 2007" is available at www.sedar.com for review. The estimate has been completed to SAMREC, JORC and NI43-101 definitions and standards. CCIC utilized an indicator kriging methodology to complete this estimate. This resource estimate is shown at a 0% cut-off.

Table 1-1: Ore Resources

Turgis Consulting, an independent firm appointed by Messina Copper, used their Report No. 30100-01, prepared in January 2007, as a basis for their review of the mine design. Using Mine2-4D® and Datamine® software, Turgis prepared a resource depletion schedule for the period 2007 to 2014 which indicated Mowana would reach its production target of 3 Mtpa in 2010 (as detailed in Table 17.20).

RSV examined the Mine2-4D® and Datamine® models, and is satisfied that the work seen is sound and reasonable and satisfies the requirements for classification of the Measured and Indicated Resources that fall within the practical pit design as a Proven and Probable Reserve, as shown in Table 1.2:

<table>
<thead>
<tr>
<th>Category</th>
<th>Tonnage</th>
<th>Copper</th>
<th>Contained Metal</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Mt</td>
<td>%</td>
<td>Tonnes Cu</td>
</tr>
<tr>
<td>Proven</td>
<td>10.82</td>
<td>1.00%</td>
<td>108,200</td>
</tr>
<tr>
<td>Probable</td>
<td>3.98</td>
<td>1.40%</td>
<td>55,720</td>
</tr>
<tr>
<td><strong>Sub Total</strong></td>
<td><strong>14.80</strong></td>
<td><strong>1.11%</strong></td>
<td><strong>163,920</strong></td>
</tr>
<tr>
<td>In-pit Inferred Resource</td>
<td>4.33</td>
<td>0.80%</td>
<td>34,640</td>
</tr>
</tbody>
</table>

Table 1-2: Proven & Probable In-pit Reserves and In-pit Inferred Resources as at 26 November 2007
The reserve cut-off grade is based on the following parameters, details of which are contained elsewhere in this Report:

- The forward copper price curve as at 24 September 2007
- Operating costs
- Metallurgical recoveries
- Prevailing Botswana tax rates
- Average smelter charges ("TR/RCs")
- Transport costs to the port of Maputo, in Mozambique

Oxide and supergene ores comprise 35% and 45% respectively of the open pitable reserves, with the sulphide ore contributing the remaining 20%. Production from the open pit will come mainly from this material, and will cease after 2014, when the strategic plan is to extract sulphide ore from underground. The purpose of the open pit phase is to fund the underground mine. The future underground operation will extract mainly the sulphide ore

The original intention was to recover copper using heap-leaching, but the highly prohibitive price of sulphuric acid (US$11.33/tonne processed), the longer leach cycle periods (in excess of 200 days), and moderately low copper recoveries (75-83%) prompted MCB to pursue other more economic copper recovery methods. In August 2005, MCB placed an order on SGS Lakefield (South Africa) through Senet, to investigate the recovery of copper oxide, supergene & primary sulphide ores from Mowana. The results of this investigation were that:

- Milling characteristics showed average work and abrasion indexes - standard crusher/ball mill configurations will be suitable for grinding.
- Mineralogical examination of the three types of ore led to the development of a flotation flow sheet that was suited for all the ore types.
- Bench scale flotation results have demonstrated the amenability of oxide, supergene and sulphide ore to recovery within a standard flotation concentrator.
- Recoveries were obtained at a coarse grind (150 micron) for all the three types of ore.
- Sulphide recoveries of 90% have been achieved to produce a concentrate containing between 32% copper from the bench scale and locked cycle tests.
- Supergene recoveries exceed those expected from heap leach - 83% recovery indicated from supergene zones producing a 30% concentrate grade.

Using the Lakefield test results, SENET CC ("Senet"), an independent engineering company based in Johannesburg, designed a process that included:

- A concentrator to handle oxides; supergene and primary sulphides, and which allows for any future increase in through-put.
- A crushing plant with a maximum nominal 90,000 tonnes per month through-put operating for 12 hours per day. The proposed process circuit allows the crushing facilities to be increased to 210,000 tonnes per month
A milling & flotation plant that can handle up to 90,000 tonnes per month (nominal tonnage 75,000 tpm). The layout of this plant allows for easy future expansion. The flotation circuit able to accommodate oxides, supergene and sulphides ores.

A water recovery system from the flotation tailings that minimises the demand for fresh water.

MCB engaged a further independent consultant, K'Enyuka, to conduct an independent review of the proposed metallurgical processes and of the capital estimate. Based on information received, K'Enyuka considers the metallurgical aspects of the project to be sound. K'Enyuka's Review identified the following items that may require particular attention:

1. The test programme was based on the treatment of the individual ore types, and site visits and geological reports indicate that mining of the three ore types as discrete packages will be virtually impossible. Test-work on a blended composite is already underway.

2. The sizing of the concentrate pumps could be problematic, if the three ore types are processed separately, due to the large mass and volume flow differences; the mass pulls vary from two to seven times. This matter requires further investigation.

3. The availability of water as compared to the amount of water required has been reviewed. On the basis of various submissions there should be sufficient water available to meet plant requirements. Cognisance will need to be taken of the additional water requirements for the underground mine. It is understood that a further application is being made for additional water abstraction rights for that increased requirement.

The Mowana ore body is amenable to both open cast and underground mining although the vertical orientation of the mineralization results in high strip ratios that limit the maximum depth of the open pit.

As with many such ore-bodies, the near surface metal sulphides have been oxidised to varying degrees. This ore will be mined and treated during the early phase of open cast mining. It is difficult to achieve high recoveries during oxide flotation and the main sulphide ore is more amenable to upgrade and extraction in conventional DMS and flotation systems. Consequently, the main target of future mining is the deeper sulphide ore.

A further characteristic of this ore body is that the tenor of mineralisation is variable throughout the deposit and on a local scale and there is a gradual reduction of metal content away from the centre of the main body. Normal mining at any given cut-off grade would result in metal-bearing tailings.

MCB engaged the Minéro Group, another independent consultancy with experience in similar mineral extraction projects to investigate this problem. Minéro proposed a Dense Media Separation (DMS) circuit as an effective pre-concentrator to the main plant as the most effective solution.

Minéro proposed to separate run-of-mine ore into a two streams. One third of the ore would be high grade, and two thirds would be low grade. The high-grade ore will pass through a crusher directly to the flotation plant. The low grade ore will pass through a separate crusher and upgraded in the DMS plant, before proceeding to the flotation plant, as shown in Figure S1.
This would both reduce the mining cut-off grade and increase the plant feed by a factor of three, thereby producing more metal without modifying the planned mining schedule to any great degree.

Table 17.18 [in the Mowana Mine Technical Report] shows Inferred, Indicated and Measured Ore Resources at a 0.1% Cu cut-off grade. A substantial portion of the Resources fall outside of the pit limits and will likely be extracted by underground mining methods.

Examination of the geological and assay data reveals that the in-pit inferred material is distributed throughout the ore zones and does not occur in discrete areas. Normal mining operations will unavoidably extract some of these In-Pit Inferred Resources with a resulting dilution of the ROM ore. The production schedules presented in this report ignored the impact of treating this material. The incorporation of this material would improve the production since the grade of inferred material is generally above economic cut-offs.

Minério concluded that:

- It is metallurgically and technically feasible to introduce a DMS circuit.
- The DMS Option provides a good platform for the underground phase of the Project in both a technical sense as well as for a future funding base.
- The DMS Plant will maximise recovery of copper from the sulphide ore in the future underground mine.
Matsitama Project

The information that follows is derived from the Thakadu Technical Report. Detailed disclosure with respect to the Thakadu Project is contained in the Thakadu Technical Report, which is available for review under the Company’s SEDAR profile at www.sedar.com and is incorporated herein by reference. At the time of the preparation of the Thakadu Technical Report, each of the individuals who contributed to the Thakadu Technical Report was, or was supervised by, a “qualified person”, as that term is defined in NI 43-101. Mr. Ken Lomberg was the qualified person who authored the Thakadu Technical Report and is independent of the Company.

Introduction

RSG Global Consulting Pty Ltd was engaged by Messina Copper (Botswana) (Pty) Ltd ("MCB"), a wholly owned subsidiary of African Copper plc, to design and manage the exploration and delineation drilling of the Thakadu Copper Project in Botswana and to estimate mineral resources for the oxide and sulphide zones. This report details the geology of the deposit and the mineral resource estimate.

The Thakadu Copper Project is centered on coordinates of 21°03'10" South and 26°46'14" East at a mean elevation of 1,045m amsl. The project is located some 80km west of Francistown in northern Botswana. Access to the project area is by the sealed Francistown - Orapa Road from Francistown (80km) and some 3km along a well maintained gravel road near the settlement of Matsitama. A high voltage power line parallels the Francistown - Orapa road carrying power from the national grid to Orapa. Skilled labour and most services are available in Francistown, and the proximity to the mature mining industry of South Africa ensures that most required services and supplies are available.

The mineral rights for the Thakadu Copper Project are 100% owned by African Copper through its wholly owned subsidiary Matsitama Minerals (Botswana) (Pty) Ltd ("Matsitama Minerals"). The area is covered by a 63km² prospecting licence, PL 01/2005. All ground adjacent to the Thakadu licence is also held under prospecting licence by Matsitama Minerals.

RSG Global personnel have been on site on a continuous basis from May 2006 to February 2007. Mr. McKinney visited the site every month in a supervisory role and Mr. Lomberg visited the site in November 2006 for due diligence purposes.

History

There is evidence of ancient settlement in the region including fortifications, pottery, marked graves and ancient workings of the copper deposits. The ancient workings were performed using an open stoping underground mining method. Archaeological evidence suggests the people came to the area to mine rather than settle, possibly originating from the Greater Zimbabwe empire enslaving people to work on the copper mines. An approximate dating of charcoal from Thakadu pit gives an age of 400 years. The Bechualand Geological Survey (BGS) which discovered and mined the Bushman Prospect, Rhodesian Selection Trust (RST) which sank the shafts at Tahakadu and Makala, Bamangwato Concessions Limited (BCL), Falconbridge Exploration (Botswana) Limited (FEB) and Metal Mining Agency of Japan (MMA) explored the deposit intermittently from 1955 to 1983.

In 1992 the Thakadu Mining Company (TMA) acquired the property and used MPH Consulting to carry out a historical data review, resource calculation and a pre-feasibility study in November 1995.
Project Geology

The Thakadu Copper Project is hosted within WNW striking, SSW dipping carbonaceous, felsic and argillaceous metasediments and volcanics of the Achaean Matsitama Metasedimentary Group which are enclosed within foliated granitoids of the Mosetse Complex. The schist belt is one of the many Archaean granite-greenstone belts in Southern Africa and exhibits the characteristic arcuate shape with a long axis of approximately 50km and a variable 15km average cross axis.

The Thakadu deposit has been defined over a strike length of 600m and to a depth of 400m. The copper mineralization is generally strata-bound and is hosted by a complexly folded sequence of felsic sedimentary rocks, about 50-100m thick. Above and below the felsic package are amphibolites and volcaniclastics.

The principal Matsitama Metasedimentary Group lithologies enclosing the deposit are quartz- and quartz-carbonate arenites, siliceous carbonates, biotite schists, graphitic carbonates, calcareous phyllite and minor conglomerate and limestone units. Footwall and hangingwall lithologies consist of amphibolites, mafic/intermediate volcanics and volcaniclastic rocks.

Structure

Due to the lack of outcrop exposure at the Thakadu Copper Project with the exception of the ancient pit, most structural data and subsequent interpretation is collected from oriented drill core. At the completion of the programme a total of 1,228 planar and 177 linear measurements were collected. From the resultant orientation data and subsequent observations four deformation events have been recognized denoted D₁ to D₄ and are summarized below.

- **D₁**
  - Large ESE-oriented bedding-parallel thrusts where a thrust zone is located north of Thakadu.
- **D₂**
  - A major regional deformation event producing NW to NNW-trending upright to SW-dipping folds and a strongly penetrative axial planar foliation across the Matsitama Belt.
  - Upright, open to tight folds that plunge gently to the SE with axial planes dipping moderately to the SW and a z-asymmetry.
  - Parallel SW-dipping F₂ fold limbs, asymmetry, and facing structures indicate the Thakadu Copper Project is located on the northeastern limb of a syncline.
- **D₃**
  - Large ESE-oriented SW-dipping shear zones with a dextral-normal (top to the SW) sense of displacement. Shear zones are sub-parallel to bedding on the SW dipping F₂ limbs and the S₂ foliation.
  - Fabric ranges from a spaced crenulation cleavage, axial planar to kink folds and increases in intensity towards D₃ shear zones with development of strongly penetrative mylonitic fabrics.
  - Chalcopyrite is seen along the S₂ foliation and has been refolded by D₁ suggesting mineralization occurred during D₂.
- **D₄**
  - The D₄ event produced a series of sericite-dominant ESE- and NW-oriented shear zones and faults which appear to reactivate and overprint earlier formed SW-dipping D₃ shear zones but with an opposite sense of displacement (sinistral-reverse).

Mineralization

Economic copper mineralization within the hypogene zone at the Thakadu Copper Project occurs as chalcopyrite ± bornite in disseminations and irregular stringers hosted dominantly within quartz-carbonate rocks.
Mineralization also occurs within mica schists, quartz-carbonate veins and graphitic calcareous rocks adjacent to the quartz carbonate units. The near surface parts of this zone have been enriched in a thin sporadic supergene blanket, while the parts closest to surface have been oxidized with the development of copper carbonate, silicate and oxide minerals as well as native copper. Thakadu hosts significant silver grades but no discrete silver minerals have been isolated and it is assumed that the silver occurs predominantly in the bornite.

This largely strata-bound deposit has a variable overall true width ranging from <2m to 35m, is largely continuous along strike but thickens gradually to the south east and more significantly at the south east end of the deposit, due to deformation and folding.

**Exploration and Drilling**

The Thakadu Copper deposit was first investigated by BCL. This work occurred in the periods from 1961 to 1976 and included soil sampling, mapping and 39,000m of diamond and percussion drilling in 156 holes. A prospect shaft was dug at both Thakadu and Makala to approximately 70m below surface with 620m of lateral underground development and 880m of underground drilling being completed.

BCL mineral rights in the area lapsed at the end of 1976 and FEB subsequently applied to the Botswana Government for a prospecting licence covering the Matsitama area, including the Thakadu Copper Project. During 1977-1979 the Thakadu prospect shaft was dewatered by Falconbridge and re-mapped and channel sampled. Limited trenching and geophysics was also carried out. No drilling was undertaken but a "reserve" was calculated from re-logging and re-evaluation of the BCL work. FEB released the concession in 1981.

MMA held the ground until 1983 and carried out geochemical soil sampling and airborne and ground geophysics. G.S.E. Mining cc carried out a full mine feasibility study on the Thakadu Prospect between 1989 and 1990 but the project was dropped due to low global copper prices.

RSG Global was commissioned by African Copper to manage the exploration program in 2006 and to produce a mineral resource estimate of the Thakadu Copper Project. Part of the project included the twinning of historical holes to determine whether they could be included in the resource estimate. Fourteen holes were twinned during the programme. These were drilled within 5m of the original collars at the same dip and azimuth as the historical holes.

The bulk of the drilling completed was an infill drilling programme. The aim of the programme was to delineate the mineralization over the entire Thakadu Copper Project. Therefore the bulk of the holes targeted gaps in the historical dataset in particular closing off the mineralization in the northeast and southwest corner of the deposit area where mineralization was open to depth and along strike. The holes were drilled at between -50° and -78° to the northeast and due to the thick hangingwall cover of amphibolites and mass flow units in the south and southwest of the deposit, extensive use was made of precollaring by percussion drilling to provide fast and cost effective penetration through zones of no economic interest.

In total, 21 holes were drilled to completion for 6,294m of resource drilling, and of this 2,981 m was percussion precollar drilling, representing 47% of the metreage. The twinning of historical holes was completed in September 2006 and the infill drilling programme completed in July 2007. All diamond drilling was undertaken by drilling contractors to an industry standard. Core recoveries were estimated to average >95%. In numerous holes the core was oriented at the completion of every run to allow structural measurements to be made. A downhole survey was conducted every 30m or better down the hole. The run lengths and recoveries have been routinely recorded, all core has been consistently marked up, cut with a diamond saw, and half core sampled to industry standards.

Initial survey control was established in the area by a registered local surveyor using a Leica SR530 DGPS System accurate to approximately 10mm. Drillhole collar positions were laid out by hand held GPS or by
compass and tape off the established grid lines. In all cases the "as drilled" collar positions were accurately surveyed on completion by a registered surveyor using a Leica SR530 DGPS System.

A surface DTM point data set was compiled from drillhole collar locations, toe and crest surveys of old pits and dumps and grid traverses of the surrounding area using a differential GPS systems. A topographic surface DTM was modelled from this data over an area of 13.7km² with an estimated resolution of better than 0.5m.

All survey, geotechnical, logging and sampling data collected was entered into Excel and then directly merged into Micromine on site with offsite backup. Hardcopy data, original downhole survey logs lithological, geotechnical, sampling and structural logs etc. were filed on site and retained.

Sampling

Industry standard core sampling methods were employed. Each geologist was responsible for their drillhole ensuring that all sampling procedures from start to finish were consistently being adhered to. Once the geologists completed logging a hole they marked out sample intervals over mineralized zones. If the core was oriented the orientation line was used as the median cut line with a procedure in place where the core cutter would cut just off this line so that the oriented core remained in the tray. If the core was unoriented the core was marked up with a median cut line and this extended through locked core as far as possible to ensure that the same half of the core was sampled consistently. To ensure accuracy during cutting and bagging a redundancy system was introduced for marking sample intervals.

ALS Chemex supplied preparatory sample tickets and these dictated the numbering system used. Core was then cut and the appropriate half bagged and laid out on the sample prep pad to allow the insertion of standards, blanks and empty bags for re-splits into the batches. Once QA/QC samples had been inserted the samples were bagged and shipped in sealed bags and containers by commercial courier to ALS Chemex Johannesburg.

Relative density measurements were taken for each assay interval with solid core. In addition, on a representative selection of 15 holes (roughly every 4 drill lines), measurements were taken every metre down the hole to give hangingwall and footwall values.

Sample Preparation and Analysis

All sample preparation and analysis for the 2006 drilling campaign was undertaken at ALS Chemex, Johannesburg, South Africa. The analytical method used was four acid near total digestion followed by Inductively Coupled Plasma Atomic Emission Spectrometry for 25 elements.

Data Verification

The comprehensive quality control and quality assurance programme undertaken included the use of three commercial standards or reference materials supplied by Geostats, Perth, Western Australia, blanks (silica sand) and duplicates at a frequency of 1:20. The blanks and standards were supplied with the batches of samples. The laboratory was requested to rifle split coarse rejects for a field duplicate. In addition, samples were submitted for umpire analysis to Genalysis, Perth, Western Australia.

The quality assurance data was analysed on an on-going basis and various queries generated with the laboratory. Re-assaying of batches of samples where significant deviation from standards occurred, or due to failed visual correlation with core, were undertaken.

The Thakadu Copper Project assay data for Cu and Ag is considered acceptable in terms of both assay precision and accuracy. The standards data generally report within the targeted ±10% accuracy range. The assay
precision is considered acceptable, with the laboratory ensuring that problems identified were resolved and cleaning between all crushing and milling stages undertaken.

In order to develop a mineral resource model for the Thakadu Copper Project it was necessary to integrate historic BCL holes. As a basis for acceptance of the historical data, fourteen twin drillholes were completed and each of the fourteen twin pairs was compared for lithology/geology, style of mineralization, and tenor of mineralization. Based on this the twin drilling demonstrates the validity of including the historical data into the mineral resource estimate.

**Adjacent Properties**

The Makala copper deposit lies some 1,800m to the north west (centre to centre) of Thakadu, along strike from it within the same broad metasedimentary package. Sporadic near surface mineralization has been defined over a strike length of approximately 1,800m, some 1,600m of which was fairly extensively covered by BCL diamond and percussion drilling in conjunction with Thakadu. Shallow percussion drilling extends for an additional 1 km to the north west along strike. RSG Global twinned several Makala holes and undertook some limited infill drilling during 2006.

The two deposits are hosted in very similar broad metasedimentary packages and host the same styles of mineralization with stringer and disseminations of chalcopyrite and bornite hosted by a select few quartz carbonate units. Due to the lack of surface outcrop, high metamorphic grade, structural complexity and lack of definitive marker horizons the exact stratigraphic correlation between the two deposits is uncertain. BCL and FEB both undertook resource estimates for the deposit as part of feasibility studies for underground mining operations.

**Metallurgy**

Various laboratory and pilot plant testwork were undertaken by different operators on material from the Thakadu Deposit. African copper undertook additional testwork in 2006 to confirm the previous work.

It was demonstrated that, acceptable flotation concentrate grades and recoveries can be achieved from Thakadu and Makala sulphide material. The most recent testwork, completed at SGS Lakefield in Johannesburg in 2006/2007, indicates that material from the Thakadu and Makala deposits may be processed through the Dukwe concentrator for Cu recovery. The main areas of difference between the SGS testwork done on the Thakadu and Makala materials and the Dukwe process include the use of a different flotation collector, milling of the Thakadu/Makala rougher flotation concentrate is necessary and the size distribution of the milled material, which can apparently be managed in the Dukwe milling circuit.
The mineral resource for Cu and Ag in the Hangingwall and Footwall mineralized zones was estimated using the 3D geological model and the drillhole intersection data for these mineralized zones.

The approach has been to consider each mineralized zone independently and to consider the oxide and sulphide domains separately. Although an interpretation of the interface between the oxide and sulphide zone was made, it was considered appropriate to use a soft boundary approach. In this approach, data from 15m inside the sulphide domain was used in the development of variography and the grade estimation of the oxide domain. Similarly, the data from 15m inside the oxide domain was used in the development of variography and the grade estimation of the sulphide zone. The consideration of the soft boundary was based on the geology and the variations observed in the drill core.

The data from the mineralized zones was selected and composited to a metre. The estimation utilised the composite metal concentration of Cu (%) and Ag (g/t) and grades were estimated into a 10x10x3m block model.

The variography was developed for the Hangingwall and Footwall mineralized Zones and for the oxide and sulphide domains independently. Downhole variograms were generated and used to interpret the nugget effect. The histograms of the data were examined and a number of outliers identified. These were excluded from the data when the variography was developed but included in the estimation. The variography was developed after rotation of the axis to be in the plane of the mineralized zones. This required a rotation of 45° around the vertical axis and 45° around the easting (X) axis. The structure of the variograms was generally poor and although the dip direction is longer than the strike direction the best structure was obtained for omni-directional variograms.

The estimation was undertaken using Ordinary Kriging. A three-pass estimation strategy was used, applying progressively expanded and less restrictive sample searches to successive estimation passes, and only considering blocks not previously assigned an estimate.

A visual and statistical review was completed on the estimates prior to accepting the model. Acceptable levels of mean reproduction are noted between the block model and input composite data. RSG Global considers the resource estimate to be appropriate and robust.

RSG Global considers that the mineral resource should be classified as an Indicated Mineral Resource. The data is of sufficient quality and the geological understanding and interpretation are considered appropriate for this level of mineral resource classification.
The mineral resource estimates are presented in the Table 1.12_1.

<table>
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<tr>
<th>Indicated Mineral Resource</th>
<th>Tonnage</th>
<th>Grade Cu (%)</th>
<th>Content lbs</th>
<th>Tonnage</th>
<th>Grade Ag (g/t)</th>
<th>Content Troy ozs</th>
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<tr>
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<td>3,108,000</td>
<td>1.79</td>
<td>122,663,000</td>
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<td>Footwall Mineralized Zone</td>
<td>Oxide</td>
<td>410,000</td>
<td>2.10</td>
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<td>178,726,000</td>
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<td>961,000</td>
<td>1.29</td>
<td>27,374,000</td>
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</table>

Thakadu Mine Design and Scheduling

During 2008 work commenced on the evaluation of incorporating the Thakadu resource into a Mowana Mine production plan. A Whittle run on the Thakadu resource generated a 5 year open pit mining a total of 19.1 million tonnes of which 2.4 million tonnes are ore at 2.2% copper and 19.4 g/t silver at a stripping ratio of 6.88. The split of high grade ore for the LOM of Thakadu pit is 995,306 tonnes oxidised ore at 2.56% copper and 23.65 g/t silver first 50 metres and 1,246,024 tonnes sulphides at 2.1% copper and 17 g/t silver. On the basis of the above work the Thakadu resource has been incorporated into the short term production strategy for Mowana Mine. Permitting is planned to commence in the second quarter of 2009 with a view to commencing mining operations in 2010.

PROJECT FINANCING

Pursuant to a deed of trust dated 15 March 2008 between Messina and John David Williams (the “Trustee”), as trustee, Messina authorized the issuance the Botswana Note Programme of up to BWP 200.0 million aggregate principal amount of fixed rate promissory notes, of which BWP 150.0 million principal amount of notes were issued in Botswana on 2 April 2008. The Notes issued pursuant to the Botswana Note Programme are unsecured, bear interest at the rate of 14% payable semi-annually and mature on 2 April 2015.

If any of the following events occurs, the Trustee at its discretion may, and if requested by noteholders holding at least 20% of the principal amount of the Notes then outstanding or directed by a resolution passed by the holders of two-thirds of the value of the principal amount of the Notes then held by noteholders present in person or by proxy at a meeting called for such purpose shall, give notice to Messina that the Notes are, and they...
shall immediately become, due and payable: (a) non-payment of interest or principal for more than 14 days; (b) a breach of any obligations by Messina under the Notes or the trust deed which default has not been remedied within 30 days after notice thereof shall have been given to Messina by the Trustee; (c) an attachment, execution or other legal process is levied, enforced or sued out on or against the whole or a material part of Messina’s property; (d) Messina becomes insolvent or bankrupt or unable to pay its debts; or (e) a liquidator or judicial manager is appointed in relation to Messina, an order is made or an effective resolution is passed for the winding up or judicial management of Messina or a similar event occurs.

Pursuant to a deed of guarantee made on 15 March 2008 between the Company and the Trustee, as trustee for the holders of the Notes, the Company has guaranteed to the Trustee the obligations of Messina in respect of the Notes.

Due to Messina’s working capital deficit, Messina is in technical breach of the Botswana Bond. As a result the Botswana Bond was reclassified to current liabilities from non-current liabilities in the Company’s Consolidated Balance Sheet as at 31 December 2008. As part of the Natasa Financing (see “Working Capital Deficit, Financing and Changes in Contracts”) it is proposed that African Copper will pay to the Bondholders an amount representing approximately 20 per cent of the amount owed to them. This payment is proposed to be funded from the proceeds of the Financing. In addition, it is proposed that the Company will issue to the Bondholders new ordinary shares at a deemed price of 3.2 pence per ordinary share pursuant to the Debt for Equity Agreement in satisfaction of the balance owed to them. Such payment and issue of shares will be in full and final payment.

At 31 March 2009 the Group does not have sufficient cash or debt facilities to pay its existing liabilities or fund future operations and therefore cannot resume operations at the Mowana Mine and Matsitama Project until funding is secured. As a result the Group needs to complete the Financing, and if not raised, provides significant doubt over the Group’s ability to continue as a going concern and to meet its obligations as they become due. See Financing described under section “Description of Business - Working Capital Deficit, Financing and Changes in Contracts”.

DIVIDENDS

During the Company’s three most recently completed financial years, the Company has not declared any cash dividends.

The Company does not have a formal dividend policy and may pay dividends at the discretion of the Board, but not exceeding an amount recommended by the Board. The Board, in recommending a dividend, must have regard to the Company’s best interests generally and the Company may only pay a dividend out of its accumulated realized profits, so far as not previously distributed or capitalized, less its accumulated realized losses, so far as not previously written off in a reduction or reorganization of capital. In addition, the Company may only pay a dividend so long as the Company’s net assets do not fall below the aggregate of its called up share capital and un-distributable reserves.

The Company does not intend to pay any dividends in the foreseeable future as the Company anticipates that all available funds will be used to finance the future growth of the Company and development of the Projects.

DESCRIPTION OF CAPITAL STRUCTURE

Authorized Capital

At 31 March 2009 the Company has an authorized share capital of £15,000,000 divided into 1,495,000,000 Ordinary Shares of 1p each and 50,000 Preference Shares of £1 each, of which 146,858,957 Ordinary Shares and no Preference Shares are issued and outstanding as at 31 March 2009.
Ordinary Shares

All of the Company’s issued Ordinary Shares are fully paid up. The Ordinary Shares are freely transferable, save where their transfer is restricted pursuant to the Company’s articles of association or by securities laws. In the event of a liquidation, dissolution, winding up or other distribution of the Company’s assets the holders of Ordinary Shares are entitled to receive pro-rata the remaining assets of the Company. Distributions may be paid to shareholders, as and when validly authorised by the Board and declared out of profits available for the purpose. The holders of Ordinary Shares are entitled to receive notice of, to attend and to vote at all general meetings of the Company. Each Ordinary Share entitles the holder to one vote at such meetings. If at any time the share capital of the Company is divided into different classes of shares, the rights attaching to the Ordinary Shares may only be modified, varied or abrogated with the consent in writing of the holders of three-fourths of the issued Ordinary Shares or with the sanction of an extraordinary resolution passed at a separate general meeting of the holders of such Ordinary Shares.

Preference Shares

The Preference Shares are non-voting. Holders of Preference Shares are entitled to notice of and to attend general meetings of the Company, but may not vote on any matters of business at such meetings unless on the notice date redemption monies or preferential dividends are in arrears by at least three months. In such case, each Preference Share will entitle to the holder thereof to one vote at any such meetings.

Holders of Preference Shares may not receive dividends prior to 1 January 2020. After 1 January 2020, holders of Preference Shares may receive a fixed cumulative preferential dividend at the rate of 0.0001% per annum (net) on the paid up capital of the Preference Shares. The Preference Shares rank in priority to all other shares of the Company in respect of dividends.

On the winding up or other return of capital of the Company, holders of Preference Shares are entitled to repayment in full of the paid up capital on such Preference Shares and payment of arrears or accruals of any preferential dividends in priority to all other holders of other shares in the capital of the Company.

Convertible Securities of the Company

As at 31 March 2009 up to 11,215,000 Ordinary Shares are issuable under an aggregate of 11,215,000 outstanding share options, of which 10,598,331 are vested. As at 31 March 2009, the total percentage of the issued and outstanding Ordinary Share capital under option is 7.64%.

Share Options

As at 31 March 2009 up to 11,215,000 Ordinary Shares are issuable under outstanding share options granted under the Company Option Plan. Details respecting such securities are set out below.

<table>
<thead>
<tr>
<th>SHARE OPTIONS HELD AT 31 MARCH 2009</th>
<th>SHARE OPTIONS HELD AT 31 DECEMBER 2008</th>
<th>DATE OF GRANT</th>
<th>EXERCISE PRICE PER ORDINARY SHARE</th>
<th>EXPIRY DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>500,000</td>
<td>500,000</td>
<td>23 September 2004</td>
<td>£0.35</td>
<td>23 September 2014</td>
</tr>
<tr>
<td>675,000</td>
<td>675,000</td>
<td>12 November 2004</td>
<td>£0.76</td>
<td>12 November 2014</td>
</tr>
<tr>
<td>1,500,000</td>
<td>1,500,000</td>
<td>5 January 2005</td>
<td>£0.76</td>
<td>5 January 2015</td>
</tr>
<tr>
<td>90,000</td>
<td>90,000</td>
<td>1 September 2005</td>
<td>£0.76</td>
<td>14 March 2015</td>
</tr>
<tr>
<td>240,000</td>
<td>240,000</td>
<td>12 November 2005</td>
<td>£0.76</td>
<td>12 November 2015</td>
</tr>
<tr>
<td>6,860,000</td>
<td>6,860,000</td>
<td>1 August 2006</td>
<td>£0.775</td>
<td>1 August 2016</td>
</tr>
<tr>
<td>400,000</td>
<td>400,000</td>
<td>11 September 2006</td>
<td>£0.775</td>
<td>11 September 2016</td>
</tr>
<tr>
<td>200,000</td>
<td>200,000</td>
<td>30 November 2006</td>
<td>£0.775</td>
<td>30 November 2016</td>
</tr>
<tr>
<td>750,000</td>
<td>750,000</td>
<td>29 December 2006</td>
<td>£0.775</td>
<td>29 December 2016</td>
</tr>
<tr>
<td>11,215,000</td>
<td>11,215,000</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MARKET FOR SECURITIES

Price Range and Trading Volume

The following table sets forth information relating to the trading of the Ordinary Shares on AIM on a monthly basis for each month of the Company’s fiscal year ended 31 December 2008.

<table>
<thead>
<tr>
<th>Period</th>
<th>High (p)</th>
<th>Low (p)</th>
<th>Close (p)</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2008</td>
<td>3.25</td>
<td>1.13</td>
<td>1.13</td>
<td>8,328,896</td>
</tr>
<tr>
<td>November 2008</td>
<td>5.25</td>
<td>1.88</td>
<td>2.75</td>
<td>12,661,606</td>
</tr>
<tr>
<td>October 2008</td>
<td>8.50</td>
<td>3.50</td>
<td>3.63</td>
<td>7,640,373</td>
</tr>
<tr>
<td>September 2008</td>
<td>13.50</td>
<td>8.63</td>
<td>8.63</td>
<td>11,413,699</td>
</tr>
<tr>
<td>August 2008</td>
<td>27.00</td>
<td>10.50</td>
<td>13.50</td>
<td>15,622,260</td>
</tr>
<tr>
<td>July 2008</td>
<td>36.75</td>
<td>25.50</td>
<td>25.50</td>
<td>1,210,685</td>
</tr>
<tr>
<td>June 2008</td>
<td>42.00</td>
<td>36.75</td>
<td>36.75</td>
<td>1,481,0190</td>
</tr>
<tr>
<td>May 2008</td>
<td>42.00</td>
<td>38.00</td>
<td>42.00</td>
<td>3,936,819</td>
</tr>
<tr>
<td>April 2008</td>
<td>49.50</td>
<td>39.00</td>
<td>39.00</td>
<td>3,110,236</td>
</tr>
<tr>
<td>March 2008</td>
<td>49.50</td>
<td>44.50</td>
<td>48.00</td>
<td>2,426,997</td>
</tr>
<tr>
<td>February 2008</td>
<td>55.25</td>
<td>48.00</td>
<td>48.00</td>
<td>2,101,201</td>
</tr>
<tr>
<td>January 2008</td>
<td>71.00</td>
<td>56.00</td>
<td>56.00</td>
<td>3,880,6060</td>
</tr>
</tbody>
</table>

The following table sets forth information relating to the trading of the Ordinary Shares on the TSX on a monthly basis for each month of the Company’s fiscal year ended 31 December 2008.

<table>
<thead>
<tr>
<th>Period</th>
<th>High (C$)</th>
<th>Low (C$)</th>
<th>Close (C$)</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>December 2008</td>
<td>0.07</td>
<td>0.01</td>
<td>0.02</td>
<td>882,500</td>
</tr>
<tr>
<td>November 2008</td>
<td>0.10</td>
<td>0.02</td>
<td>0.06</td>
<td>293,900</td>
</tr>
<tr>
<td>October 2008</td>
<td>0.17</td>
<td>0.04</td>
<td>0.06</td>
<td>461,800</td>
</tr>
<tr>
<td>September 2008</td>
<td>0.26</td>
<td>0.15</td>
<td>0.15</td>
<td>924,200</td>
</tr>
<tr>
<td>August 2008</td>
<td>0.50</td>
<td>0.18</td>
<td>0.26</td>
<td>439,800</td>
</tr>
<tr>
<td>July 2008</td>
<td>0.74</td>
<td>0.48</td>
<td>0.50</td>
<td>52,600</td>
</tr>
<tr>
<td>June 2008</td>
<td>0.85</td>
<td>0.70</td>
<td>0.70</td>
<td>36,700</td>
</tr>
<tr>
<td>May 2008</td>
<td>0.85</td>
<td>0.75</td>
<td>0.75</td>
<td>46,500</td>
</tr>
<tr>
<td>April 2008</td>
<td>1.05</td>
<td>0.75</td>
<td>0.75</td>
<td>71,800</td>
</tr>
<tr>
<td>March 2008</td>
<td>1.05</td>
<td>0.88</td>
<td>0.95</td>
<td>184,800</td>
</tr>
<tr>
<td>February 2008</td>
<td>1.19</td>
<td>0.81</td>
<td>0.95</td>
<td>65,800</td>
</tr>
<tr>
<td>January 2008</td>
<td>1.40</td>
<td>1.13</td>
<td>1.13</td>
<td>455,000</td>
</tr>
</tbody>
</table>

PRIOR SALES

The only securities that the Company has outstanding that are not listed or quoted on a marketplace are stock options granted under the Company’s Option Plan. No stock options were granted under the Company’s Option Plan during 2008.

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the name and municipality of residence of each director and executive officer of the Company, as well as such individual’s position with the Company, principal occupation within the five
preceding years and period of service as a director (if applicable) and the number of Ordinary Shares beneficially
owned, directly or indirectly, by such individual. Each director will hold office until the next annual meeting of
shareholders of the Company and until such director’s successor is elected and qualified, or until the director’s
earlier death, resignation or removal.

<table>
<thead>
<tr>
<th>NAME, MUNICIPALITY</th>
<th>PRINCIPAL OCCUPATION (PAST FIVE YEARS)</th>
<th>DIRECTOR SINCE</th>
<th>BENEFICIAL OWNERSHIP OF ORDINARY SHARES(3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bradley Robert Kipp</td>
<td>Chief Financial Officer of the Company since September 2004. Vice-President Finance of Summit Resource Management Limited, an international mining finance firm, from 1997 to present.</td>
<td>24 September 2004</td>
<td>300,000</td>
</tr>
<tr>
<td>David Jones</td>
<td>President of Summit Resource Capital Limited, an international mining finance firm, from December 1996 to present, Chief Executive Officer of the Company from September 2004 until January 2007.</td>
<td>24 September 2004</td>
<td>1,515,000</td>
</tr>
<tr>
<td>Anthony Joseph Williams</td>
<td>Founder and Executive Chairman of the Dragon Group of companies since 1995.</td>
<td>20 May 2004</td>
<td>2,250,012</td>
</tr>
<tr>
<td>Michael James Evans</td>
<td>Self-employed since June 2000. VP Exploration for Phelps Dodge Exploration Corporation for base and</td>
<td>12 October 2004</td>
<td>—</td>
</tr>
</tbody>
</table>
As at 31 March 2009, the directors and executive officers of the Company as a group beneficially own, directly and indirectly, or exercise control or direction over 4,065,012 Ordinary Shares, representing 2.8% of the issued and outstanding Ordinary Shares.

A narrative description of the biographies of each of the executive officers and directors of the Company is set forth below:

Christopher Reid Fredericks, B.Sc Geology, (aged 53), Johannesburg, Gauteng, South Africa, Chief Executive Officer since 13 June 2008 and a director since 1 July 2008. Mr. Fredericks was Chief Operating Officer between 9 January 2007 and 12 June 2008. Chris Fredericks graduated from the Rhodes University in with a B.Sc Geology degree. He has over 27 years experience in base metal mining and exploration from varied exposure to large-scale open pit and underground mining operations on the Zambian Copperbelt and in Botswana. Mr. Fredericks was formerly employed by LionOre Africa as a Business Development Executive and was a director of LionOre’s Tati Nickel Mining Company (Pty) Ltd. Prior to this, he was the General Manager of the Tati Nickel Mine in Botswana.

Bradley Robert Kipp, Chartered Accountant, Chartered Financial Analyst, HBA, (aged 44) Mississauga, Ontario, Canada, Chief Financial Officer and director since 24 September 2004. Bradley Kipp has more than 15 years of financial, capital markets and operating experience specializing in the mining sector. He is Vice-President Finance of Summit Resource Management Limited, an international mining finance firm, that has made a number of investments in emerging and start-up mineral projects worldwide. In addition, he is or has been Chief Financial Officer, an officer and/or director of several public resource and non-resource companies (including Grey Horse Corporation, GA Capital Corp., Titanium Corporation, Atikwa Minerals Corporation, MineGem Inc.). Mr. Kipp was formerly employed by Deloitte and Touche Corporate Finance Canada Limited in the capacity of Vice-President and Director, where he was a member of its corporate finance group providing global merger and acquisition services. Mr. Kipp received a BA from the University of Western Ontario, his Honours Business Administration (Finance) from the Ivey School of Business in 1988, his Chartered Accountant designation in 1991 and his Chartered Financial Analyst designation in 1997. He is a member of the CFA Institute and the Institute of Chartered Accountants of Ontario.

Notes:

(1) Members of the audit committee. The audit committee comprises all of the non-executive (independent) directors and is chaired by Mr. Corrans. The audit committee meets at least quarterly to review the Company’s interim and annual consolidated financial statements before submission to the Board for approval. The audit committee also reviews regular reports from management and the external auditors on accounting and internal control matters. Where appropriate, the audit committee monitors the progress of action taken in relation to such matters. The audit committee recommends the appointment of, and reviews the fees of, the external auditors.

(2) Members of the remuneration committee. The remuneration committee comprises all the non-executive (independent) directors and is chaired by Mr. Corrans. The remuneration committee meets as required during the year to review the performance of the executive directors and set the scale and structure of their remuneration, paying due regard to the interests of the shareholders as a whole and the performance of the Company and its subsidiaries.

(3) Information respecting beneficial ownership of Ordinary Shares was provided to the Company by each individual director and/or officer.
Roy Derek Corrans, (aged 67) The Island, Sedgefield, Western Cape, South Africa, Non-executive Chairman of the Board since 12 October 2004. Roy Corrans has had 35 years experience with Anglo in base metals, uranium, industrial minerals and precious metals exploration and mining. Mr. Corrans was Senior V-P Exploration of Anglo from January 1999 to December 2001. He has since worked as a consultant. His commodity experience includes gold-silver, platinum, copper, zinc-lead, nickel-cobalt, tungsten and chrome. He has had extensive international work experience in Africa, North America, Australasia, Europe and the Far East and was responsible for the discovery of the Epoch nickel deposit (in Zimbabwe) and the Skorpion oxide zinc deposit (in Namibia). Mr. Corrans is also a director of several small companies with mineral interests registered in Belgium, Luxembourg, Australia, Canada and South Africa. Professional Designations: Professional Natural Scientist, Fellow Geological Society of South Africa, Fellow Society of Economic Geologists.

David Jones, P. Geoph., (aged 57) Uxbridge, Ontario, Canada, Deputy Chairman since 9 January 2007, Chief Executive Officer between 24 September 2004 and 8 January 2007, and director since 24 September 2004. David Jones has substantial experience in the financial and technical management of projects within the minerals industry including operating mines, advanced development projects and exploration programmes as well as other venture finance projects related primarily to the mining industry. Since December 1996, he has been President of Summit Resource Capital Limited (formerly, Dragon Capital Canada Limited), a company that develops and arranges initial financing for minerals industry projects and Vice-President Corporate Development of Atikwa Minerals Corporation. Before this, Mr. Jones spent over 20 years with MPH Consulting Limited ("MPH"), an international exploration and mining consulting firm. Mr. Jones joined MPH as senior geophysical consultant in 1977 where he coordinated and directed the expanding geophysical activities of MPH, including the supervision and implementation of all aspects of exploration geophysics. Later as Vice-President, President and Chief Operating Officer he was responsible for expanding MPH’s operations internationally from Canada, being directly responsible for the development and management of the large multi-disciplinary integrated projects which MPH managed on behalf of a wide range of clients around the world. He was responsible for the development of projects and company offices in southern Africa and the former Soviet Union. He has authored or co-authored numerous technical papers.

Anthony Joseph Williams B.Sc. (Hons) Mining Geology, FIMM ARICS, (aged 56) London, England, Non-executive director since 20 May 2004. Anthony Williams graduated from London University in 1972 with a Bachelor of Science (Honours) degree in mining geology. He has approximately 30 years’ experience in the international mining industry having been involved in projects in the Americas, Australia, Africa, Europe and the Former Soviet Union. Mr. Williams is Chairman and controlling shareholder of the Dragon Group of companies, a privately owned international mining finance and project management organization, which he founded in 1995. In addition to the Dragon Group, Mr. Williams holds a number of directorships in public and private companies engaged principally in mining finance or mineral exploration.

Michael James Evans, Professional Natural Scientist, (aged 62) Port Elizabeth, Eastern Cape Province, Republic of South Africa, Non-executive director since 12 October 2004. Michael Evans has over 38 years of experience as a geologist with 26 years having been spent with Phelps Dodge Corporation (until June 2000) where he advanced from the position of exploration geologist to Vice President in charge of mineral target generation and exploration operations in Africa. Mr. Evans has been self-employed since June 2000. He has worked in over 15 African countries where he has directed mineral target generation and on-site evaluation of properties, managed the establishment of exploration operations and the development of major exploration programmes, which has led to feasibility studies conducted in two countries. Specific projects include the successful management of securing the exploration of the Amabatovy Nickel Cobalt Laterite deposits in Madagascar through to the feasibility study stage and securing and exploring the Lumwana deposits in North West Zambia through to the pre-feasibility study stage. These latter deposits contain the largest undeveloped concentrations of stratabound copper mineralization outside of the Zambian Copperbelt.
Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company is as at the date hereof, or within the ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity:

(a) was the subject of a cease trade order or similar order or an order that denied the company access to any exemptions under Ontario securities law for a period of more than 30 consecutive days; or

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade order or similar order or an order that denied such company access to any exemption under Ontario securities law, for a period of more than 30 consecutive days;

except for the following:

Mr. Anthony J. Williams, a non-executive director of the Company, is (and was at the relevant time) the Chairman of European Diamonds PLC, a United Kingdom-based resource company listed on AIM. European Diamonds PLC became a reporting issuer in British Columbia as a result of a take-over of MineGem Inc. in October 2003. As a result of an incorrect profile on SEDAR that provided a financial year end of December 31, European Diamonds PLC was noted in default by the British Columbia Securities Commission for not having made certain financial statement filings in respect of a December 31 year end and on 2 June 2004 the British Columbia Securities Commission issued a cease trade order with respect to all trading in the securities of European Diamonds PLC. Subsequently, European Diamonds PLC corrected its SEDAR profile to reflect a June 30 year end. On 4 August 2004, the British Columbia Securities Commission issued a revocation of the cease trade order noting that European Diamonds PLC was not in default of its filings. On 15 November 2004, upon the application of European Diamonds PLC, the British Columbia Securities Commission deemed European Diamonds PLC to have ceased to be a reporting issuer in British Columbia.

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company:

(a) is, as at the date of the Annual Information Form, or has been within the 10 years before the date of the Annual Information Form, a director or executive officer of any company that, while acting in that capacity, or within a year of ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold any such person's assets; or

(b) has, within the 10 years before the date of the Annual Information Form become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted such proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of the Company, and no shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has:

(a) been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor making an investment decision.
Conflicts of Interest

Under UK law, the directors of the Company have a fiduciary duty to act honestly and in good faith with a view to the best interests of the Company. Subject to any limitations imposed by statute or the articles of association of the Company, no agreement or transaction would be void or voidable only because it was made between the Company and one or more of its directors or by reason that such director was present at the meeting of directors that approved such agreement or transaction or that the vote or consent of the director is counted for the approval of such agreement or transaction. Save as set out in the articles of association of the Company, a director is not entitled to vote in respect of any contract, arrangement, transaction or any other proposal in which he has an interest which is to his knowledge a material interest, otherwise than by virtue of interests in shares or debentures or other securities of the Company. If all of the directors have a conflict of interest, the agreement or transaction must be authorized, approved or ratified by a resolution of shareholders in order to achieve statutory validity. An agreement or transaction between a director and the Company will be valid unless it can be shown that, at the time the agreement or transaction was authorized, it was unfairly prejudicial to one or more shareholders or the creditors of the Company. Any shareholder who voted in favour of the resolution authorising, approving or ratifying the agreement or transaction may not subsequently impugn or object to the agreement or transaction. In appropriate cases, the Company will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict.

To the best of The Company’s knowledge, there are no known existing or potential conflicts of interest among the Company, its directors, officers or other members of management of the Company as a result of their outside business interests at the date hereof. However, certain of the directors, and officers and other members of management serve as directors, officers, and members of management of other public resource companies. Accordingly, conflicts of interest may arise which could influence these persons in evaluating possible acquisitions or in generally acting on behalf of the Company.

The directors and officers of the Company have been advised of their obligations to act at all times in good faith with a view to the best interests of the Company and to disclose any conflicts to the Company if and when they arise.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are currently no material legal proceedings, nor was the Company a party to any material legal proceeding during the Company’s most recently completed fiscal year, involving the Company or its properties which if decided against the Company would be reasonably expected to have a material adverse effect on the Company, and the Company knows of no such proceedings currently contemplated and none have been threatened.

There were no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the Company’s most recently completed financial year, nor any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and the Company did not enter into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the Company’s most recently completed financial year.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or principal shareholder of the Company and no associate or affiliate of the foregoing have had a material interest, direct or indirect, in any transaction in which the Company has participated within the three year period prior to the date of this Annual Information Form, or will have any material interest in any proposed transaction, which has materially affected or will materially affect the Company.
INTERESTS OF EXPERTS

PKF (UK) LLP is the Company’s auditors. As at 31 March 2009, none of the partners and associates of PKF (UK) LLP own beneficially, directly or indirectly, any of the Ordinary Shares.

Messrs. Lancelot Stilwell, Robert Palmer, Iain Kelso, John Cox and Ken Lomberg, the authors of the Technical Reports, do not own any securities of the Company.

TRANSFER AGENTS AND REGISTRARS

The registrars and transfer agents for the Ordinary Shares are Computershare Trust Company of Canada at its principal office in Toronto, Ontario, Computershare Investor Services PLC at its principal office in Bristol, United Kingdom and PricewaterhouseCoopers (Pty) Ltd. at its principal office in Botswana.

MATERIAL CONTRACTS

The Company did not enter into any material contract during the most recently completed financial year, and has not entered into any material contract since January 1, 2002 and before the most recently completed financial year that is still in effect, other than material contracts entered into in the ordinary course of business that are not required to be filed under National Instrument 51-102-Continuous Disclosure Obligations and the contracts set forth below:

1. an EPCM contract dated 20 November 2006 between the Company and Read Swatman & Voight (Pty) Ltd in relation to the construction of infrastructure and ancillary services for the Mowana Mine;

2. an EPCM contract dated 1 October 2006 between the Company and SENET CC in relation to the construction of the Process Plant and concentrator facility for the Mowana Mine;

3. a mining contract dated 7 May 2007 between the Company and Moolman Mining Botswana to provide contract mining services for open pit activities at the Mowana Mine;

4. the Offtake Agreement dated 22 January 2008 between the Company and MRI Trading AG in relation to 100% of the future production from the Mowana Mine during the first 5 years of production; and

5. a deed of trust dated 15 March 2008 between Messina and the Trustee in relation to the issuance of up to BWP 200 million aggregate principal amount of Notes; and

6. a deed of guarantee made on 15 March 2008 between the Company and the Trustee as trustee for the holders of the Notes, pursuant to which the Company has guaranteed to the Trustee the obligations of Messina in respect of the Notes; and

7. a short term loan facility agreement of US$1.5 million made available to Messina by Natasa on 20 March 2009. descriptions of which are included elsewhere in this Annual Information form and each of which is available under the Company profile on SEDAR at www.sedar.com.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The text of the charter of the audit committee of the Board is attached hereto as Appendix “A”.

-50-
Composition of the Audit Committee

The members of the audit committee, Roy Corrans, Michael Evans and Anthony Williams, are independent of the Company and financially literate.

Mr. Corrans is a professional Natural Scientist and also serves on the board of several private natural resource companies. Mr. Corrans has more than 35 years of international mining and business experience, at senior levels, where he acquired the business expertise to evaluate financial statements, the principles applied to natural resource companies’ financial statements and the internal controls required to accurately report a company’s financial position. Mr. Corrans has been responsible for the management and reporting of up to 14 exploration offices in 14 different countries, each conducting large mineral exploration projects. Most of his experience was gained with Anglo American Corporation where he was Senior Vice-President, Exploration until his retirement in 2001.

Mr. Evans is a professional Natural Scientist. Mr. Evans has more than 38 years of international mining and business experience, at senior levels, in the fields of geology and mining exploration, including the establishment and management of exploration operations and the development of major exploration programmes. For over 25 years he was employed by Phelps Dodge Corporation where he managed several international operations and acquired the business expertise to evaluate financial statements, the principles applied to natural resource companies’ financial statements and the internal controls required to report a company’s financial position.

Mr. Williams holds a degree in mining geology and has approximately 30 years’ experience in the international mining industry. Mr. Williams was also a partner in a global investment banking firm where he focused on providing investment banking, brokerage and corporate finance services to the mining sector. Mr. Williams serves on a number of boards of public and private companies engaged principally in mining finance or mineral exploration. Mr. Williams is Chairman of a privately owned international mining finance and project management company and has extensive knowledge and experience in accounting and financial reporting for natural resource issuers and accounting issues specific to such issuers.

Audit Committee Oversight

During the fiscal year ended 31 December 2008, all recommendations of the audit committee to nominate or compensate an external auditor were adopted by the Board.

Pre-Approval Policies and Procedures

Included as part of the audit committee’s charter is the responsibility of the audit committee to pre-approve all non-audit services to be provided to the Company by its external auditors.
External Auditor Service Fees

The following table summarizes the fees paid to PKF (UK) LLP, Farringdon Place, 20 Farringdon Road, London, EC1M 3AP, United Kingdom, the external auditors of the Company in each of the Company’s fiscal years ended 31 December 2008 and 2007.

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>2008</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit Fees</td>
<td>£41,282</td>
<td>£49,380</td>
</tr>
<tr>
<td>Audit Related Fees</td>
<td>£11,931</td>
<td>£10,750</td>
</tr>
<tr>
<td>Tax Fees</td>
<td>£12,800</td>
<td>£13,650</td>
</tr>
<tr>
<td>All Other Fees</td>
<td>£15,450</td>
<td>£3,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£81,462</strong></td>
<td><strong>£76,780</strong></td>
</tr>
</tbody>
</table>

ADDITIONAL INFORMATION

Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Company’s securities, and securities authorized for issuance under equity compensation plans is contained in the Company’s information circular for its most recent annual meeting of shareholders. Additional financial information is provided in the Company’s audited consolidated financial statements and management’s discussion and analysis for its most recently completed financial year ended 31 December 2008.
1. PURPOSE

The Audit Committee (the “Committee”) is appointed by the Board of Directors (the “Board”) of African Copper PLC (the “Corporation”) to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee’s primary duties and responsibilities are to:

a) conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;

b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;

c) ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;

d) review the quarterly and annual financial statements and management’s discussion and analysis of the Corporation’s financial position and operating results and report thereon to the Board for approval of same;

e) select and monitor the independence and performance of the Corporation’s outside auditors (the “Independent Auditors”), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and

f) provide oversight to related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee’s duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part III of this Charter.

2. COMPOSITION AND MEETINGS

a) The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the Toronto Stock Exchange, the Alternative Investment
Market of the London Stock Exchange, the Botswana Stock Exchange and all applicable securities regulatory authorities.

b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.

c) Each member of the Committee must be “independent” (as defined under Multilateral Instrument 52-110 – Audit Committees (“MI 52-110”)).

d) Each member of the Committee must, to the satisfaction of the Board, be “financially literate” (as defined under MI 52-110).

e) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.

f) Unless otherwise agreed, notice of each meeting of the Committee, confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Committee and any other person invited to attend, no fewer than five business days prior to the date of the meeting.

g) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.

h) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.

i) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

j) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.

k) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

l) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, or other persons, from time to time, to attend at meetings of the Committee.
m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

n) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Chair shall not have a casting vote on all matters in the event of an equality of votes. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

3. RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with generally accepted accounting principles (“GAAP”) and are prepared in accordance with the requirements of Multilateral Instrument 52-107 - Financial Disclosure, and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.

b) The Committee shall review management’s internal control report and the evaluation of such report by the Independent Auditors, together with management’s response.

c) The Committee shall review management’s discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including annual and interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws prior to their being filed with the appropriate regulatory authorities.

d) The Committee shall ensure that adequate procedures are in place for the review of the Corporation’s public disclosure of financial information extracted or derived from the Corporation’s financial statements, other than disclosure addressed in paragraph 3 above, and must periodically assess the adequacy of those procedures.

e) The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.

f) The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management has taken to minimize such risks.

g) The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management’s response and subsequent follow-up to any identified weaknesses.
h) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.

i) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

j) The Committee shall review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former Independent Auditors.

k) The Committee shall provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

a) The Committee shall recommend to the Board the Independent Auditors to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation.

b) The Committee shall recommend to the Board the compensation of the Independent Auditors and shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.

c) The Committee shall be directly responsible for the oversight of the Independent Auditors, including the resolution of disagreements between management of the Corporation and the Independent Auditors regarding financial reporting and the Independent Auditors shall report directly to the Committee.

d) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors to the Corporation and its subsidiary entities.

e) The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors.

f) The Committee shall review the Independent Auditor’s audit plan, including scope, procedures and timing of the audit.

g) The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit.

h) The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the Independent Auditors’ preferred treatment and material written communications between the Corporation and the Independent Auditors.

C. Reporting Responsibilities

a) The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

b) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
D. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

4. AUTHORITY

The Committee is authorized to:

a) engage independent counsel and other advisors as it determines necessary to carry out its responsibilities;

b) set and pay the compensation for any advisors employed by the Committee; and

c) communicate directly with the internal auditors of the Corporation as well as with the Independent Auditors.
Appendix “G”
to the Annual Information Form of
African Copper PLC
As At 31 March 2009

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain technical terms used in this Annual Information Form:

assay an analysis to determine the presence, absence or concentration of one or more chemical components

concentrate the clean product recovered in froth flotation

concentrator collectively an industrial plant designed to mechanically separate minerals and produce a mineral concentrate

core a rock sample produced by drilling with hollow tubes

Cu chemical symbol for copper

deposit a mineralized body that has been physically delineated by sufficient drilling, trenching and/or underground work, and found to contain a sufficient average grade of metal or metals to warrant further exploration and/or development expenditures; such a deposit does not quantify as a commercially mineable ore body or as containing mineral reserves, until final legal, technical and economic factors have been resolved

EIA environmental impact assessment

EIA Report the final draft EIA report prepared by Water Surveys (Botswana) (Pty) Ltd.

EMP environmental mitigation and management plan

EPCM an engineering, procurement and construction management contract

exposure an area of a rock formation or geologic structure that is visible (hammerable), either naturally or artificially, i.e., is unobscured by soil, vegetation, water, or the works of humans; also, the condition of being exposed to view at the Earth's surface

feasibility study a comprehensive study of a mineral deposit in which all geological, engineering, legal, operating, economic, social, environmental and other relevant factors are considered in sufficient detail that it could reasonably serve as the basis for a final decision by a financial institution to finance the development of the deposit for mineral production

flotation a process of concentration in which levitation in water of particles heavier than water is obtained with the use of chemical reagents; typically used in processing of coal or sulphide minerals with the aid of a reagent and the desired product becomes attached to air bubbles in a liquid medium and floats as a froth

geochemical prospecting techniques which measure the content of specified metals in soils and rocks for the purpose of defining anomalies for further testing

gophysical prospecting techniques which measure the physical properties (magnetism,
conductivity, density, etc.) of rocks and define anomalies for further testing

g**eophysics**
branch of physics dealing with the earth, including its atmosphere and hydrosphere and includes the use of seismic, gravitational, electrical, thermal, radiometric, and magnetic phenomena to elucidate processes of dynamical geology and physical geography

**grade**
relative quantity or the percentage of mineral or metal content in an orebody

**hosted**
contained within

**Matsitama Belt**
an assemblage of metasedimentary rocks that lies on the western margin of the Zimbabwean Craton

**metallurgical**
the physical properties of metals as affected by composition, mechanical working, and heat treatment

**mineralization**
a process of formation and concentration of elements and their chemical compounds within a mass or body of rock

**mineral reserve**
a mineral reserve is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. The study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined

Mineral reserves are sub-divided in order of increasing confidence into probable mineral reserves and proven mineral reserves, which are defined as follows:

**probable:**
the economically mineable part of an indicated, and in some circumstances, a measured mineral resource demonstrated by at least a preliminary feasibility study. The study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

**proven:**
the economically mineable part of a measured mineral resource demonstrated by at least a preliminary feasibility study. The study must include adequate information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction is justified.

**mineral resource**
a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth’s crust in such form and quantity and of such grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge.

Mineral resources are sub-divided, in order of increasing geological confidence, into inferred, indicated and measured categories which are defined as follows:

**inferred:**
that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from
locations such as outcrops, trenches, pits, workings and drill holes.

**indicated:** that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

**measured:** that part of a mineral resource for which quantity, grade or quality, densities, shape, physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

**open pit** a large-scale hard-rock surface mine

**oxide** a mineral that contains oxygen

**primary sulphide** a sulphide mineral that forms first

**sediment** solid fragmental material that originates from weathering of rocks and is transported or deposited by air, water, or ice

**strike** the course or bearing of the outcrop of an inclined bed, vein, or fault plane on a level surface; the direction of a horizontal line perpendicular to the direction of the dip

**sulphide** a mineral containing sulphur in its non-oxidised form

**sulphide mineralization** a concentration of metallic minerals that contain sulphur

**supergene** a term used to describe near surface processes

**t** metric tones

**trenching** in mineral exploration, a process used to investigate soil or geochemical anomalies by the excavation of narrow trenches across anomalous zones to observe geological structures and to allow sampling