African Copper Plc
(AIM: ACU, BSE: African Copper)

Additional ZCI Loan, Debt for Equity Swap
USD12.5 million Funding Secured for Working Capital and Capital Expenditures

African Copper Plc ("ACU" or "the Company"), the AIM and Botswana-listed copper producer and exploration company, currently focused on Botswana, announces that it has secured an additional loan of USD12.5 million from its controlling shareholder ZCI Limited ("ZCI"). The purpose of the new loan is to provide the Company with further working capital and funds to execute the planned investment programme at its Mowana Mine facilities.

The new USD12.5 million loan from ZCI is a 3 year secured loan facility with an interest rate of 9.0%, repayable in January 2014 (the "Facility"). Interest will be paid semi-annually in arrears on 31 December and 30 June each year, commencing on 31 December 2011 with this payment including accrued interest from the closing of the Facility. The terms and conditions of this loan are on substantially similar terms to the previous term loans from ZCI and bring total interest-bearing loans from ZCI to USD54.1 million, excluding the Convertible Loan of USD7.9 million.

The proceeds from the Facility will be used for general working capital purposes including accelerating mining activities at the Thakadu deposit and to fund the investment in upgrading infrastructure facilities at the Mowana Mine.

In September 2010, the Company announced that it had commissioned Amec Minproc, an international engineering firm, to undertake an engineering design study on the Secondary and Tertiary ("SnT") crushing circuit at the Mowana Mine to enable it to operate at capacity year round. Their report is being finalized and is expected to be completed during March 2011. The main recommendations are expected to include expenditure on de-bottlenecking material handling across the crushing circuit and improving crushing efficiency and throughput by replacing the SnT crushers. Other capital expenditure initiatives at the Mowana Mine include completion of stage 1 of the wet tailings storage facility in April 2011 at a total estimated cost of USD1.7 million, the installation of a 200 tonne per day Press Filter for efficiency improvements in copper concentrate filtration and the installation of column flotation cells to upgrade the copper concentrate by reducing the silica content in the concentrate.

In addition, African Copper announces that it has entered into an agreement with ZCI to exchange USD9.5 million that ZCI holds in current outstanding debt assignment agreements for the issue of 169,318,230 new ordinary shares in the Company at a price of 5.5782p per share ("the Debt Conversion"). The Debt Conversion results from ZCI entering into debt assignment agreements with certain of ACU’s large creditors, as part of the refinancing of ACU in May 2009.

The conversion price of 5.5782p per share was calculated based on the 30 days Volume Weighted Average Price (VWAP). Application will be made for the new ordinary shares to be admitted to trading on the AIM Market. The new shares will rank pari passu with the existing ordinary shares in the Company and trading of the new shares on AIM is expected to commence on 11 February 2011. The ordinary shares issued as consideration for the debt ("the Consideration Shares") will be subject to trading restrictions. ZCI is not permitted to dispose of any Consideration Shares prior to 3 months, nor thereafter without the consent of African Copper and its nominated adviser and broker.
The total number of shares in issue following this debt-to-equity conversion will be 992,737,730 and ZCI’s resulting aggregate holding of ordinary shares will be 845,888,730, representing approximately 85.21 per cent of the Company, an increase of approximately 3.05 per cent over the previous level.

As ZCI owns 82.16 per cent of African Copper’s total issued ordinary share capital at the date of this announcement and is providing financing to the Company, the ZCI Loan and Debt Conversion falls within the definition of a related party transaction under Rule 13 of the AIM Rules for Companies. The independent directors of the Company consider, having consulted with its nominated adviser Canaccord Genuity Limited (“Canaccord”), that the terms of the transactions are fair and reasonable insofar as its shareholders are concerned.

Commenting, Jordan Soko, Acting Chief Executive of African Copper Plc, said, “The additional funds raised will allow the Company to invest in the infrastructure that our high quality assets deserve. The debt conversion highlights the continuing support of ZCI for African Copper in its strategic objectives to exploit these assets for the benefit of all shareholders.”

Tom Kamwendo, Chairman of ZCI Limited added: “We continue to regard African Copper as a good investment and our loans will help the management team to build production and unlock value from the Mowana Mine and the adjacent Thakadu-Makala deposits.”

The technical information in this announcement has been reviewed and approved by David De’Ath, BSc (Hons), MSc, GDE-Mining, MIMM and MAusIMM, the Company’s Manager, Geology, of the Mowana Mine for the purposes of the current Guidance Note for Mining, Oil and Gas Companies issued by the London Stock Exchange in June 2009.

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Notes to Editors:
African Copper Plc is an AIM and Botswana listed copper producer and exploration company, currently focused on Botswana. The Company’s flagship project is the copper producing open pit Mowana mine. ACU also owns the rights to the adjacent Thakadu-Makala deposit. Both deposits are situated on the highly prospective Matsitama belt, located close to Botswana’s second largest city, Francistown, in the north-eastern part of the country.

This announcement contains forward-looking information. All statements, other than statements of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future including, without limitation, statements regarding the ability of the Company’s action plan for upgrading infrastructure facilities at the Mowana Mine. This forward-looking information reflects the current expectations or beliefs of the Company based on information currently available to the Company. Forward-looking information is subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially.
from those discussed in the forward-looking information, and even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on the Company. Factors that could cause actual results or events to differ materially from current expectations include, among other things, 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, the possibility that actual circumstances will differ from the estimates and assumptions used in the current Thakadu and Mowana mining plans, future prices of copper, unexpected increases in capital or operating costs, possible variations in mineral resources, possible delays to the necessary transportation arrangements between Thakadu and Mowana, grade or recovery rates, 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, political risks arising from operating in Africa, changes in regulations affecting the Company and the other risks disclosed in the Company’s most recent annual information form filed on SEDAR at www.sedar.com. All forward-looking information speaks only as of the date hereof and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise. Although the Company believes that its expectations reflected in the forward-looking information, as well as the assumptions inherent therein, are reasonable, forward-looking information is not a guarantee of future performance and, accordingly, undue reliance should not be put on such information due to the inherent uncertainty therein.

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