14 July 2014

AFRICAN COPPER PLC
(“African Copper”, "the Company" or “the Group”)

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2014

African Copper plc (AIM: ACU, Botswana: African Copper), today announces audited results for the year ended 31 March 2014 (“fiscal 2014”).

Summary

- In fiscal 2014, the Company’s production of copper in concentrate increased by 5% to 9,951 Mt (2013: 9,496 Mt).
- Revenues decreased by 3% to US$58.7 million (2013: US$ 60.5 million). Decreases in average copper and silver prices and silver production were largely but not entirely offset by increases in copper in concentrate sold.
- Operating results from mining operations before impairment charges remained profitable, while declining 7% to US$12.7 million (2013: US$13.7 million). However, after taking into account an impairment charge of US$25.0 million, the Company incurred an operating loss from mining operations of US$12.3 million (2013: profit of US$13.7 million).
- The plant processed 748,911 Mt of ore (2013: 801,901 Mt), or an average of 62,409 tonnes per month (2013: 66,825 Mt). This represents a 7% decrease from last year, reflecting various operational challenges. The Company has appointed a new contractor on a long-term basis, and anticipates more stable operations and an increase in mining productivity for the coming year. The processed ore was all from the Thakadu pit, bearing an average grade of 1.66% (2013: 1.78%).
- The Company incurred an increased overall loss of US$34.4 million, including the impairment charge of US$25.0 million. Before this charge, the Company incurred a reduced overall loss of US$9.4 million (2013: US$15.8 million), reflecting reductions in foreign exchange losses and finance costs.

Commenting on the results, Jordan Soko, Acting CEO of African Copper, said: **“**This has been an overall positive year for African Copper. We made clear progress toward realizing the full potential of our assets, and we generated improvements in most of our key operating measures. The Company increased its production levels and recovery rates and generated an operating profit from mining operations before impairment charges. However, we also recognized a non-cash impairment loss of $25.0 million against our property, plant and equipment, reflecting the excess of the previous carrying value over the estimated recoverable amount which significantly increased our overall net loss.”

For further information please visit www.africancopper.com or contact:

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CHAIRMAN'S STATEMENT

This has been an eventful year for African Copper. Our management team has diligently strived to complete the final remaining major improvements necessary to realize our productive capacity and I believe they have been successful in this pursuit. While ongoing improvements are still contemplated, such developments are normal in the operation of any mine. As shareholders will know, over the last several years we have needed to invest significant Company resources to upgrade the Mowana plant infrastructure. Unfortunately the deficiencies that needed to be addressed have led to repeated failures and inefficiency since the plant was restarted in 2009 from care and maintenance. At this point in time, however, we have repaired or replaced most of the major components – this includes the replacement of the primary, secondary, and tertiary crushers, and essentially all of the major mill gear mechanisms; the installation of column cells and a Larox filter; and a transition from a dry tailings system to a wet tailings system. As we look forward to the 2015 fiscal year, we are hopeful that the completion of these new upgrades will allow the Mowana plant to run with a stability level that is necessary for successful production levels and efficiencies.

Mining has also been a major source of inefficiency over the last two years which stemmed in large part from the failure of two consecutive mining contractors to mine at the required levels. I was very pleased with our announcement in March 2014 whereby we awarded a new long-term mining contract to Diesel Power Mining (Pty) Ltd. ("Diesel Power") a subsidiary of JSE listed Buildmax Ltd. ("Buildmax"). Management did an exemplary job in negotiating a mutually beneficial contract, and Diesel Power has mobilized as expected and is mining at the required levels. This contract is particularly strategic for the Company as the 2015 fiscal year will see the depletion of the Thakadu mine and a movement of mining operations back to the larger Mowana open pit. This transition to the Mowana open pit will require significant waste stripping to expose the necessary supergene and sulphide ores.

Your Directors continue to consider all aspects of our operations, capital structure, and options facing the Company. We have commenced the preparation work at the Mowana pit, which has hitherto been on care and maintenance, to allow for full mining operations to commence there again from August 2014. It is essential that the successful restart of Mowana is properly coordinated with the phasing out of the Thakadu pit, which is due to begin over the next nine months. As such the Board is ensuring that appropriate focus and resources are devoted to achieving our objectives. We continue to consider and manage these risks, as all must be measured against the availability of funding from within the group and our controlling shareholder, ZCI Limited ("ZCI").

ZCI continued to provide strong support for our Company over the course of the year. At 31 March 2014, our consolidated principal debt was US$93.4 million (including US$26.3 million of accrued interest), all of which is owed to ZCI. We have current net liabilities of $96.9 million, up $10.5 million from our net current position of US$86.4 million at 31 March 2013.

ZCI has issued a further Letter of Financial Support to African Copper and has extended the Waiver Letter to defer all principal and interest payments arising from our debt obligations up to 31 July 2015. To ensure that ZCI has the ability to provide such support based on existing and any additional funding requirements, ZCI obtained an extension to 31 July 2015 of the letter of financial support from its controlling shareholder, to the value of US$2.5 million.

We will, of course, continue to benefit from our highly capable team, and its unflagging commitment to our Company's success. I would like to thank our acting chief executive officer, Jordan Soko, for his leadership, and our Board and team of managers and employees for their outstanding efforts and commitment. I am confident that their contributions will continue to ensure a productive future for African Copper.

Finally, I would like to thank our major shareholder, ZCI. Its Directors' belief in our assets and the financial support they have provided and continue to provide is critical for the success of our business. The Board expects to report further progress regarding our goals during the current financial year.

David Rodier

Chairman
14 July 2014
CHIEF EXECUTIVE'S REVIEW

Review of Operations

This has been an overall strong year for African Copper. We made clear progress toward realizing the full potential of our assets, and we generated improvements in most of our key operating measures. The Company increased its production levels and recovery rates and generated an operating profit from mining operations before impairment charges. However, we also recognized a non-cash impairment loss of $25.0 million against our property, plant and equipment, reflecting the excess of the previous carrying value over the estimated recoverable amount which significantly increased our overall net loss.

We have appointed a new mining contractor on a long-term basis, and expect more stable conditions and an increase in mining productivity through the coming year. We also anticipate further encouraging progress from our exploration project at Matsitama. Overall we remain confident in our Company's future.

Mining operations
During the year under review we continued our progress towards achieving stable operations at our Mowana mine facilities in north-east Botswana, and maximizing our return from our Thakadu mine. Thakadu is our higher grade copper-silver deposit, lying about 70km from the Mowana processing infrastructure. Thakadu's ore is transported by road to the Mowana mine processing facility and it shares the Mowana mine infrastructure and management.

For the year ended 31 March 2014, we produced copper in concentrate of 9,951 tonnes, 5% higher than the prior year, and we achieved record production levels in May 2013 of 1,408 tonnes of copper in concentrate.

During the year under review, mining operations reached below 90 metres depth in the Thakadu open pit, with a corresponding increase in the proportion of sulphide ore mined and processed. However, we experienced production delays for 15 days at the start of the year, and intermittent shortages of high grade sulphide ore from Thakadu, directly attributable to the mining contractor's poor performance in carrying out the waste stripping required to expose high grade sulphide ore. Because of the shortfall, we processed a greater volume than anticipated of stockpiled Thakadu oxide ore and of mixed oxide/supergene ore from the Mowana open pit. During the fourth quarter, the volume of ore processed fell progressively as a result of heavy rains, with frequent flooding of the Lepashe River on the ore transportation route from Thakadu to Mowana.

Because of these production challenges, we processed 748,911 tonnes of ore in 2014 compared to 801,901 tonnes in 2013 – a 7% decrease – with most of the ore processed during the year sourced from the Thakadu pit with an average grade of 1.66%; in 2013, the average grade was 1.78%. Average recovery rates increased to 80.6% from 66.5% in 2013, with the later months of the financial year recording substantially higher recoveries. At Mowana, oxide ores provide recoveries of approximately 60%, whereas supergene ore recoveries are typically approximately 80%.

Our operating costs per tonne remained above budgeted levels. Maintenance costs, caused by major component inefficiencies and design upgrades throughout the plant, were higher than we originally anticipated. On average, the plant processed about 62,409 tonnes per month during the year compared to 66,825 tonnes in 2013, lower than its design capacity of 90,000 to 100,000 tonnes per month.

For the upcoming year, we anticipate more stable operations and an increase in mining productivity after awarding a new long-term contract to provide hard-rock open cast mining services to Diesel Power a subsidiary of JSE listed Buildmax. The contract commenced during February 2014 with a duration of 52 months. Under the terms of the contract, Diesel Power will deploy a highly qualified management team with extensive experience in Africa, and Buildmax will establish permanent support structures at the Mowana Mine in Botswana.

We successfully installed a new primary crusher over a five day period at the start of July, requiring some plant downtime during subsequent weeks. Once installed, the new crusher resulted in a marked improvement in availability and potential throughput in the crushing circuit. We also successfully installed a new mill pinion and girth gear over a ten day period in November 2013. With these improvements in place, and after engaging Diesel Power, we expect more stable conditions to continue throughout the current year and for recovery rates to remain above 80%.
The following table summarizes the mine's performance during 2014 compared to 2013:

Description	Jan to March 2014	Jan to March 2013	FY[1] 2014	FY[2] 2013
Ore processed (Mt)	163,391	164,588	748,911	801,901
Cu grade (%)	1.71	1.67	1.66	1.78
Recovery (%)	90.2	88.2	80.6	66.5
Concentrate produced (Mt)	9,944	11,358	42,560	44,041
Copper produced in concentrate (Mt)	2,515	2,429	9,951	9,496

(1) 12 months ended 31 March 2014
(2) 12 months ended 31 March 2013

During the year we spent approximately $9.9 million on capital expenditure upgrades at the plant and capitalized deferred stripping costs at Thakadu. The major areas of expenditure at the plant, including expenditures on future projects, were as follows:

- a primary crusher to increase throughput and plant availability;
- new mill pinion and girth gear;
- upgrades to conveyors and pumps – these are ongoing and will help sustain stable plant operations;
- automated bagging of concentrates to reduce cost - this is at the design stage; and
- treatment of tailings to recover locked-in copper - this is at the test-work stage

To accelerate the shift to the higher-grade Thakadu sulphides, we suspended our mining activities at the Mowana open-pit during fiscal 2012, and the Mowana mining fleet moved to Thakadu. We plan to recommence full mining activities at the Mowana pit in August 2014. We believe our mining schedule at Mowana has been designed to provide sufficient time to perform the required waste stripping necessary to expose supergene ore for processing after the reserves at Thakadu are depleted, which we expect to be in February 2015. At Mowana, oxide ores provide recoveries of approximately 60%, whereas supergene ore recoveries are approximately 80%. We therefore plan to stockpile the oxide ore encountered at higher levels of the mine and to process the supergene ore as a priority.

Geology and Exploration
Exploration expenditure, mainly within PL 17/2004, totalled US$ 0.83 million for the financial year. Low-grade mineralisation with grades of approximately 0.4% - 0.7% copper was obtained over widths of 8m – 19m in 5 reverse circulation drill-holes at Phute. Multi-element geochemical soil sampling east of Phute at Nakalakwana South has identified further base-metals and gold anomalies associated with a major gravity anomaly. The exploration target model was refined and infill soil sampling is in progress over identified copper and gold soil anomalies.

Application is in progress for the extension of exploration permits PL14/2004, PL15/2004, PL16/2004 and PL17/2004 for a further period of two years from 1 October 2014.

Environmental activity
We place great emphasis on our responsibility to the environment and communities surrounding our properties in Botswana, and we submitted quarterly reports to the Botswana Chamber of Mines on our performance in this regard during the year. Among other things, we deployed more than 10,000m³ of waste water for use in access road rehabilitation, saving both potable water and diesel fuel, and are

currently investigating the potential to use waste water for agricultural purposes. We also carried out procedures to improve sewage management and are investigating means of suppressing dust production from different aspects of our operations, including the main Mowana access road.

Human Resources
We again experienced a very busy year, requiring significant commitment and resourcefulness from all parties involved in our Company, and I congratulate all for a job well done. I would like to thank our majority shareholder ZCI for its financial and operational support and to recognize the hard work from our chairman and our full team in Botswana. In addition, I again express special thanks to the communities that surround our properties in Botswana for their tremendous support and for the vital role they play in our progress.

Outlook
As already noted, we believe that we have addressed the majority of our operating challenges and we expect more stable conditions to continue throughout the current year, allowing continuing improvement in all our key operating measures.

Jordan Soko
Acting Chief Executive Officer
14 July 2014

FINANCIAL REVIEW

Income Statement

(US$ '000)	Year ended 31 March 2014	Year ended 31 March 2013
Revenue	58,735	60,464
Operating cost excluding amortization	(40,608)	(42,736)
Amortization of mining properties and equipment	(5,413)	(4,016)
Operating profit from mining operations before impairment	**12,714**	**13,712**
Impairment of property, plant and equipment	(25,000)	-
Operating (loss)/profit from mining operations	**(12,286)**	**13,712**
Administration expenses	(8,502)	(8,265)
Operating (loss)/profit	(20,788)	5,447
Investment and other income	31	91
Loss on sale of asset	(448)	-
Foreign exchange loss	(3,987)	(11,335)
Finance costs	(9,193)	(10,030)
Net loss	**(34,385)**	**(15,827)**

Revenues decreased by 3% to US$58.7 million (2013: US$ 60.5 million). Decreases in average copper and silver prices and silver production were largely but not entirely offset by increases in copper in concentrate sold. The Company slightly reduced its operating costs excluding amortization as it endeavoured to move towards more stable and efficient operations, generating an operating profit from its mining operations before impairment charges. However, the Company also recognized a non-cash impairment loss of US $25.0 million against its property, plant and equipment, reflecting the excess of the previous carrying value over the estimated recoverable amount and therefore incurred an overall loss, compared to a profit for the year ended 31 March 2013. The calculated recoverable amount was based on a revised six year and four months mine plan based on processing 5.5 million tonnes of the Mowana mine's proven and probable reserves and 0.8 million tonnes of the Thakadu mine's probable reserves. The calculation of the recoverable amount was highly sensitive to changes in the key assumptions used in the cash flow projections which included lower market assumptions on copper prices and higher mining costs due to the delay in mining operations at Thakadu arising from the change in mining contractors.

Administrative costs of US $8.5 million (2013: US$8.3 million) increased while foreign exchange losses of US$4.0 million (2013: US$11.3 million) and finance costs of US$9.2 million (2013: US$10.0 million), were lower than in the previous year. However, given the impact of the impairment loss, the Company incurred an overall loss of US$34.4 million, compared to a loss of US$15.8 million in the prior year.

Copper Produced In Concentrate (Mt):

For the year ended 31 March 2014, the Company produced copper in concentrate of 9,951 Mt, 5% higher than the 9,496 Mt produced in the previous year. Ore processed through the Mowana plant decreased by 7% to 748,911 Mt, from 801,901 Mt in 2013, reflecting various operating challenges during the year. Average recovery rates increased to 80.6% from 66.5% in 2013, with the later months of the financial year recording substantially higher recoveries. This reflects the decline in the relative percentage of oxide

ore processed through the Mowana plant, and the increase of higher-recovery sulphide ore from the Thakadu open-pit.

Revenue:

	Fiscal 2014	Fiscal 2013
Revenues: (US$ 000's)		
Copper [1]	54,097	53,643
Silver	4,638	6,821
Total Revenue	**58,735**	**60,464**
Average realized copper price ($ per Mt)	7,108	7,839
Average realized silver price ($ per oz)	23.07	31.31
Sales Statistics:		
Copper in concentrate (payable tonnes)	9,431	8,692
Copper concentrate (tonnes)	42,509	42,883
Silver (payable ounces)	204,855	226,047

(1) Copper revenue is defined as realized copper selling price less treatment, refining, freight and royalty.

Operating Cost:

Operating expenses before amortization were slightly lower in the current fiscal year at US$40.6 million (2013: US$42.7 million). The following operating costs were of particular note during fiscal 2014:

1. Mining costs - the majority of ore mined was sourced from the Thakadu open-pit mine thereby comprising the majority of mining related expenditures. The Company had suspended mining activities at Mowana during fiscal 2012 to allow the mining fleet to focus on the higher grade ore from the Thakadu open-pit, however, during the current fiscal year limited mining did take place at Mowana. Management expects mining activities to re-commence at Mowana subsequent to the end of the reporting period, during August 2014. The following table illustrates gross mining costs incurred during the year:

Thakadu open-pit: (US$000's)	**Fiscal 2014**	**Fiscal 2013**
Mining overheads expensed	3,524	5,225
Contract mining cost expensed	16,389	14,142
Deferred stripping cost capitalized	(5,669)	(4,706)
Total Thakadu mining costs expensed	14,244	14,661
Mowana open-pit:	**Fiscal 2014**	**Fiscal 2013**
Mining overheads expensed	306	-
Contract mining cost expensed	2,359	-
Deferred stripping cost capitalized	(175)	-
Total Mowana mining costs expensed	2,490	-

2. As mining progressed during the year through the Thakadu deposit, the percentage of sulphide ore increased with a corresponding decrease in the percentage of oxide ores, which are harder to process. Due to the lower percentage of oxide ores processed during fiscal 2014, the Company spent a total of US$0.8 million on reagents, compared to US$3.8 million in the previous fiscal year.

3. The Thakadu pit is 70km away from the Mowana processing facility. Trucking is a critical success factor in treating the Thakadu ore. The Company spent a total of US$7.4 million in fiscal 2014 on Thakadu trucking compared to US$9.2 million in fiscal 2013.

4. Power costs decreased during fiscal 2014 to US$1.9 million compared to US$2.1 million in fiscal 2013.

5. Salary costs did not increase materially at the Mowana mine during the current year, reflecting stability and achievement of market equilibrium from previous strategic determinations to retain skilled labour.

Other Expenses:
General, administration and depreciation and other expenses for fiscal 2014 were US$8.5 million (2013: US$8.3 million). The Company incurred costs relating to stock option expense of US$0.1 million (2013: US$0.2 million) reflecting the timing of awards.

The Company recorded a foreign exchange loss of U$4.0 million in fiscal 2014, reduced from a loss of US$11.3 million in 2013, primarily reflecting fluctuations between the $US and Botswana Pula ("Pula"). The Company's subsidiary Messina Copper Botswana (Pty) Limited ("Messina"), which has a Pula functional currency, holds the US$-denominated loans from ZCI. The Pula weakened from 8.03 to the US$ at the end of fiscal 2013 to 8.51 at the end of fiscal 2014.

The Company incurred finance costs of US$9.2 million, a decrease of 8% from US$10.0 million in fiscal 2013. At 31 March 2014, the consolidated principal debt owing to ZCI was US$93.4 million (including US$26.3 million of accrued interest). During Q3 of fiscal 2014 ZCI converted the outstanding US$8.4 million Tranche A Loan into Ordinary Shares of 1 pence each in the Company. At the end of the year Messina borrowings from Banc ABC, a Botswana based lending institution, decreased to US$nil million (2013: US$0.1 million) drawn on the bank overdraft facility and US$0.79 million (2013: US$1.9 million) owing on the equipment facility. During fiscal 2014 the Company obtained prepayment loan of $3.0 million from MRI Trading AG ("MRI"), the Group's off-take partner. The prepayment loan is US$ denominated and is repaid by way of offset against deliveries of copper concentrates in eight equal monthly installments starting in September 2013. The prepayment loan has an interest rate of LIBOR 1 month plus 5%. On 11 December 2013, MRI granted the Group two months grace in the repayment schedule in December 2013 and January 2014.

Cash Flow Statement:

(US$ '000)	Year ended 31 March 2014	Year ended 31 March 2013
Opening cash	2,433	(660)
Cash inflow from operating activities	13,712	8,703
Cash outflow from investing activities	(10,693)	(8,245)
Cash (outflow)/inflow from financing activities	(1,150)	4,357
Exchange (loss)/gain	62	(1,722)
Closing cash at 31 March	4,364	2,433

Cashflow:

Cash inflows from operations in fiscal 2014 were US$13.7 million compared to cash inflows of US$8.7 million in fiscal 2013. The Company's overall cashflow from operations benefited from improvements in all key operating areas at the Mowana mine .

Investing cash outflows of US$10.7 million included US$9.9 million (2013: US$6.6 million) to acquire property, plant and equipment and US$0.8 million (2013: US$1.7 million) on exploration activities at its Matsitama project.

Net financing cash outflow amounted to US$1.2 million (2013: inflow US$4.4 million), predominantly as the result of paying off the Banc ABC overdraft line. At 31 March 2014, the Company's consolidated principal debt to ZCI was US$67.1 million (2013: US$74.9 million) plus accrued interest of US$26.3 million (2013: US$18.7 million). In addition, at 31 March 2014 the Company's overdraft facility with Banc ABC had been closed (2013: US$0.1 million) however the Company maintained the equipment financing facility of US$3.1 million of which US$0.78 million (2013: US$1.9 million) was borrowed. A prepayment loan of $3.0 million (2013: nil) was also obtained from MRI of which US$1.1 million was outstanding at 31 March 2014 (2013:nil).

For further information on the amount and terms of loans from ZCI, please refer to Note 19 of the Company's audited Financial Statements for the year ended 31 March 2014.

Financial Position:

ASSETS (US$ 000's)	**31 March 2014**	**31 March 2013**
Non-current assets	50,910	72,635
Cash and cash equivalents	4,364	2,464
Other current assets	13,444	14,104
Total assets	**68,718**	**89,203**
Shareholders' equity - net (liabilities)/assets	**(54,624)**	**(29,931)**
LIABILITIES (US$ 000's)		
Non-current liabilities	8,601	16,149
Current liabilities	114,741	102,985
Total liabilities	**123,342**	**119,134**
Weighted average number of shares (for basic earnings per share)	1,206,190,555	928,798,988
Outstanding shares	1,485,106,251	928,798,988

At 31 March 2014 the Company held cash and cash equivalents of US$4.4 million (31 March 2013: US$2.5 million) and had no overdraft balances (31 March 2013: US$0.03 million). Overall, the Group had an equity deficiency of US$54.6 million at 31 March 2014 compared to a deficiency of US$29.9 million at 31 March 2013, reflecting the overall loss for the year.

The Company's ability to capitalize on its operational progress depends on the availability of sufficient and stable finance. The Company's 73 per cent and controlling shareholder ZCI continued to provide strong support during the year. At 31 March 2014, consolidated principal debt was US$93.4 million (including US$26.3 million of accrued interest), all of which is owed to ZCI.

ZCI filed its financials on JSE SENS on 14 July 2014 for the year ended 31 March 2014. The full statement is available on ZCI's website being www.zci.lu. As part of this disclosure, ZCI stated it currently has one major investment, being the debt and equity held in African Copper. ZCI reported that this lack of diversity in its investment portfolio is one of the key risks facing ZCI and that its board is pursuing all relevant opportunities to unlock value and put ZCI in a position to build a more diversified investment portfolio. ZCI reported it has embarked on a process to obtain commercial and legal assistance and advice with a view to the potential restructuring of the ZCI Group. The options being considered by ZCI include, but are not limited to, delisting ZCI; delisting ACU; reducing the number of subsidiary entities in the ZCI Group; and restructuring the debt and capital structure of the group; these options may include other considerations of cost and fiscal effectiveness, strategy, risk and broad commercial considerations.

ZCI also confirmed that the Directors of ZCI issued a further Letter of Financial Support to the Group and extended the Waiver Letter to defer all principal and interest payments arising from the Group's debt obligations which would otherwise fall due between 1 April 2014 and 31 July 2015.

The Letter of Financial Support confirms that ZCI will continue to make sufficient financial resources available to allow the Group to meet its liabilities as they fall due in the course of normal operations, subject to no material changes in the shareholding or debt structure of the Group resulting from the review of the reassessment of the strategic direction of ZCI. To ensure that ZCI has the ability to provide such support based on existing and any additional funding requirements, ZCI obtained an extension to 31 July 2015 of the Letter of Financial Support from its controlling shareholder, to the value of US$2.5 million.

The Waiver Letter is conditional on and revocable on 30 days written notice as a result of any material structural changes that may be required as a result of the restructuring of the ZCI Group, being ZCI and its subsidiary African Copper.

The Directors have updated the Company's and Group's cash flow projections, to identify the projected possible funding requirements and to estimate the variability in this projected requirement based on possible fluctuations in the price of copper or in monthly production. After assessing these projections against the Group's funding position, and having considered the risks and uncertainties associated with the projections and the Group's operations, the Directors have determined that the Group has adequate resources to operate for at least the next twelve months from the date of approval of these financial statements.

Going Concern

Attention is drawn to disclosure surrounding the going concern basis of preparation. Further information is provided in Note 1: Nature of operations and basis of preparation to the Group and Company's audited financial statements for the year ended 31 March 2014.

Bradley Kipp
Chief Financial Officer
14 July 2014

STRATEGIC REPORT

Section 414C of the Companies Act 2006 (the "Act") requires that the Company inform members as to how the Directors have performed their duty to promote the success of the Company, by way of a Strategic Report.

Set out below are the applicable reporting requirements under the Act for the purposes of the Strategic Report, together with guidance to other applicable sections of the Fiscal 2014 Annual Report, which are incorporated by reference into the Company's Strategic Report.

Principal Activities

African Copper is a base metals company, incorporated in England and Wales, with mining and exploration interests in Botswana. Its ordinary shares are listed on the AIM market of the London Stock Exchange ("**AIM**") under the symbol "ACU" and on the Botswana Stock Exchange ("**BSE**") under the symbol "African Copper".

The principal activity of African Copper during the year was to act as a holding company for the Group's activities in exploration for, development and mining of, copper deposits in the Republic of Botswana.

The subsidiary undertakings principally affecting the loss and net liabilities of the Group in the year are listed in Note 13.

Group Review

The Mowana mine, owned by the Company's subsidiary Messina Copper Botswana (Pty) Limited ("**Messina**") is located close to Botswana's second largest city, Francistown, in the north-eastern part of the country. Mowana and all current estimated mineral resources and reserves are part of the Dukwe Project, comprising mining licence 2006/53L, with an area of 32.7 km^2 and valid until the end of 2031.

At the Thakadu and Mowana mines, management has focussed on promoting and ensuring that a strong safety culture is developed and maintained.

The Company's subsidiary Matsitama Minerals Pty Limited ("**Matsitama**") holds the Matsitama Project, consisting of prospecting licences contiguous with the Mowana Mine deposit.

Fair Review of the Business

The loss of the Group as set out in the Consolidated Statement of Comprehensive Loss is a fair reflection of the Group's performance. The Group incurred a loss of $32.6 million (2013:$13.0 million) for the year ended 31 March 2014 inclusive of a non-cash impairment loss of $25.0 million (2013:nil) charged against property, plant and equipment, reflecting the excess of the previous carrying value over the estimated recoverable amount (see Note 8). Operating results from mining operations before this impairment charge remained profitable, while declining 7% to US$12.7 million (2013: US$13.7 million).

A review of the Group's prospects are included in the Chairman's Statement, the Chief Executive's Report and the Financial Review.

Future Development

During fiscal 2014 the Company focused on the completion of the final remaining major improvements necessary at the Mowana processing plant. While ongoing improvements are still contemplated, these will be in the normal course of operations. Over the last several years the Company has invested significant Company resources to upgrade the Mowana plant infrastructure. At this point in time the Company has repaired or replaced most of the major components – this includes the replacement of the

primary, secondary, and tertiary crushers, and essentially all of the major mill gear mechanisms; the installation of column cells and a Larox filter; and a transition from a dry tailings system to a wet tailings system. As the Directors look forward to the 2015 fiscal year, the Company is looking forward to the prospect of realizing the benefit of these upgrades and the Directors believe that the Mowana plant will run with a stability level requisite for successful production levels and efficiencies.

Mining has also been a major source of inefficiency over the last two years which stemmed in large part from the failure of two consecutive mining contractors to mine at the required levels. In March 2014 the Company announced a new long-term mining contract to Diesel Power. This contract is particularly strategic for the Company as the 2015 fiscal year will see the depletion of the Thakadu mine and a movement of mining operations back to the larger Mowana open pit. This transition to the Mowana open pit will require significant waste stripping to expose the necessary supergene and sulphide ores. It is essential that the successful restart of Mowana is properly coordinated with the phasing out of the Thakadu pit, which is due to begin over the next nine months. As such the Board is ensuring that appropriate focus and resources are devoted to achieving this primary objective.

Principal Risks and Uncertainties

The Company's operations are subject to a number of significant risks.

To date, the Company has a history of losses and its activities are focused primarily on the Mowana and Thakadu mines. Any adverse changes or developments affecting these operations would have a material and adverse effect on the Company's business, financial condition, working capital and results of operations. Neither the ability of the Company to maintain and improve the Thakadu and Mowana mine’s at current levels and achieve economic viability, nor the success of other current or future exploration activities can be assured. Copper price volatility and currency fluctuations may also affect the Company's production, profitability, cashflow and financial position.

The capital and operating cost estimates and mining and processing plans anticipated for the Mowana and Thakadu mines are estimates only and may not reflect the actual capital and operating costs incurred by the Company. The Company operates a single processing line, and although capital expenditures in recent years have greatly increased the reliability of this structure, any disruption within the line can have an immediate impact on the entirety of processing operations. The Company’s ability to meet its capital and operating cost estimates also depends heavily on factors including, but not limited to:

- The performance of the parties with whom the Company contracts to carry out mining operations, which remains ultimately beyond its control;
- Its ability to retain the services of a small number of key personnel of the appropriate calibre. The Group has entered into employment agreements with certain of its key executives. The success of the Group depends, and will continue to depend, to a significant extent, on the expertise and experience of the Directors and senior management, and the departure of all or any of these individuals might have an immediate negative impact on the efficiency and effectiveness of operations

The Company’s plans are believed to provide adequate time to perform the waste stripping necessary to enable the Mowana pit to provide the necessary ore after the reserves at Thakadu are depleted, expected to occur in fourth quarter fiscal 2015. However, any adverse experience in any of the areas described above might mean that the Company fails to achieve this goal, with disruption to its operations and a negative impact on recovery rates if Mowana oxide ore rather than the planned supergene ore is available for processing.

The Company currently intends to seek renewal of all its existing exploration and prospecting licences as they become due, and believes the likelihood of success of these applications is supported by its strong relationship with the Government of Botswana. However, no assurance exists that any new licences will be granted on a timely basis, nor that all or any of the Company's existing licences will be renewed for the same areas or with the same terms and conditions that currently apply.

Foreign investments and operations are subject to numerous risks associated with operating in foreign jurisdictions, and government regulations may have an adverse effect on the Company.

The Company's ability to meet its obligations and continue as a going concern is dependent on its ability to generate positive cashflow from operations at the Thakadu and Mowana mines as well as the continued financial support of ZCI and ZCI's parent.

The Group has considered a number of key dependencies as set out below:

- The Group is dependent on the continuing support of ZCI not to call for the repayment of amounts owed to it. If ZCI calls for repayment, the Group would, in the absence of alternative sources of funds, have insufficient funds to repay the loans.
- In January 2008, the Group entered into an Off-take Agreement (for copper concentrate sales) with MRI Trading AG of Zug Switzerland covering 100% of Mowana mine production during the first 5 years of production. The agreement was subsequently extended to 31 December 2014. The Off-take Agreement is based on generally accepted international terms for copper concentrates and is benchmarked to published treatment and refining charges. The Off-take Agreement is renewable.

Analysis of the Development and Performance of the Business

The information is contained in the Chairman's Report, the Chief Executive Report and Financial Review Sections of this Annual Report.

Analysis of the Position of the Business

The information is contained in the Chairman's Report, the Chief Executive Report and Financial Review Sections of this Annual Report.

Analysis Using Key Financial Performance Indicators and Milestones

The liquidity requirements and operational and financial performance of the Group are monitored on a weekly basis by management, monthly and quarterly by the Board and ZCI, and semi-annually by external parties**.**

1. Revenue represents the income from sales of copper as well as silver by-product credits. Revenues for the year ended 31 March 2014 decreased to US$58.7 million, 3.0% lower than the prior year (2013: US$60.5 million).
2. Operating profit from mining operations before impairment of property, plant and equipment is a measure of the Group's underlying profitability from mining operations. The Group recognized an operating profit from mining operations before impairment of property, plant and equipment of US$12.7 million (2013:US$13.7 million).
3. Capital expenditure is a measure of the Group's investment in current operations and growth projects. The Group invested a total of US$10.7 million (2013: US$8.2 million) including $9.9

million related to the capital expenditure programme at the Mowana plant and deferred stripping activities and US$0.8 million on exploration activities at its Matsitama project.

4. Net cash from operating activities is an indication of the funds generated by the business and available for future growth, debt service and return to shareholders. The Group generated positive net cash from operating activities for the year of US$13.7 million which was largely offset by capital expenditures during the year of US$10.7 million.
5. The availability of funding from within the Group and its controlling shareholder, ZCI Limited ("ZCI") is a key indicator. (See Note 1 – Going Concern). ZCI continued to provide strong support for the Company over the course of the year. At 31 March 2014, the Company's consolidated principal debt was US$93.4 million (including US$26.3 million of accrued interest), all of which was owed to ZCI. The Company has current net liabilities of $96.9 million, up $10.5 million from its net current position of US$86.4 million at 31 March 2013. ZCI has issued a further Letter of Financial Support to African Copper and has extended the Waiver Letter to defer all principal and interest payments arising from the Group's debt obligations. Such obligations would otherwise fall due between 1 April 2014 and 31 July 2015.

Analysis Using Other Key Performance Indicators and Milestones

1. Copper production is a key operational parameter for the Group as copper is the main revenue generating product. During fiscal 2014, copper produced in concentrate increased to 9,951 tonnes, 4.8% higher than the prior year. During fiscal 2014, 748,911 tonnes of ore were processed compared to 801,901 tonnes in 2013 – a 6.6% decrease. However, higher recoveries on Thakadu sulphide ore contributed to increased copper production more than offsetting the drop in Group production.
2. Copper recovery is a key operational parameter because of the variance in recovery levels that are realized depending on the ore that is being processed (ie oxide, supergene or sulphide). Recovery rates increased to 80.6% in fiscal 2014 compared to 66.5% for the previous fiscal year, with the latter months of the current fiscal year recording substantially higher recoveries. This reflects the decline in the relative percentage of oxide ore processed during the year due to the increased levels of higher-recovery sulphide ore from the Thakadu open-pit.
3. Lost time injury frequency rate ("LTIFR") - safety is a key priority for the Group with the LTIFR being one of the principal measures of this. During the year the LTIFR was 0.28 lost time injuries per 200,000 man hours worked.
4. Cash costs is a key indicator of operational efficiency. Cash costs include manpower, contract mining costs, processing (consumables, power, and maintenance) and administrative costs. Cost management strategies include value enhancing procurement to get superior materials and spares at the best prices and also focusing on consumption rates. Mining costs for the year were US$3.22 per tonne of material mined/moved (2013: US$2.47 per tonne), processing costs US$20.7 per tonne of ore milled (2013: US$23.2 per tonne), on-mine administrative costs US$0.28 per pound of recovered copper (2013:US$0.27 per pound). During fiscal 2014 the Company achieved an overall cash cost of production of US$2.24 per pound (2013: US$2.30).
5. Attracting and retaining key commercial and technical staff is a key success factor in light of market conditions in the resource sector. The Group monitors current conditions in the markets that it operates and aims to provide competitive compensation packages within the context of its then current financial position.

Approval of the Board

This Strategic Report contains certain forward-looking statements that are subject to the usual risk factors and uncertainties associated with an exploration, development and mining company. While

the Directors believe the expectation reflected herein to be reasonable in the view of the information available up to the time of the Board's approval of this Strategic Report, the actual outcome may be materially different owing to factors either beyond the Group's control or otherwise within the Group's control but, for example, resulting from a change of strategy. Accordingly, no reliance may be placed on the forward-looking statements.

On behalf of the Board:

Jordan Soko
Acting Chief Executive Officer
14 July 2014

DIRECTORS' REPORT

The Directors present their report with the consolidated financial statements of the Company for the year ended 31 March 2014.

The Financial Statements are presented in US dollars.

Results

The Group's loss after taxation for the year ended 31 March 2014 was US$34.4 million compared to a loss of US$15.8 million for the year ended 31 March 2013. A financial review of the Group's activities can be found in the Financial Review section of the annual report.

Proposed Dividend

The Directors do not recommend the payment of a dividend for the year (2013: Nil).

Directors

The directors who held office during the year were as follows:

D Rodier	Chairman
B R Kipp	Chief Financial Officer
J Soko	Acting Chief Executive Officer
R D Corrans	Non-Executive
Prof S Simukanga	Non-Executive
S Georgala	Non-Executive

All Directors' service contracts are determinable on not more than 12 months' notice.

Audit Information

Each of the Directors has confirmed that so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and that he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, KPMG LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Going Concern

After making enquires, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the Financial Statements. See Note 1 for further information.

Indemnification of Directors and Officers

During the year, the Company held insurance to indemnify Directors, the Company Secretary and executive officers of the Company against liabilities incurred in the conduct of their duties to the extent permitted under legislation.

Substantial Share Interests

As at 14 July 2014 the Company was aware of the following substantial share interests

	Ordinary	%

	shares	
ZCI Limited	1,090,671,510	73.44
iCapital (Mauritius) Limited	247,575,741	16.67

Political and Charitable Donations

The Group made no political contribution and no charitable donation during year ended 31 March 2014 (2013: nil).

On behalf of the board:

Bradley Kipp
Chief Financial Officer
14 July 2014

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare group and parent company financial statements for each financial year. As required by the AIM Rules of the London Stock Exchange, they are required to prepare the group financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and applicable law and have elected to prepare the parent company financial statements on the same basis. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Parent Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with IFRSs as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Parent Company and the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

STATEMENT OF CORPORATE GOVERNANCE

The Directors support the principles of good corporate governance. While not mandatory for an AIM company, the directors take due regard, where practical for a company of this size and nature, of certain provisions of the principles of good governance and code of best practices under the 2012 UK Corporate Governance Code. The disclosures presented herein are limited and are not intended to constitute a corporate governance statement as prescribed by the Disclosure and Transparency Rules or the Companies Act.

The Group complies with the guidance issued by the Quoted Companies Alliance, to the extent the Directors consider appropriate, having regard to the size of the Company and its current stage of development. The Board reviews key business risks, in addition to the financial risks facing the Group in the operations of the business.

THE BOARD

The Board is currently made up of two executive directors and four non-executive directors. Mr. Jordan Soko is the Company's acting Chief Executive Officer and Mr. Brad Kipp is the Chief Financial Officer. It is the Board's policy to maintain independence by having at least half of the Board comprising non-executive directors who are free from any business, or other relationship with the Group. The structure of the Board ensures that no one individual or group dominates the decision making process. The Board meets as deemed necessary to provide effective leadership and overall control and direction of the Group's affairs through the schedule of matters reserved for its decision. This includes the approval of the budget and business plan, major capital expenditures, acquisitions and disposals, human resources, environmental management, risk management policies and the approval of the financial statements. Formal agendas, papers and reports are sent to the directors in a timely manner, prior to Board meetings.

All directors have access to the advice and services of the Company Secretary. Any director may take independent professional advice at the Company's expense in the furtherance of his duties.

AUDIT COMMITTEE

The Audit Committee meets at least twice during the year and is responsible for ensuring that the financial performance of the Company is properly reported on and monitored, and for meeting the auditors and reviewing the auditors' reports relating to the accounts. The Audit Committee also recommends the appointment of, and reviews the fees of, the external auditors. It meets at least once a year with the auditors without executive Board members present. The Audit Committee comprises three members, all of whom are non-executive. The current membership of the committee is Mr. R Corrans (Chairman), Mr. D. Rodier and Professor S. Simukanga.

REMUNERATION COMMITTEE

A Remuneration Committee generally meets at least once per year but during Fiscal 2014 there were no meetings held. Given the Company's financial condition and its limited financial resources executive compensations structures were not changed materially. The Remuneration Committee reviews the performance of the executive directors and sets and reviews the scale, structure and basis of their remuneration and the terms of their service agreements paying due regard to the interests of shareholders as a whole and the performance of the Company. Remuneration of executive directors is established by reference to the remuneration of executives of equivalent status both in terms of level of responsibility of the position and by reference to their job qualifications and skills. The Remuneration Committee will also have regard to the terms which may be required to attract an executive of equivalent experience to join the Group from another company. Such packages include performance related bonuses and the grant of share options.

The Remuneration Committee comprises the non-executive directors, Mr. R. Corrans (Chairman), Mr. D. Rodier and Professor S. Simukanga. The Directors' remuneration report appears in the Directors' Remuneration Report section of this annual report.

INTERNAL CONTROLS

The Directors have overall responsibility for the Group's internal control and effectiveness in safeguarding the assets of the Group. Internal control systems are designed to reflect the particular type of business, operations and safety risks and to identify and manage risks, but not entirely all risks to which the business is exposed. As a result, internal controls can only provide a reasonable, but not absolute, assurance against material misstatements or loss.

The processes used by the Board to review the effectiveness of the internal controls are through the Audit Committee and the executive management reporting to the Board on a regular basis where business plans, budgets and authorisation limits for the approval of significant expenditure, including investments are appraised and agreed. The Board also seeks to ensure that there is a proper organisational and management structure with clear responsibilities and accountability. It is the Board's policy to ensure that the management structure and the quality and integrity of the personnel are compatible with the requirements of the Group.

The Board attaches importance to maintaining good relationships with all its shareholders and ensures that all price sensitive information is released to all shareholders at the same time in accordance with London Stock Exchange and Botswana Stock Exchange rules. The Company's principal communication with its investors is through the annual report and accounts, the half-yearly statements and press releases issued as material events unfold.

DIRECTORS' REMUNERATION REPORT

Remuneration Committee

The Company has established a Remuneration Committee which is constituted in accordance with the recommendations of the Combined Code. The members of the Committee for the year ended 31 March 2014 were Mr. R Corrans, Mr. D Rodier and Professor S Simukanga who are all independent non-executive directors, and the Committee was chaired by Mr. R Corrans. No members of the Committee have any personal financial interest (other than as a shareholder), conflicts of interests, or day-to-day involvement in running the business. The Committee makes recommendations to the Board. No director plays a part in any discussion about his own remuneration. In determining the Directors' remuneration for the year, the Committee consulted Mr. J Soko (acting Chief Executive Officer) and Mr. B Kipp (Chief Financial Officer) about its proposals.

Remuneration Policy for Executive Directors

Executive remuneration packages are designed to attract, motivate and retain executives of the highest calibre to lead the Company and to reward them for enhancing value to shareholders. The performance management of the executive directors and key members of senior management, and the determination of their annual remuneration package are undertaken by the Committee.

There are four main elements of the remuneration package for executive directors and senior management:

- Basic annual salary
- Annual bonus payments
- Share option incentives
- Benefits and perks

Basic Salaries and/or Consulting Fees

An executive director's basic salary or consulting fee represents their minimum compensation for services rendered during the financial year. Each executive director's base compensation depends on the scope of his experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices, competitiveness, and the Company's existing financial resources.

Annual Bonus Payment

Although generally the Company has not paid cash bonuses to executive directors, the Remuneration Committee has been provided with the discretion to award bonuses when executive directors demonstrate exceptional performance, in circumstances where the Company is in the financial position to make such awards. Given the Company's current financial condition and its limited financial resources, the Remuneration Committee did not consider granting discretionary bonus payments to executive directors for the years ended 31 March 2014 and 31 March 2013.

Share Options

The grant of options to purchase Ordinary Shares pursuant to the Company Option Plan has been a component of the compensation packages of the executive directors of the Company. The Remuneration Committee believes that the grant of options to executive directors and Ordinary Share ownership by such directors serves to motivate achievement of the Company's long-term strategic objectives and the result will benefit all shareholders. Options are awarded to executive directors based upon the performance of the Company and each executive director's level of responsibility and contribution to Company performance. The Remuneration Committee considers the overall number of options that are outstanding relative to the number of outstanding Ordinary Shares in determining whether to make any new grants of options and the size of such grants. The Remuneration Committee's decisions with respect to the granting of options are reviewed by the Board and are subject to its final approval. There were no options granted to executive directors during the years ended 31 March 2014 and 31 March 2013.

Benefits

If available, executive directors' are eligible to participate in group benefit plans offered to full-time employees employed in the respective executive director's country of residence. The Company does not view these benefits as a significant element of its compensation structure, as they constitute only a small percentage of total compensation, but does believe that these benefits, used in conjunction with base

salary, attract, motivate and retain individuals in a competitive environment. There were no benefits paid to executive directors during the year ended 31 March 2014 or 31 March 2013.

Pensions
The Company does not operate a pension scheme for executive directors. No pension contributions are made in respect of non-executive directors.

Non-Executive Director Compensation
The non-executive Director compensation programme is designed to achieve the following goals: (i) attract and retain the most qualified people to serve on the Board; (ii) align Directors' interests with the long-term interests of shareholders; and (iii) fairly pay directors for risks and responsibilities related to being a Director of an entity of the Company's size and scope.

The following table outlines the basic non-executive director compensation for the year ended 31 March 2014:

Type of Fee Annual Retainers*	Amount US$
Chairman Retainer	10,000
Board Member Retainer	32,500
Audit Committee Chairman Retainer	7,500
Audit Committee Member Retainer	5,000
Compensation Committee Chairman Retainer	5,000
Compensation Committee Member Retainer	2,500

* *No additional meeting fees are paid for Board or committee meetings attended.*

Non-executive Directors may also receive options granted under the Company Option Plan, as recommended by the Remuneration Committee and determined by the Board. The Board determines the particulars with respect to all options granted, including the exercise price of the options. There were no options granted to directors during the year ended 31 March 2014.

The following compensation table sets out the compensation paid to each of the Company's Directors during the year ended 31 March 2014:

Name	Fees earned (US$)	Share-based awards (US$)	All other Compensation (US$)	Total (US$)
D. Rodier Chairman	49,636	N/A	N/A	49,636
R. Corrans Independent Director	45,685	N/A	N/A	45,685
S.Simukanga Independent Director	40,609	N/A	N/A	40,609
J. Soko Acting CEO and Director	32,995	N/A	N/A	32,995
B. Kipp CFO and Director	196,114	N/A	N/A	196,114
S. Georgala Independent Director	32,995	N/A	N/A	32,995

The following compensation table sets out the compensation paid to each of the Company's Directors during the year ended 31 March 2013:

Name	Fees earned (US$)	Share-based awards (US$)	All other Compensation (US$)	Total (US$)
D. Rodier Chairman	48,813	N/A	N/A	48,813
R. Corrans Independent Director	43,694	N/A	N/A	43,694
S.Simukanga Independent Director	38,839	N/A	N/A	38,839
J. Soko Acting CEO and Director	31,557	N/A	N/A	31,557
B. Kipp CFO and Director	179,684	N/A	N/A	179,684
S. Georgala Independent Director	31,479	N/A	N/A	31,479

The Directors who held office at 31 March 2014 had the following interests in the ordinary shares of the Company:

Director	*Shares held at 31 March 2014*	*Shares held at 31 March 2013*	*Share Options held at 31 March 2014*	*Share Options held at 31 March 2013*	*Option Exercise Price*	*Option Exercise Period*
R. Corrans	-	-	150,000	150,000	76p	12/11/04 to 12/11/14
			150,000	150,000	77.5p	01/08/06 to 31/07/16
			500,000	500,000	3.13p	14/07/11 to 14/07/16
D. Rodier	-	-	500,000	500,000	3.13p	14/07/11 to 14/07/16
J. Soko	-	-	2,500,000	2,500,000	3.13p	14/07/11 to 14/07/16
B. Kipp	300,000	300,000	100,000	100,000	76p	12/11/04 to 12/11/14
			1,250,000	1,250,000	77.5p	01/08/06 to 31/07/16
			2,500,000	2,500,000	3.13p	14/07/11 to 14/07/16

There have been no changes in the Directors' interests between 1 April 2014 and the date of this Report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AFRICAN COPPPER PLC

We have audited the financial statements of African Copper PLC for the year ended 31st March 2014. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31st March 2014 and of the Group's loss for the year then ended;
- the Group's financial statements have been properly prepared in accordance with IFRSs as adopted by the EU;
- the parent company's financial statements have been properly prepared in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going Concern

In forming our opinion on the financial statements which is not modified, we have considered the adequacy of the disclosure made in Note 1 to the financial statements concerning the Group's and Company's ability to continue as a going concern. The Group has incurred a loss of US$34.4 million, has net liabilities of US$54.6 million and debt due to its parent ZCI of US$94.4 million the majority of which is now overdue its terms for repayment. The Group's and the Company's future is dependent upon the potential restructuring of ZCI, reliance on continued and possibly additional financial support from ZCI; the successful and timely restart of mining operations at the Mowana pit and the associated processing of supergene ore; production volumes; the exposure to copper pricing; the risk of an increase in milling costs. These matters indicate the existence of a material uncertainty that may cast significant doubt on the ability of the Group and parent company to continue as a going concern. The financial statements do not include the adjustments that would result if the Group and parent company were unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Lynton Richmond **(Senior Statutory Auditor)**

For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL
United Kingdom

14 July 2014

African Copper Plc

Consolidated Statement of Comprehensive Income

	Note	For year ended 31 March 2014 US$'000	For year ended 31 March 2013 US$'000
Continuing operations			
Revenue	3	**58,735**	60,464
Operating costs excluding amortization		**(40,608)**	(42,736)
Amortization of mining properties and equipment		**(5,413)**	(4,016)
Operating profit/(loss) from mining operations before impairment		**12,714**	13,712
Impairment of property, plant and equipment		**(25,000)**	-
Operating (loss)/profit from mining operations		**(12,286)**	13,712
Administrative expenses		**(8,502)**	(8,265)
Operating (loss)/profit	4	**(20,788)**	5,447
Investment and other expense/income		**(417)**	91
Foreign exchange loss		**(3,987)**	(11,335)
Finance costs		**(9,193)**	(10,030)
Loss before tax		**(34,385)**	(15,827)
Income tax expense	6	**-**	-
Loss for the year from continuing operations attributable to equity shareholders of the parent company		**(34,385)**	(15,827)
Other comprehensive income:			
Items that are or may be reclassified subsequently to profit and loss:			
Exchange differences on translating foreign operations		**1,746**	2,860
Other comprehensive income for the year, net of tax		**1,746**	2,860
Total comprehensive expense for the year attributable to equity shareholders of the parent company		**(32,639)**	(12,967)
Basic and diluted loss per ordinary share	7	**$(0.03)**	$(0.01)

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

African Copper Plc
Balance Sheets

	Note	Group As at 31 March 2014 US$'000	Group As at 31 March 2013 US$'000	Company As at 31 March 2014 US$'000	Company As at 31 March 2013 US$'000
ASSETS					
Property, plant and equipment	8	**45,351**	63,054	**-**	-
Deferred exploration costs	9	**5,304**	9,311	**1**	1
Other financial assets	10	**255**	270	**-**	-
Long term receivables	11	**-**	-	**14**	12
Investments in subsidiaries	12	**-**	-		-
Total non-current assets		**50,910**	72,635	**15**	13
Other receivables and prepayments	14	**5,820**	5,213	**109**	62
Inventories	15	**7,624**	8,891	**-**	-
Cash and cash equivalents	16	**4,364**	2,464	**101**	190
Total current assets		**17,808**	16,568	**210**	252
Total assets		**68,718**	89,203	**225**	265
EQUITY					
Issued share capital	17	**23,546**	15,167	**23,546**	15,167
Share premium		**170,075**	170,075	**170,075**	170,075
Other reserve- ZCI convertible loan		**-**	502	**-**	502
Merger reserve		**-**	-	**17,135**	17,135
Acquisition reserve		**8,931**	8,931	**-**	-
Foreign currency translation reserve		**9,199**	7,453	**(14,659)**	(14,838)
Accumulated losses		**(266,375)**	(232,059)	**(196,617)**	(194,361)
Total equity		**(54,624)**	(29,931)	**(520)**	(6,320)
LIABILITIES					
Rehabilitation provision	21	**7,025**	6,766	**-**	-
Amounts payable to ZCI Ltd	19		7,500	**-**	-
Finance Lease Liability	23	**1,535**			
Other borrowings	20	**41**	1,883	**-**	-
Total non-current liabilities		**8,601**	16,149	**-**	-

Bank overdraft		**-**	31	**-**	-
Trade and other payables	22	**19,116**	16,783	**265**	303
Amounts payable to ZCI Ltd	19	**93,376**	86,171	**-**	-
Finance Lease Liability	23	**378**	-	**-**	-
Other borrowings	20	**1,871**	-	**-**	-
Amounts payable to subsidiary	22	**-**	-	**480**	6,282
Total current liabilities		**114,741**	102,985	**745**	6,585
Total equity and liabilities		**68,718**	89,203	**225**	265

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

The financial statements were approved by the Board of Directors and authorised for issue on 14 July 2014 and signed on their behalf by:

Director
David Rodier

Director
Bradley Kipp

African Copper Plc
Consolidated statement of changes in equity

	Note	Share Capital	Share Premium	Acquisition Reserve	Foreign Currency Translation Reserve	Hedging/Other (ZCI) Reserve	Accumulated Loss	Total Equity
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 April 2012		**15,167**	**170,075**	**8,931**	**4,593**	**502**	**(216,395)**	**(17,127)**
Foreign exchange adjustments		-	-	-	2,860	-	-	2,860
Loss for the year		-	-	-	-	-	(15,827)	(15,827)
Total comprehensive income for the year		-	-	-	2,860	-	(15,827)	(12,967)
Share based payments, net of tax		-	-	-	-	-	163	163
Balance at 31 March 2013		**15,167**	**170,075**	**8,931**	**7,453**	**502**	**(232,059)**	**(29,931)**
Foreign exchange adjustments		-	-	-	1,746	-	-	1,746
Loss for the year		-	-	-	-	-	(34,385)	(34,385)
Total comprehensive income for the year		-	-	-	1,746	-	(34,385)	(32,639)
New share capital subscribed		8,379						8,379
ZCI reserve movement						(502)		(502)
Share based payments, net of tax		-	-	-	-	-	69	69
Balance at 31 March 2014		**23,546**	**170,075**	**8,931**	**9,199**	**-**	**(266,375)**	**(54,624)**

The notes are an integral part of these consolidated financial statements

African Copper Plc

Company statement of changes in equity

	Share Capital	Share Premium	Merger Reserve	Foreign Currency Translation Reserve	Hedging/ Other (ZCI) Reserve	Accumulated Loss	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 April 2012	**15,167**	**170,075**	**17,135**	**(15,065)**	**502**	**(191,317)**	**(3,503)**
Loss for the year	-	-	-	-	-	(3,106)	(3,106)
Foreign exchange due to conversion from GBP to US Dollar	-	-	-	227	-	-	227
Total comprehensive loss for the year	-	-	-	227	-	(3,106)	(2,879)
Share based expenses, net of tax	-	-	-	-	-	62	62
Balance at 31 March 2013	**15,167**	**170,075**	**17,135**	**(14,838)**	**502**	**(194,361)**	**(6,320)**
Loss for the year	-	-	-	-	-	(2,282)	(2,282)
Foreign exchange due to conversion from GBP to US Dollar	-	-	-	179	-	-	179
Total comprehensive loss for the year	-	-	-	179	-	(2,282)	(2,103)
New share capital subscribed	8,379						8,379
Hedging reserve					(502)		(502)
Share based payments, net of tax	-	-	-	-	-	26	26
Balance at 31 March 2014	**23,546**	**170,075**	**17,135**	**(14,659)**	**-**	**(196,617)**	**(520)**

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

African Copper Plc
Consolidated cash flow statement

	Note	Year ended 31 March 2014 US$'000	Year ended 31 March 2013 US$'000
Cash flows from operating activities			
Loss for the period from continuing operations		**(34,385)**	(15,826)
Increase in receivables		**(607)**	(1,121)
(Increase)/decrease inventories		**1,267**	(99)
(Decrease)/increase in payables		**2,332**	(2,034)
Share based payment expense		**69**	163
Foreign exchange loss		**3,987**	11,335
Rehabilitation provision		**647**	649
Depreciation and amortization		**5,792**	4,453
Impairment of property, plant and equipment		**25,000**	-
Cash inflow/(outflow) from operating activities		**4,102**	(2,480)
Interest received		**(31)**	(21)
Other income		**448**	(70)
Finance costs paid		**181**	622
Finance costs deferred by ZCI		**9,012**	10,652
Net cash inflow/(outflow) from operating activities		**13,712**	8,703
Cash flows from investing activities			
Payments to acquire property, plant and equipment		**(9,893)**	(6,648)
Payments of deferred exploration expenditures		**(831)**	(1,688)
Interest received		**31**	21
Net cash outflow from investing activities		**(10,693)**	(8,245)
Cash flows from financing activities			
Proceeds from ZCI loans		**-**	6,000
Debt raised		**3,000**	-
Repayment of debt		**(2,970)**	(1,021)
Repayment of finance lease liability		**(999)**	-
Finance costs paid		**(181)**	(622)
Net cash inflow from financing activities		**(1,150)**	4,357
Net (decrease)/increase in cash and cash equivalents		**1,869**	4,815
Cash and cash equivalents at beginning of the year		**2,433**	(660)
Foreign exchange (loss)/gain		**62**	(1,722)
Cash and cash equivalents at end of the year	16	**4,364**	2,433

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

African Copper Plc
Company cash flow statement

	Note	Year Ended 31 March 2014 US$'000	Year Ended 31 March 2013 US$'000
Cash flows from operating activities			
Loss for the periodfrom continuing operations		**(2,282)**	(3,106)
(Increase)/decrease in receivables		**(47)**	1
Increase/(decrease) in payables		**(38)**	3,175
Foreign exchange loss/(gain)		**(22)**	(179)
Share based payment expense		**26**	63
Impairment of investment		**958**	1,856
Cash used in operating activities		**(1,405)**	1,810
Interest paid		**43**	-
Net cash outflow from operating activities		**(1,362)**	1,810
Cash flows from financing activities			
Advances from subsidiaries		**2,240**	-
Advances to subsidiaries		**(960)**	(1,856)
Net cash inflow from financing activities		**1,280**	(1,856)
Net decrease/increase in cash and cash equivalents		**(82)**	(46)
Cash and cash equivalents at beginning of the year		**(37)**	9
Exchange (loss)/gain		**220**	-
Cash and cash equivalents at end of the year	16	**101**	(37)

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

1. Nature of operations and basis of preparation

African Copper Plc ("African Copper" or the "Company") is a public limited company incorporated and domiciled in England and is listed on the AIM market of the London Stock Exchange and the Botswana Stock Exchange.

African Copper is a holding company of a copper producing and mineral exploration and development group of companies (the "Group"). The Group's main asset is the Mowana Mine which consists of a 3,000 Mt per day copper processing facility and the copper producing Mowana open pit. The Group also owns a mining licence at the high grade copper-silver Thakadu open-pit, lying about 70 km from the Mowana processing infrastructure. The current processing strategy envisages maximising copper units through the Mowana plant by focusing production on the higher grade Thakadu ore. Mining activities at the Mowana open-pit had been curtailed but mining operations are planned to recommence in August 2014 so as to have the pit capable of providing the necessary ore when the reserves at Thakadu are depleted which is expected to be in the fourth quarter of fiscal 2015.

The Group currently holds permits in exploration properties at the Matsitama Project which is contiguous to the southern boundary of the Mowana Mine.

The Group has only one operating segment, namely copper exploration, development and mining in Botswana.

Basis of preparation

The consolidated and company financial statements have been prepared in accordance with International Financial Reporting Standards and Interpretations (collectively "IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU") in accordance with EU laws.

The consolidated and company financial statements have been prepared according to the historic cost basis or the fair value basis where the fair value of relevant assets and liabilities has been applied.

The consolidated and company financial statements are presented in United States Dollars ("US$" or "US dollar") and rounded to the nearest thousand. The Company's functional currency is GB Pounds ("£") and the functional currency of the Company's principal subsidiary is Botswana Pula.

Going concern

The Directors have prepared the financial statements on the going concern basis having considered the status of the current operations, the current funding position and the projected funding requirements of the business for 12 months from the date of approval of these consolidated annual financial statements as detailed below.

Current operations

In the year to 31 March 2014, the consolidated financial statements show a loss before tax of US$34.4 million (2013: US$15.8 million) and at 31 March 2014, net current liabilities of US$96.9 million (2013: US$86.4 million). Overall, the Group had an equity deficiency of US$54.6 million at 31 March 2014 compared to a deficiency of US$29.9 million at 31 March 2013, reflecting the overall loss for the year.

The Company's principal subsidiary sold a total of 9,431 Mt of copper in concentrate during the financial year to 31 March 2014 (2013: 8,692 Mt). The average price per tonne achieved during the financial year was US$7,108 (2013: US$7,839).

As explained further in Note 8 to the consolidated financial statements, during Fiscal 2014 the Group recognised an impairment loss of US $25 million against its property, plant and equipment, reflecting the difference between the estimated recoverable amount over the previous carrying value. The calculation of the recoverable amount remains highly sensitive to changes in the key assumptions used in the cash flow projections as described below.

Current funding

At 31 March 2014, the consolidated debt of the Group was US$93.4 million (2013: US$93.7 million) all of which is owed to ZCI Limited ("ZCI"), African Copper's immediate parent company, as set out in note 19 to the financial statements. Included in the total amount, accrued interest on the principal amounted to US$26.3 million at 31 March 2014 (2013: US$18.7 million). The Group's facility with ZCI is currently fully drawn and the majority of this is now overdue its terms of repayment.

In the light of the sensitivities in the Group's cash flow forecasts discussed below, the Directors believe that the Group may need an additional US$2.5 million of funding from ZCI.

ZCI has indicated in letters of financial support that, subject to the potential restructuring described in the next paragraph, it will until 31 July 2015 make available a further US$2.5 million of funding and in particular will not seek repayment of amounts currently made available. ZCI's controlling shareholder has indicated to ZCI that it will provide financial support to ZCI on similar terms.

In January 2014 the Company announced that the ZCI board was pursuing opportunities to unlock value in its investment in African Copper and that ZCI had embarked on a process to obtain commercial and legal assistance and advice with a view to the potential restructuring of the ZCI Group. The options being considered by ZCI were reported to include delisting ZCI; delisting African Copper; reducing the number of subsidiary entities in the ZCI Group; restructuring the debt and capital structure of the group; and may include other considerations of cost and fiscal effectiveness, strategy, risk and broad commercial considerations.

Therefore this process could lead to a decision to withdraw the financial support on which the Group depends. The process is still at a very early stage (advisors have not yet been appointed). ZCI, which has a common director with the Company, has not yet formed any intentions with respect to the Group. However, it is possible that ZCI will make decisions about its options in the coming months.

Cash flow forecast – key assumptions and uncertainties

The cash flow projections have been done at both the Company level as well as a Group level as the ability of the Company to continue as a going concern, is directly dependent on the performance of the subsidiaries in the Group. The cash flow projections, which have been drawn up on a monthly basis, are based on a number of inputs and assumptions which include mined tonnage, all associated mining and processing costs, extraction and yield rates for production of the copper concentrate and the price of copper. The Group's approved capital expenditure is also included in the cash flows.

The projections are furthermore subject to ZCI continuing to defer all principal and interest payments arising from the Group's debt obligations to ZCI for at least twelve months from the date of signing these accounts.

According to current mine plan, the Thakadu pit will be depleted within the next 9 months and the Group's future cash generation beyond this point depends entirely on a successful and timely restart of mining operations at the Mowana pit and associated processing of the supergene ore. However, numerous significant challenges and risks exist in attaining this situation at Mowana and these challenges and risks are of a kind that have often impeded the Group's operations in the past. In particular, the Group over the years has experienced recurring problems with the quality of its mining contractors and other aspects of production, causing production levels to be significantly below planned levels. However, during the last quarter of the financial year a new mining contractor has been appointed with extensive mining experience and the Group expects an increase in mining productivity.

In the opinion of the Directors, the key assumptions to which the projections are most sensitive are the tonnage of produced copper concentrate and the copper price. The tonnage of produced copper concentrate is itself a function of mining output and recovery achieved in the processing operations.

The following key assumptions (relevant for the 12 months to the end of July 2015) were used to

calculate the future cash flows:

- Average copper price per tonne US$6,885;
- Average monthly production 1,116 tonnes;
- Average monthly throughput 79,720 tonnes;
- Average recovery 88.8 %;
- Average milling costs US$13.64 per tonne.

The copper price per tonne is based on consensus analyst projections for the copper price. The actual average price per tonne achieved during the 2014 financial year was US$7,108 (2013: US$7,839). The average monthly production of copper in concentrate is a 34.7% increase over average production in the current financial year however; this average was significantly impacted by the low production in April, August and September 2013 which was partly due to plant downtime due to the repairs of the ball mill motor. By way of illustration, the assumed production is a 20.4 % increase over the average production for 2014 financial year excluding the months of April, August and September 2014. Considering completed plant improvements and throughput achievements during certain periods in the past, the projected throughput should be achievable assuming that mining operations at Thakadu and Mowana progress on plan.

Forecasted recovery rates are based on historical independent metallurgy and plant test-work, averaging 88.8% over the 12 months to July 2015. The forecasted average milling costs per tonne is lower than the actual milling cost achieved in the recent past. This is due to high maintenance costs at the mill during the current financial year which is expected to be once-off and therefore excluded from the forecast cost and expected increases in throughput lowering fixed cost per tonne.

Projected funding requirements and current activities

The Directors believe that the projections for the twelve months to July 2015 are achievable. The cash flow projections show that if key operational and pricing assumptions are achieved, the Company and Group will not require any additional funding for the next twelve months from the date of approval of these consolidated annual financial statements.

By way of illustrating other downside sensitivities in the projection, a combination of (1) shortfalls in production throughput of up to 10% (2) shortfalls in the average copper price of up to 2.5% (3) shortfalls in average recoveries of up to 5% on the Mowana ore from March 2015 (4) increase in the average milling costs to US$14.66/DMT due to the abovementioned sensitivity on production throughput applied would not result in any additional funding requirement over the forecast period until July 2015 (all other assumptions unchanged).

Additionally a possible shutdown of operations for up to a month in the event of a critical equipment failure and/or heavy rain fall would result in an additional funding requirement of up to US$2.5 million (all other assumptions unchanged). The Company has received from ZCI a letter of financial support, confirming that ZCI will continue to make sufficient financial resources available to allow the Company and Group to meet liabilities as they fall due in the course of normal operations to 31 July 2015, subject to no material changes in the shareholding or debt structure of the Group resulting from the ZCI review of the reassessment of the strategic direction of ZCI and the group. To ensure that ZCI has the ability to provide such support based on existing and any additional funding requirements, ZCI obtained an extension of the letter of financial support from its controlling shareholder, to the value of US$2.5 million.

Conclusion

After taking account of the Company and Group's funding position and its cash flow projections, and having considered the risks and uncertainties described above, the Directors have concluded that the Company and Group have adequate resources to operate for at least the next 12 months from the date of approval of these consolidated annual financial statements. For these reasons, the Directors continue to prepare the financial statements on the going concern basis.

However, the combination of the uncertainties surrounding: the potential restructuring of ZCI, reliance on continued and possibly additional financial support from ZCI; the successful and timely restart of mining

operations at the Mowana pit and the associated processing of supergene ore; production volumes; the exposure to copper pricing; the risk of an increase in milling costs, collectively represent a material uncertainty casting significant doubt on the ability of the Company and the Group to continue as a going concern and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business.

The address of African Copper's registered office is 100 Pall Mall, St James's London SW1Y 5HP. These financial statements have been approved for issue by the Board of Directors on 14 July 2014.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

a) Statement of Compliance

The consolidated financial statements of African Copper plc have been prepared in accordance with International Financial Reporting Standards ("**IFRSs**") and their interpretations issued by the International Accounting Standards Board (IASB), as adopted by the European Union and with IFRSs and their interpretations issued by the International Accounting Standards Board (IASB). They have also been prepared in accordance with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

As permitted by section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the Company has not been presented in these financial statements.

b) Standards adopted during the year

In these financial statements no new standards, amendments to standards or interpretations that are effective and have been adopted in the year had a material effect on the financial statements.

c) New standards and interpretations not yet adopted

There are a number of new standards, amendments to standards and interpretations that are not yet

effective for the year ended 31 March 2014. None of these have been adopted early in preparing these consolidated financial statements.

None of these are anticipated to have any impact on the results or statement of financial position reported in these consolidated financial statements. None of the new standards, amendments to standards and interpretations not yet effective are anticipated to materially change the Group's published accounting policies.

d) Changes in accounting policies

The accounting policies applied are consistent with those applied for the year ended 31 March 2013, with the exception of the following standard effective for the first time for the current financial year, with the date of application of 1 April 2013.

IFRIC 20 – Stripping costs in the Production Phase of a Surface Mine

IFRIC 20 clarifies that an entity can recognise production stripping costs of a surface mining operation as part of a stripping activity asset if certain requirements are met. In accordance with the transitional provisions of the interpretation, the requirements were applied retrospectively to production stripping costs incurred on or after 1 April 2012 (commencement of the comparative financial period). Furthermore, the Group assessed whether these assets are depreciated over the remaining expected useful life of the identified component of the ore body to which each predecessor stripping asset relates. The impact of applying IFRIC 20 in the comparative period would have been a reduction in the net book value of Property, Plant and Equipment of US$0.2 million with a corresponding adjustment to Amortization fo Mining Properties and Equipment in the Statement of Comprehensive Income. Because of the immaterial nature of this adjustment it has been adjusted for in the current year (see Note 8). There was no impact on EPS in either period.

e) Accounting basis

(i) Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March 2014. Control is recognised where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

(ii) Transactions eliminated on consolidation

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

f) Revenue recognition & measurement

(i) Revenue from sales of copper concentrate

Revenue from sales of copper concentrate is recorded net of smelter treatment charges and deductions. Copper concentrate is sold under pricing arrangements whereby revenue is recognized at the time of shipment (delivery of the products at the mine gate), at which time legal title and risk pass to the customer and provisional revenue is recorded at current month average price. The quoted period established for each sale contract to finalize the sales price is the month subsequent to the month of delivery, within which the contract is required to be settled. Changes between the prices recorded upon recognition of provisional revenue and final price due to fluctuation in copper market prices result in the existence of an embedded derivative in the accounts receivable. This embedded derivative is recorded at fair value, with changes in fair value classified as a component of revenue and receivables. Changes in the estimate of concentrate

copper content resulting from the final independent analysis of the concentrate are recognised at the point at which such analysis is agreed.

ii) Interest income

Interest income is recognised as it accrues to the Company.

g) Foreign currency translation

(i) Functional and presentation currency

The consolidated financial statements are presented in US dollars which is the presentation currency. Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the Functional Currency'). The Functional Currency of the Company remains GB pounds since this is a non-trading holding Company located in the United Kingdom that has GB pounds denominated share capital.

(ii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

◊ assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

◊ income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

◊ all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in profit and loss as part of the gain or loss on sale.

(iii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss.

h) Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and less any accumulated impairment losses. Pre-production expenditure relating to testing and commissioning is capitalised to property, plant and equipment. The recognition of costs in the carrying amount of an asset ceases when the item is in the location and condition necessary to operate as intended by management. Any net income earned while the item is not yet capable of operating as intended reduces the capitalised amount.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Amortization methods and amortization rates are applied consistently within each asset class except where significant individual assets have been identified which have different amortisation patterns. Residual values are reviewed at least annually. Amortisation is not adjusted retrospectively for changes in the residual amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit and loss.

Other assets consist of vehicles, information technology equipment and furniture and equipment.

Mining development and infrastructure

Individual mining assets are amortised using the units-of-production method based on the estimated economically recoverable metal during the life of mine plan. Stripping costs incurred in the development of a mine before production commences are capitalised as part of the cost of constructing the mine and subsequently amortised over the life of the mine on a units-of- production basis. Where a mine operates several open pits that are regarded as separate operations for the purpose of mine planning, stripping costs are accounted for separately by reference to the ore from each separate pit. If, however, the pits are highly integrated for the purpose of the mine planning, the second and subsequent pits are regarded as extensions of the first pit in accounting for stripping costs. In such cases, the initial stripping, (i.e., overburden and other waste removal) of the second and subsequent pits is considered to be production phase stripping relating to the combined operation. Stripping costs incurred subsequently during the production stage of its operation are deferred for those operations where this is the most appropriate basis for matching the cost against the related economic benefits and the effect is material. This is generally the case where there are fluctuations in stripping costs over the life of the mine. The amount of stripping costs deferred is based on the strip ratio obtained by dividing the tonnage of waste mined either by the quantity of ore mined or by the quantity of minerals contained in the ore. Stripping costs incurred in the period are deferred to the extent that the current period ratio exceeds the life of the mine strip ratio. Such deferred costs are then charged to the statement of comprehensive income to the extent that, in subsequent periods, the current period ratio falls short of the life of mine (or pit) ratio. The life of mine (or pit) ratio is based on economically recoverable reserves of the mine (or pit).

Mining plant and equipment

Individual mining plant and equipment assets are amortised using the units-of-production method based on the estimated economically recoverable metal during the life of mine plan.

Other Assets

These assets are depreciated using the straight line method over the useful life of the asset from 3 to 5 years.

i) Deferred exploration and evaluation

All costs incurred prior to obtaining the legal right to undertake exploration and evaluation activities on a project are written-off as incurred.

Exploration and evaluation costs arising following the acquisition of an exploration licence are capitalised on project-by-project basis, pending determination of the technical feasibility and commercial viability of the project. Costs incurred include appropriate technical and administrative overheads. Deferred exploration costs are carried at historical cost less any impairment losses recognised.

Upon demonstration of the technical and commercial feasibility of a project, any past deferred exploration and evaluation costs related to that project will be reclassified as Mine Development and Infrastructure.

Capitalised deferred exploration expenditures are reviewed for impairment losses (see accounting policy note below) at each balance sheet date. In the case of undeveloped properties, there may be only inferred resources to form a basis for the impairment review. The review is based on a status report regarding the Group's intentions for development of the undeveloped property.

j) Other receivables and prepayments

Other receivables and prepayments are not interest bearing and are stated at amortised cost.

k) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

l) Inventories

Inventories of broken ore and concentrate are physically measured or estimated and valued at the lower of cost and net realizable value (“NRV”).

Cost represents weighted average cost and includes direct costs and an appropriate portion of fixed and variable overhead expenditure.

Inventories of consumable supplies and spare parts to be used in production are valued at weighted cost.

Obsolete or damaged inventories are valued at NRV. An ongoing review is undertaken to establish the extent of surplus items, and a provision is made for any potential loss on their disposal.

m) Impairment

Whenever events or changes in circumstance indicate that the carrying amount of an asset may not be recoverable an asset is reviewed for impairment. An asset’s carrying value is written down to its estimated recoverable amount (being the higher of the fair value less costs to sell and value in use) if that is less than the asset’s carrying amount.

Impairment reviews for deferred exploration and evaluation costs are carried out on a project by project basis, with each project representing a potential single cash generating unit. An impairment review is undertaken when indicators of impairment arise but typically when one of the following circumstances apply:

- (i) unexpected geological occurrences that render the resource uneconomic;
- (ii) title to the asset is compromised;
- (iii) variations in metal prices that render the project uneconomic; and
- (iv) variations in the currency of operation.

If any such indication exists, the recoverable amount of that asset is recalculated and its carrying amount is increased to the revised recoverable amount, if required. The increase is recognized in the Statement of Comprehensive Income as an impairment reversal. An impairment reversal is recognized only if it arises from a change in the assumptions that were used to calculate the recoverable amount. The increase in an asset’s carrying amount due to an impairment reversal is limited to the depreciated amount that would have been recognized had the original impairment not occurred.

n) Share based payment

Certain Group employees and consultants are rewarded with share based instruments. These are stated at fair value at the date of grant and either expensed to profit and loss or capitalized to deferred exploration costs, based on the activity of the employee or consultant, over the vesting period of the instrument.

Fair value is estimated using the Black-Scholes valuation model. The estimated life of the instrument used in the model is adjusted for management’s best estimate of the effects of non-transferability, exercise restrictions and behavioural considerations.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

o) Provisions

Provisions are recognised when, the Group has a legal or constructive obligation as a result of past events, it is more likely than not that an outflow of the resources will be required to settle the obligation and the amount can be reliably estimated.

p) Trade and other payables

Trade and other payables are not interest bearing and are stated at amortized cost.

q) Guarantees to support Group indebtedness (Company only)

Guarantees made to third parties to support interest-bearing liabilities of subsidiary companies are accounted for as financial guarantee contracts. Such contracts are 'included within the financial statements of the Company at the estimated fair-value of the commitment at the date the commitment is made. The fair-value of the commitment is determined by reference to the interest rate differential between the guaranteed interest-bearing liability and that estimated to be applicable to a similar unguaranteed liability.

The fair-value of these guarantee contracts is considered to be part of the Company's investment in the relevant subsidiary receiving the benefit of the guarantee contract.

These are intra-group transactions and are eliminated for the purposes of the consolidated financial statements in accordance with accounting policy 2 (d) above.

r) Income tax

The charge for taxation is based on the profit or loss for the year and takes into account deferred tax. Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss, and is accounted for using the balance sheet method.

Deferred tax assets are only recognised to the extent that it is probable that future taxable profit will be available in the foreseeable future against which the temporary differences can be utilised.

s) Asset retirement obligations

Asset retirement obligations are future costs to retire an asset including dismantling, remediation and ongoing treatment and monitoring of the site. The asset retirement cost is capitalised as part of the asset's carrying value and amortized over the asset's useful life. Subsequent to the initial recognition of the asset retirement obligation and associated asset retirement cost and changes resulting from a revision to either timing or the amount estimated, cash flows are prospectively reflected in the year those estimates change. The liability is accreted over time through period charges to Statement of Comprehensive Income to unwind the discount due to the passage of time.

t) Investment in subsidiaries

Investments in subsidiaries are recognised at cost less any provision for impairment in the company accounts.

u) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Many of the amounts included in the financial statements involve the use of judgement

and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements.

Information about such judgements and estimation is contained in the accounting policies and/or the Notes to the financial statements, and the key areas are summarised below. Areas of judgement that have the most significant effect on the amounts recognised in the financial statements:

- Capitalisation and impairment of exploration and evaluation costs – Note 2 (h) and (m) and Note 9
- Capitalisation and impairment of Property Plant and Equipment – Note 2(h) and (m) and Note 8
- Estimation of share based compensation amounts – Note 2(n) and Note 18
- Estimation of rehabilitation provision amounts - Note 21

v) Borrowing costs.

Borrowing costs are expensed as incurred, unless they are directly attributable or can reasonably be apportioned to a qualifying asset and therefore form part of the cost of that asset.

3. Group Segment reporting

An operating segment is component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Group's only operating segment is the exploration for, and the development and mining of copper and other base metal deposits. All the Group's activities are related to the exploration for, and the development and mining of copper and other base metals in Botswana with the support provided from the UK. In presenting information on the basis of geographical segments, segment assets and the cost of acquiring them are based on the geographical location of the assets. Segment capital expenditure is the total cost incurred during the period to acquire segment assets based on where the assets are located.

Geographic Analysis For year ended 31 March 2014	United Kingdom ($US'000)	Botswana ($US'000)	Total (US$'000)
Revenue	-	58,735	58,735
Non-current assets	1,425	49,485	50,910

Geographic Analysis For year ended 31 March 2013	United Kingdom ($US'000)	Botswana ($US'000)	Total (US$'000)
Revenue	-	60,464	60,464
Non-current assets	1,298	71,337	72,635

All mining revenue derives from a single customer.

4. Loss on operations before tax

	Year ended 31 March 2014	Year ended 31 March 2013

	US$'000	US$'000
Loss on ordinary activities is stated after charging:		
Amortisation	5,413	4,016
Share based payment expense	69	163
Depreciation	379	437
Auditors remuneration:		
- Fees payable to the Company's auditor for the audit of the Company's annual accounts	122	120
- Fees payable to the Company's auditor and its associates for other services:		
- the audit of the Company's subsidiaries, pursuant to legislation	48	19
-Fees payable to the Company's auditor for tax related services	6	-

5. Staff numbers and costs

The average number of persons employed by the Group (excluding directors) during the year, analysed by category, was as follows:

Group	Number of Employees Year ended 31 March 2014	Number of Employees Year ended 31 March 2013
Finance and administration	43	44
Technical and operations	281	272
	324	316

The aggregate payroll costs of these persons were as follows:

	Year ended 31 March 2014 US$'000	Year ended 31 March 2013 US$'000
Wages and salaries	8,783	8,314
Benefits	1,602	2,181
	10,385	10,495

Remuneration of directors and other key management personnel

Year ended 31 March 2014	Directors Fees US$'000	Basic annual remuneration US$'000	Other benefits US$'000	Total remuneration US$'000
Directors:				
R D Corrans	46	-	-	46
B R Kipp		196	-	196
J Soko	33	-	-	33
D Rodier	50	-	-	50

Prof S Simukanga	41	-	-	41
S Georgala	33	-	-	33
Total directors' remuneration	203	196	-	399
Non-directors	-	1,679	1,036	2,715
Total	203	1,875	1,036	3,114

Remuneration of directors and other key management personnel

Year ended 31 March 2013	Directors Fees US$'000	Basic annual remuneration US$'000	Other benefits US$'000	Total remuneration US$'000
Directors:				
R D Corrans	44	-	-	44
B R Kipp	-	180	-	180
J Soko	32	-	-	32
D Rodier	49	-	-	49
Prof S Simukanga	39	-	-	39
S Georgala	30	-	-	30
Total directors' remuneration	194	180	-	374
Non-directors	-	1,591	1,122	2,713
Total	194	1,771	1,122	3,087

6. Income tax expense

Factors affecting the tax charge for the current period

The tax credit for the period is lower than the credit resulting from the loss before tax at the standard rate of corporation tax in the UK – 23% (2013:24.0%)

	Year ended 31 March 2014 US$'000	Year ended 31 March 2013 US$'000
Tax reconciliation		
Loss on ordinary activities before tax	(34,385)	(15,827)
Tax at 23% (2013: 24%)	(7,909)	(3,798)
Effects (at 23% (2013: 24%)) of:		
Expenses not deductible for tax purposes	34	2,278
Other costs - deferred tax	1,403	245
Unrealized exchange gains	910	2,748
Tax losses carried forward	(380)	138
Capital allowances in excess of depreciation	5,942	(1,611)
Loss brought forward and utilised	-	-
Tax charge	-	-

Unrecognised deferred tax assets and liabilities

Temporary differences	Year ended 31 March 2014 US$'000	Year ended 31 March 2013 US$'000
Losses	201,880	214,756
Asset retirement provision	7,025	6,766
Inventory movement	(4,819)	(5,829)
Lease liabilities	1,913	-
Deferred income	20	-
Accrued interest	31,004	-
Accelerated waste stripping	(1,045)	(4,459)
Unrealised exchange gains	14,469	16,090
Share options	381	358
Deferred exploration and accelerated capital allowances	(49,908)	(65,491)
Temporary differences not recognised	200,920	162,191

Deferred tax assets are recognised for tax loss carry-forwards to the extent that the realization of the related tax benefit through the future taxable profits is probable. As at 31 March 2014, the Group did not recognize deferred tax assets of US$43,969,466 (2013:US$37,661,000) in respect of losses because there is insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 repectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

The Group's tax losses have no fixed expiry date.

7. Basic and diluted loss per share

Basic loss per share amounts are calculated by dividing net loss for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares). Diluted loss per share amounts are calculated by dividing the net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year but adjusted for the effects of dilutive options.

8. Property, Plant and Equipment

Group	Mine Development, Exploration and Infrastructure US$'000	Mine Plant and Equipment US$'000	Other Assets US$'000	Total US$'000
Cost				
Balance at 1 April 2012	**116,801**	**56,611**	**17,739**	**191,151**
Additions	5,726	796	127	6,649
Transfers	(17,807)	19,372	(2,421)	(856)
Disposals	-	-	(248)	(248)

Exchange adjustments	(13,575)	(9,478)	(1,954)	(25,007)
Balance at 31 March 2013	**91,145**	**67,301**	**13,243**	**171,689**
Balance at 1 April 2013	**91,145**	**67,301**	**13,243**	**171,689**
Prior Year Adjustment (IFRIC20)	883	**-**	**-**	883
Additions	9,368	3,107	331	12,806
Transfers	3,013	1,348	-	4,361
Disposals	-	(759)	(31)	(790)
Exchange adjustments	(5,289)	(3,837)	(683)	(9,809)
Balance at 31 March 2014	**99,120**	**67,160**	**12,860**	**179,140**
Depreciation and impairment losses				
Balance at 1 April 2012	**(105,831)**	**(7,422)**	**(8,366)**	**(121,619)**
Depreciation charge for the year	(569)	(3,175)	(724)	(4,468)
Transfers	15,193	(16,569)	2,819	1,443
Disposals	-	-	226	226
Exchange adjustments	11,756	3,271	756	15,783
Balance at 31 March 2013	**(79,451)**	**(23,895)**	**(5,289)**	**(108,635)**
Balance at 1 April 2013	**(79,451)**	**(23,895)**	**(5,289)**	**(108,635)**
Prior Year Adjustment (IFRIC20)	(1,118)	-	-	(1,118)
Depreciation charge for the year	(2,380)	(2,798)	(614)	(5,792)
Transfers	-	-	-	-
Impairment	(18,425)	(5,662)	(913)	(25,000)
Disposals	-	243	24	267
Exchange adjustments	4,745	1,430	314	6,489
Balance at 31 March 2014	**(96,629)**	**(30,682)**	**(6,478)**	**(133,789)**
Carry amounts				
Balance at 31 March 2012	10,970	49,189	9,373	69,532
Balance at 31 March 2013	11,694	43,406	7,954	63,054
Balance at 31 March 2014	**2,491**	**36,478**	**6,382**	**45,351**

All property, plant and equipment is pledged as security for amounts borrowed from ZCI Limited (see note 19).

Included in mine development and infrastructure is capital work in progress with a value of US$ 0.314 million (2013: US$ 0.184 million).

Mine plant and equipment includes assets under finance leases with a carrying value of US$2.9 million (2013:US$ Nil). During the current financial year the Group entered into a new mining contract with Diesel Power Mining (Proprietary) Limited. This lease is an arrangement that is not in the legal form of a lease but is accounted for as a lease based on its terms and conditions (Refer to Note 23). The leased mine equipment secures the lease obligations.

Impairment review

During the financial year, the Group reassessed the recoverability of the carrying value of its property, plant and equipment following continuing operating challenges and its on-going reconsideration of the strategic direction of its mining assets (Refer to note 1 – Going Concern).

The Group performed an impairment test on its singular cash generating unit – mining operations at the Thakadu and Mowana open pit mines and the Mowana processing facitlity. Key assumptions include the following:

A revised six year and four months mine plan based on processing 5.5 million tonnes of the Mowana mine's proven and probable reserves and 0.7 million tonnes of the Thakadu Pit's probable reserves

- A conservative discount rate of 15%, stress tested up to rate of 17% (2013:15%-17%);
- Average production through-put levels from July 2014 of 81,253 tonnes per month, adjusted by a 10% downside sensitivity factor to average life-of-mine production throughput levels of 73,128 tonnes per month, which is a 17.2% increase over the actual throughput of 62,409 tonnes per month achieved in Fiscal 2014. Increases in throughput are considered reasonable based on completed plant improvements and throughput achievements during certain periods in the past. In addition, the new mining contractor is anticipated to have the capability to provide consistent ore feed to the plant.
- Copper sales prices forecast at price of US$3.08 per lb until March 2015, adjusted by a 2.5% downside sensitivity factor, and thereafter with an average copper price over the life of mine from April 2015 of US$3.20 per lb, adjusted by a 2.5% downside sensitivity factor;
- Grade assumptions based on the Mowana and Thakadu resource model grades, which experience has shown to be reasonably predictive of the actual grades mined, averaging 1.53% and 1.8% respectively
- Recovery rates based on historical independent metallurgy and plant test-work adjusted by 5% downside sensitivity on Mowana Ore from March 2015
- Operating costs based on historical costs and approved budget costs, plus a 7.7% sensitivity factor increase on milling costs due to the sensitivity on production throughput
- Capital costs based on historical costs and approved budget costs

As required by IAS 36, no benefit has been recognised for any additional value that could be generated from the assets through improving the performance of the assets through additional cash outflows, from the development of underground workings or from production beyond the six year and four months mine plan.

The value-in-use represents the estimated present value of the future cash flows expected to be derived from the asset, discounted at a rate of 15% and stress tested at a rate of 17%.

During the interim review undertaken at the half-year a value-in-use calculation was completed which resulted in a similar result and thereby resulted in an impairment loss of US$25.0 million. The calculation of the value-in-use amount was highly sensitive to changes in the key assumptions used in the future cash flow projections which included lower market assumptions on copper prices and higher mining costs due to the delay in mining operations at Thakadu due to the turnover in mining contractors and related inefficiencies. At the year end neither the outcome of the value-in-use calculation, nor the stress test indicated any further impairment of the carrying value of property, plant and equipment and the intangible assets relating to the operations where mining is currently taking place.

The Directors are further of the opinion that the results of the value in use calculation did not support the reversal of impairment losses recognised in past periods.

Company	Mine Development and Infrastructure US$'000	Computer and Office Equipment US$'000	Total US$'000
Cost			
Balance at 1 April 2012	1,196	23	1,219
Additions	-	-	-
Balance 31 March 2013	1,196	23	1,219
Balance at 1 April 2013	1,196	23	1,219
Additions	-	-	-
Balance 31 March 2014	**1,196**	**23**	**1,219**
Depreciation and Impairment losses:			
Balance at 1 April 2012	(1,196)	(23)	(1,219)
Depreciation charge for the period	-	-	-
Balance 31 March 2013	(1,196)	(23)	(1,219)
Balance at 1 April 2013	(1,196)	(23)	(1,219)
Depreciation charge for the period	-	-	-
Balance 31 March 2014	**(1,196)**	**(23)**	**(1,219)**
Carry amounts			
Balance at 31 March 2012	nil	nil	nil
Balance at 31 March 2013	nil	nil	nil
Balance at 31 March 2014	**nil**	**nil**	**nil**

9. Exploration and evaluation assets

Group

Cost	Group US$'000	Company US$'000
Balance 1 April 2012	**19,093**	**301**
Additions	1,688	-
Reclassifications	1,409	-
Exchange adjustment	(2,668)	-
Balance 31 March 2013	**19,522**	**301**

Balance 1 April 2013	19,522	301
Additions	832	-
Transfers	(4,361)	-
Exchange adjustment	(1,051)	-
Balance 31 March 2014	**14,942**	**301**

Impairment losses

Balance at 1 April 2012	(9,825)	(300)
Reclassifications	(1,904)	-
Exchange adjustments	1,518	-
Balance March 31, 2013	**(10,211)**	**(300)**
Balance at 1 April 2013	(10,211)	(300)
Transfers	-	-
Exchange adjustments	573	-
Balance March 31, 2014	**(9,638)**	**(300)**

Carry amounts

Balance 31 March 2012	9,268	1
Balance 31 March 2013	9,311	**1**
Balance 31 March 2014	**5,304**	**1**

10. Other Financial Assets

Group	**Year ended 31 March 2014 US$'000**	**Year ended 31 March 2013 US$'000**
Bank guarantee	255	270

As part of providing electricity for the Mowana Mine, the Company's subsidiary has set cash aside in a bank account as a payment guarantee as required by the Botswana Power Corporation.

11. Company - Long term receivables

	US$'000 31 March 2014	**US$'000 31 March 2013**
Loans to Subsidiary undertakings		
Opening balance	12	13
Movement	960	1,856
Conversion of intercompany debt to equity	(958)	(1,857)
Balance 31 March	**14**	**12**

12. Company - Investments in subsidiaries

	US$'000	**US$'000**

	31 March 2014	31 March 2013
Opening balance	-	-
Conversion of Intercompany debt to equity*	958	1,223
Impairment loss	(958)	(1,223)
Balance 31 March	**-**	**-**

*During year ended 31 March 2014 and year ended 31 March 2013 the Company converted intercompany loans payable from its wholly-owned subsidiary Matsitama Minerals (Pty) Limited to equity.

13. Subsidiary undertakings

	Country of incorporation and operation	Physical activity	Holding of equity shares 2014	Holding of equity shares 2013
Mortbury Limited	British Virgin Islands	Investment	100%	100%
Messina Copper (Botswana) (Pty) Ltd*	Botswana	Mining	100%	100%
Matsitama Minerals (Pty) Limited*	Botswana	Exploration	100%	100%

* indirectly held

14. Other receivables and prepayments

	Group		Company	
	31 March 2014 US$'000	31 March 2013 US$'000	31 March 2014 US$'000	31 March 2013 US$'000
VAT receivable	959	1,195	35	18
Prepayments and other receivables	396	1,413	74	44
Trade receivables	4,465	2,605		-
Balance 31 March	**5,820**	**5,213**	**109**	**62**

15. Inventories

	Year ended 31 March 2014 US$'000	Year ended 31 March 2013 US$'000
Stockpile inventories	4,278	5,416
Consumables	3,346	3,475
Total Inventories	**7,624**	**8,891**

16. Cash and cash equivalents

Group	Year ended 31 March 2014 US$'000	Year ended 31 March 2013 US$'000
Restricted cash (1)	829	944
Cash at bank	-	-
Short-term bank deposits	3,535	1,520

Bank Overdraft	-	(31)
Cash and cash equivalents in the statement of cashflows	**4,364**	**2,433**

(1) Restricted cash relates to certain supplier guarantees and funds set aside to provide for rehabilitation of the Mowana and Thakadu Mines site at closure

Company	**Year ended 31 March 2014 US$'000**	**Year ended 31 March 2013 US$'000**
Cash at bank	-	-
Short-term bank deposits	101	204
Cash and cash equivalents in the statement of cashflows	**101**	**204**

17. Share Capital

	No. of shares	**US$'000**
Issued:		
Balance at 31 March 2012 and 2013	**928,798,988**	**15,167**
Ordinary shares issued in October 2013	556,307,263	8,379
Balance at 31 March 2014	**1,485,106,251**	**23,546**

On 30 September 2013 the Company announced that pursuant to the US$31,129,100 term loan agreement with ZCI, dated 18 June 2009, ZCI had given notice to convert the US$8,379,100 Tranche A Loan outstanding into Ordinary Shares of the Company. At the conversion rate of 1 pence per Ordinary Share and at the exchange rate as set out in the conversion notice of US$1.5062 to £1, this equated to the issue of 556,307,263 new Ordinary Shares in the Company for a conversion sum of £5,563,072.63. The conversion was completed in October 2013.

The weighted average number of shares at the end of the year for basic and diluted Earnings per Share was 1,206,190,555 (2013:928,798,988).

Share options and warrants

Share Options Held at 31 March 2014	***Share Options Held at 31 March 2013***	***Date of Grant***	***Option Price per Share***	***Exercise Period***
375,000	375,000	12 November 2004	£0.76	up to 12 November 2014
60,000	60,000	12 November 2005	£0.76	up to 12 November 2015
1,750,000	1,750,000	1 August 2006	£0.775	up to 1 August 2016
16,650,000	16,650,000	14 July 2011	£0.031	up to 14 July 2021
18,835,000	18,835,000			

Acquisition reserve

The acquisition reserve comprises the difference between the issued equity of Mortbury Limited at the date of the reverse acquisition of the Company by Mortbury Limited and the par value of shares issued by the Company in the share exchange, together with the fair value of equity issued to repurchase the Mortbury preference shares in issue. As such, the acquisition reserve is a component of the issued equity of the

Group.

Foreign currency translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Botswana subsidiaries that have a different functional currency from the presentation currency. Exchange differences arising are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised in profit and loss in the period in which the operation is disposed of.

Merger reserve

As permitted by the Companies Act 2006, the merger reserve represents the premium on shares issued to acquire the share capital of Mortbury Limited.

Other (ZCI) Reserve

The ZCI reserve represents the equity element of the convertible loan facility included in a financing package received from ZCI in 2009. Following the conversion of this loan to equity in the current year (Note 19), the reserve has a zero value at 31 March 2014.

Dividends

The directors do not recommend the payment of a dividend.

Capital Management

The Group's objectives when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group issues new shares, or sell assets to reduce debt.

	At 31 March 2014 US$'000	At 31 March 2013 US$'000
Total interest bearing debt	68,946	76,927
Total equity	(54,624)	(29,931)
Debt-to-equity ratio	(1.26:1)	(2.57:1)

18. Share based payments

African Copper has established a share option scheme with the purpose of motivating and retaining qualified management and to ensure common goals for management and the shareholders. Under the African Copper share plan each option gives the right to purchase one African Copper ordinary share. For options granted the vesting period is generally up to three years. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited if the employee leaves the Company. In 2005 all options were granted at 76p and in 2006 and 2007 all options were granted at 77.5p. On 14 July 2011 17,150,000 options were granted at 3.13p.

	Weighted average exercise price per share	Options
At 31 March 2011	77.2p	2,185,000
Granted	3.13p	17,150,000

Cancelled	3.13p	(500,000)
Forfeited	-	-
At 31 March 2012 and 31 March 2013 and 31 March 2014	**11.7p**	**18,835,000**
Exercisable at the end of the year	13.6p	15,505,000

Expected volatility was determined by calculating the historical volatility of the Company's share price since it was listed on the AIM market of the London Stock Exchange in November 2004. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The total expense recorded in the profit and loss in respect of share based payments for the year was US$69,344 (31 March 2013: US$162,985).

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price per share	Shares	
		31 March 2014	31 March 2013
2014	76p	375,000	375,000
2015	76p	60,000	60,000
2016	77.5p	1,750,000	1,750,000
2021	3.13p	16,650,000	16,650,000
	11.7p	18,835,000	18,835,000

The weighted average remaining contractual life of the outstanding options at 31 March 2014 was 6.67 years (2013: 7.67 years).

19. Amounts payable to ZCI Ltd

Amounts payable to ZCI Limited

	At 31 March 2014 US$'000	At 31 March 2013 US$'000
Non-current facilities:		
Development loan	-	7,500
Non-current facilities	-	7,500
Convertible loan	-	7,891
Non-convertible loan	24,033	24,033
March 2010 facility	10,000	10,000
December 2011 facility	2,000	2,000
January 2012 facility	5,000	5,000
June 2012 facility Convertible loan	6,000	6,000
Development loan	7,500	-
Development loan	12,500	12,500
Interest	26,343	18,747
Current facilities	93,376	86,171

Balance due to ZCI Limited	93,376	93,671

ZCI owns 73.4 percent of the Company (84.19 percent as at 31 March 2013). At 31 March 2014 the Company owed ZCI pursuant to the following principal indebtedness:

Convertible Loan Facility:

The Convertible Loan Facility is a four year secured, part convertible credit facility of US$31,129,100 comprising a convertible Tranche A of US$8,379,100 with a coupon of 12% per annum and Tranche B that is not convertible of US$22,750,000 with a coupon of 14% per annum. The Convertible Loan Facility was signed on 18 June 2009. Tranche B was subsequently increased from US$22,750,000 to US$24,032,900. Tranche A of the Convertible Loan Facility is convertible into ordinary shares of African Copper at a conversion price of 1p per ordinary share. On 30 September 2013 the Company announced that ZCI had provided notice to convert the Tranche A Loan outstanding into ordinary shares in the Company. At the conversion rate of 1 pence per ordinary share and at the exchange rate as set out in the conversion notice of $1.5062 to £1, this equated to the issue of 556,307,263 new ordinary shares in the Company for a conversion sum of £5,563,072.63. The converted shares were credited to ZCI as fully paid on 18 October 2013. Following the issue of the converted shares the entire amount of the Tranche A loan was extinguished although the interest outstanding and accrued up to the conversion date remains payable.

On 30 September 2013 ZCI gave notice to convert the US8,379,100 Tranche A Loan outstanding into Ordinary Shares of the Company. At the conversion rate of 1 pence per Ordinary Share and at the exchange rate as set out in the conversion notice of US$1.5062 to £1, this equated to the issue of 556,307,263 new Ordinary Shares in the Company for a conversion sum of £5,563,072.63. The conversion was completed in October 2013.

On 8 July 2014 the Board of Directors of ZCI resolved to defer Tranche B principal payments in aggregate of $24,032,900 to 31 July 2015, In addition, the ZCI Board of Directors further resolved to defer interest payments on Tranche A of $3,268,977 and interest payment on Tranche B of $12,777,007 accrued to 31 March 2014 plus all interest payments deferred to 31 July 2015.

March 2010 Facility

On 31 March 2010 the Company announced it had arranged agreement with ZCI pursuant to which ZCI would fund immediately a $10 million term loan facility at an interest rate of 6% per annum, payable quarterly, to be repaid on or before 31 March 2011 and may be renewed, subject to ZCI giving its written consent to such renewal, prior to the repayment date. The March Facility is secured under the existing Convertible Loan Facility (with the exception of the convertible option). On 8 July 2014 the Board of Directors of ZCI resolved to defer principal payments of $10,000,000 to 31 July 2015. In addition, the ZCI Board of Directors further resolved to defer interest payments accrued to 31 March 2014 of $2,250,411 plus all interst payments deferred to 31 July 2015.

Development Loan

On 29 November 2010 the Company announced it had secured the Development Loan from ZCI of $7.5 million. The purpose of Development Loan was to enable exploration drilling on the Group's Matsitama Exploration Project and Mowana North deposit and the completion of a scoping study for the Makala deposits as well as certain plant enhancements. The Development Loan has an interest rate of 12% per annum payable half yearly, and is to be repaid on or before 30 November 2014 and may be renewed for a further two years, subject to ZCI giving its written consent to such renewal, prior to the repayment date. The other terms and conditions are otherwise on the same terms as with the Convertible Loan Facility (with the exception of the convertible option

On 8 July the Board of Directors of ZCI resolved to defer principal payments of $7,500,000 to 31 July 2015. In addition, the ZCI Board of Directors further resolved to defer interest payments accrued to 31 March 2014 of $2,884,274 plus all interest payments deferred to 31 July 2015.

The Development Facility

On February 9, 2011 the Company announced the Development Facility of $12.5 million from ZCI. The purpose of the Development Facility was to provide the Group with further working capital and funds to execute the planned investment programme at its Mowana Mine facilities and accelerate mining activities at the Thakadu deposit. The Development Facility is a three year secured loan facility with an interest rate of 9.0%, repayable in January 2014. Interest is to 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 the Development Facility are on substantially similar terms to Convertible Loan Facility (with the exception of the convertible option).

On 20 December 2011 the Board of Directors of ZCI resolved to defer interest payments accrued to 31 December 2011 of $445,807 plus all interest payments due throughout 2012 and for the three months ended 31 March 2013, to 31 March 2013.

On 8 July 2014 the Board of Directors of ZCI resolved to defer principal payments of $12,500,000 to 31 July 2015. In addition, the ZCI Board of Directors further resolved to defer interest payments accrued to 31 March 2014 of $3,032,877 plus all interest payments deferred to 31 July 2015.

January 2012 and February 2012 Facility

On 29 December 2011 and 31 January 2012, ZCI provided a further $2.0 million and $5.0 million facility. These facilities with an interest rate of 9.0%, repayable in March 2013.

On 8 July 2014 the Board of Directors of ZCI resolved to defer principal payments of $2,000,000 and $5,000,000 to 31 July 2015, In addition, the ZCI Board of Directors further resolved to defer interest payments accrued to 31 March 2014 of $405,863 and $960,243 plus all interest payments deferred to 31 July 2015.

June 2012 Facility

On 8 June 2012, ZCI provided a further $6.0 million convertible debt facility. This convertible loan is a secured loan facility with a simple interest rate of 7% and repayable on 31 March 2014 (the “June 2012 Facility”). Interest is accrued annually and interest payments deferred until30 June 2015. The June 2012 Facility is convertible into ordinary shares of 1p each in the Company at a conversion price of 2.40p per share.

On 8 July 2014 the Board of Directors of ZCI resolved to defer principal payments of $6,000,000 to 31 July 2015. In addition, the ZCI Board of Directors further resolved to defer interest payments accrued to 31 March 2014 of $760,603 plus all interest payments deferred to 31 July 2015.

All ZCI facilities described above are due and payable on 31 March 2014. Based on the Company’s current financial position the Group will not be able to pay the outstanding principal and accrued interest. The Directors of the Company received the Waiver Letter (see note 1 – Going Concern) from ZCI whereby ZCI agreed to defer all principal and interest payments arising from the Group’s debt obligations until 31 July 2015. Further, the Directors also received a Letter of Financial Support (see note 1 – Going Concern) from ZCI whereby ZCI stated that it is ZCI’s policy to make sufficient financial resources available to the Group up to the value of US$2.5 million in order to allow the Group to continue to meet its liabilities as they fall due in the normal course of its operations. After 31 July 2014, the abovementioned deferrals shall be conditional on and revocable on 30 days written notice as result of any material structural changes that may be required as a result of the restructuring of the ZCI Group, being ZCI Limited and its subsidiary African Copper PLC including but not limited to changes as a result delisting ZCI Limited, delisting African Copper, reducing the

number of subsidiary entities in the ZCI Group, restructuring the debt and capital structure of the Group, and other considerations of cost and fiscal effectiveness, strategy, risk and broad commercial considerations.

20. Other Borrowings

	At 31 March 2014 US$'000	At 31 March 2013 US$'000
Equipment Facility (Bank ABC Borrowings)	786	1,883
MRI Borrowings	1,126	-
Total	1,912	1,883

An equipment facility of US$3.1 million was obtained from Banc ABC, a Botswana based lending institution. The equipment facility was a 36 month US$ denominated facility that has a fixed interest rate of 9% per annum. At 31 March 2014, US$0.8 million (2012: US$1.9 million) from this facility was outstanding.

A prepayment loan of $3.0 million was obtained from MRI Trading AG ("MRI"), the Group's off-take partner. The prepayment loan is US$ denominated and is repaid by way of offset against deliveries of copper concentrates in eight equal monthly installments starting in September 2013. The prepayment loan has an interest rate of LIBOR 1 month plus 5%. On 11 December 2013, MRI granted the Group two months grace in the repayment schedule in December 2013 and January 2014.

21. Rehabilitation Provision

The Company estimates the total discounted amount of cash flows required to settle its asset retirement obligations at 31 March 2014 is US$7,024,505 (2013 – US$6,765,844). Although the ultimate amount to be incurred is uncertain, the undiscounted and uninflated cost estimate of US$6.0 million is based on the independent Environmental Impact Statement, completed on the Mowana Mine by Water Surveys Botswana (Pty) Limited in September 2006 and updated by GeoFlux (Pty) Limited in 2011 to take into account the escalation of Mowana estimate and the new estimate for Thakadu mine.

During the year the Company set aside US$0.15 million (2013:US$0.13 million) to a separate bank account to provide for rehabilitation of the Mowana and Thakadu Mines site at closure. These deposited restricted cash amounts are not netted off the rehabilitation provision and are presented separately and set aside on the rate of reserves depletion basis. The Company will annually make contributions to this account over the life of the mine so as to ensure these capital contributions together with the investment income earned will cover the anticipated costs. Based on the current life of mine, the restoration liabilities are expected to be realised from June 2019 when the processing plant will run out of ore to process. Currently the Company is planning to complete an underground mining feasibility study to access further Mowana resources, in which case the liabilities would be deferred as the plant and buildings to which they relate will remain in use for the extended life of mine.

Rehabilitation Provision	US$'000
Balance, 1 April 2012	**7,065**
Provision	615
Foreign exchange on translation	(914)
Balance, 31 March 2013	**6,766**
Balance, 1 April 2013	**6,766**
Provision	647
Foreign exchange on translation	(388)
Balance, 31 March 2014	**(7,025)**

22. Trade and other payables

	Group		Company	
	31 March 2014 US$'000	31 March 2013 US$'000	31 March 2014 US$'000	31 March 2013 US$'000
Trade payables	14,330	13,136	265	303
Amounts due to related parties (Note 25)	-	-	480	6,282
Withholding taxes	4,669	3,317	-	-
Accrued expenses and other payables	117	330	-	-
	19,116	**16,783**	**745**	**6,585**

23. Finance lease liability

During the current financial year the Group entered into an agreement for 52-months with a mining contractor, Diesel Power Mining (Proprietary) Limited. In terms of the contract, specific mining equipment will be used by the contractor in fulfilling their duties of mine scheduling, drill and blasting, waste removal and ore mining. Although the arrangement is not in the legal form of a lease, the Group concluded that the arrangement contains a lease of the mining equipment due to the level of control which the Company had over the specific assets in the contract. The lease was classified as a finance lease. At the inception of the arrangement, it was impracticable to split the payments into lease payments and other payments related to the arrangement, so the lease asset and liability was recognised at an amount equal to the fair value of the assets that was identified in terms of the lease. The imputed finance costs on the liability were determined based on the Group's incremental borrowing rate (9 %).

Finance lease liabilities are payable as follows:

In thousands of US dollars	**Future minimum lease payment**	**Interest**	**Present value of minimum lease payments**
	2014	**2014**	**2014**
Less than one year	535	157	378
Between one and five years	1,783	248	1,535
More than five years	-	-	-
	2,318	**405**	**1,913**

This lease commenced during the current financial year as such no comparative numbers have been presented.

Commitments under finance lease

At the reporting date all assets related to this agreement were not yet at the mine as they were still being mobilized. The future minimum lease payments for all assets subject to this agreement are as follows:

In thousands of US dollars	**Future minimum lease payment**	**Interest**	**Present value of minimum lease payments**
Less than one year	**2,037**	**598**	**1,439**
Between one and five years	**6,793**	**945**	**5,848**
More than five years	**-**	**-**	**-**
	8,830	**1,543**	**7,287**

24. Commitments

Contractual Obligations	**Total**	**2014**	**2015**	**2016**	**2017**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**and thereafter US$'000**
Goods, services and equipment (a)	4,828	4,828	-	-	-
Exploration licences (b)	1,801	1,801	-	-	-
Lease agreements (c)	107	56	29	10	12

a) The Company and its subsidiaries have a number of agreements with arms-length third parties who provide a wide range of goods and services and equipment.

b) Under the terms of the Company's prospecting licences Matsitama is obliged to incur certain minimum expenditures.

c) The Company has entered into agreements to lease premises for various periods.

25. Related party transactions

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

	31 March 2014 US$'000	**31 March 2013 US$'000**	**Balance Outstanding as at 31 March 2014 US$'000**	**31 March 2013 US$'000**
Principal due to ZCI (Note 19)	(7,891)	7,000	67,033	74,924
Amount accrued to ZCI being interest on loan	7,596	7,997	26,343	18,747
Amount paid to iCapital Limited for the provision of technical and operational support to the Company. J. Soko, a director of the Company, is a principal of iCapital Limited.	225	293	17	-
Amount paid to Aegis Instruments, Micro mine, MGE and Quantec, companies controlled by a director of a subsidiary, in respect of provision of geophysical and geological consulting, administration services and reimbursed expenses	25	6	-	-

Amount paid to Dikgaka Mining and Management Consultants, a company controlled by a director of a subsidiary, in respect of provision of operations management services.	-	49	-	-

Loans to Subsidiaries	US$'000
Balance 31 March 2012	**12**
Amounts advanced to subsidiaries	**1,856**
Conversion of amounts advanced to equity	**(1,856)**
Balance 31 March 2013	**12**
Amounts advanced to subsidiaries	**960**
Conversion of amounts advanced to equity	**(958)**
Balance 31 March 2014	**14**

The amounts due from subsidiaries at 31 March 2014 have been subordinated in favour of other creditors of those companies.

During the year the Company received advances from a subsidiary totalling $US 2.2 million (2013: nil). Pursuant to the US$31,129,100 term loan agreement the Company's subsidiary has with ZCI, dated 18 June 2009, ZCI converted the US$8,379,100 Tranche A Loan portion outstanding with the subsidiary into Ordinary Shares of the Company (see Note 17). The advance from the subsidiary formed part of the exchange value for which the Company issued shares to ZCI.

26. Financial instruments

The Group's principal financial liabilities comprise trade payables, purchase contracts, debts owed to ZCI and accrued expenses. The Group has various financial assets such as cash and cash equivalents, provisional revenue receivables and interest receivables, which arise directly from its operations. In addition, the Company's financial assets include amounts due from subsidiaries.

The Group sells its copper concentrate under pricing arrangements whereby the quoted period established for each sale contract to finalize the sales price is the month subsequent to the month of delivery, within which the contract is required to be settled, changes between the prices recorded upon recognition of provisional revenue and final price due to fluctuation in copper market prices result in the existence of an embedded derivative in the accounts receivable.

From time-to-time the Group may use derivative transactions by purchasing copper put contracts to manage fluctuations in copper prices in the Group's underlying business operations. The use of derivatives is based on established practices and parameters which are subject to the oversight of the Board of Directors.

All of the Group's and Company's financial liabilities are measured at amortised cost and all of the Group's and Company's financial assets are classified as loans and receivables.

The Group has guaranteed the borrowings of Messina. The primary indebtedness is to ZCI which is also the immediate controlling entity of the Company.

The board of directors determines, as required, the degree to which it is appropriate to use financial instruments, commodity contracts or other hedging contracts or techniques to mitigate risks. The main risks for which such instruments may be appropriate are market risk including interest rate risk, foreign exchange risk and commodity price risk and liquidity risk each of which is discussed below.

The Group and Company's activities are exposed to a variety of financial risks, which include interest rate risk, foreign exchange risk, commodity price risk and liquidity risk.

	31 March 2014 US$000's		31 March 2013 US$000's	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and cash equivalents	4,364	4,364	2,464	2,464
Other current assets	5,820	5,820	5,213	5,213
Financial liabilities				
Non-current borrowings	41	41	9,383	9,383
Current borrowings	114,363	114,363	102,985	102,985

(a) Market Risk

(i) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument or cashflows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that the Group uses. Interest bearing assets comprise cash and cash equivalents which are considered to be short-term liquid assets. Interest bearing borrowings comprise a fixed rate loans and variable rate vehicle lease obligations. Variable lease obligations are not considered material.

(ii) Foreign exchange risk

Foreign currency risk refers to the risk that the value of a financial commitment or recognised asset or liability will fluctuate due to changes in foreign currency rates. The Group is exposed to foreign currency risk as a result of financial assets, future transactions, foreign borrowings, and investments in foreign companies denominated in Botswana Pula.

The Group has not used forward exchange contracts to manage the risk relating to financial assets, future transactions or foreign borrowings. Fluctuations in financial assets, future transactions or foreign borrowings are recognised directly in profit or loss.

The table below shows the currency profiles of cash and cash equivalents:

	Group		Company	
	31 March 2014 US$'000	31 March 2013 US$'000	31 March 2014 US$'000	31 March 2013 US$'000
Sterling	39	10	39	10
South African Rand	195	34	-	-
US Dollars	2,431	1,001	62	180
Botswana Pula	1,699	1,419	-	-

	4,364	2,464	101	190

Cash and cash equivalents bear interest at rates based on LIBOR.

As a result of the Group's main assets and subsidiaries being held in Botswana and having a functional currency different than the presentation currency (note 2(f)), the Group's balance sheet can be affected significantly by movements in the US Dollar to the Botswana Pula. During 2011/2012 and 2012/2013 the Group did not hedge its exposure of foreign investments held in foreign currencies. There is no significant impact on profit or loss from foreign currency movements associated with these Botswana subsidiary assets and liabilities as the foreign currency gains or losses on consolidations are recorded through the translation reserve.

The table below shows an analysis of net monetary assets and liabilities by functional currency of group companies:

	31 March 2014			31 March 2013		
	Sterling US$'000	**Pula US$'000**	**Total US$'000**	**Sterling US$'000**	**Pula US$'000**	**Total US$'000**
Sterling	(41)	1	(40)	(134)	-	(134)
Pula	-	(9,105)	(9,105)	-	(8,241)	(8,241)
Canadian Dollars	(12)	-	(12)	14	-	14
South African Rand	-	(278)	(278)	-	(300)	(300)
US Dollars	(34)	(94,496)	(94,530)	(115)	11,840	11,725
Total	(87)	(103,878)	(103,965)	(235)	3,299	3,064

The table above relates to Group and Company.

Foreign currency risk sensitivity analysis:

	Loss		**Equity**	
	31 March 2014 US$'000	**31 March 2013 US$'000**	**31 March 2014 US$'000**	**31 March 2013 US$'000**
If there was a 10% weakening of Pula against US Dollars with all other variables held constant – increase/(decrease)	2,977	1,323	(5,014)	(2,193)
If there was a 10% strengthening of Pula against US Dollars with all other variables held constant – increase/(decrease)	(3,638)	(1,616)	6,129	2,663

Commodity price risk

Commodity price risk is the risk that the Group's future earnings will be adversely impacted by changes in the market prices of commodities. The Group is exposed to commodity price risk as its future revenues will be derived based on a contract with a physical off-take partner. Copper concentrate are sold under pricing arrangements with the off-take partner whereby revenue is recognized at the time of shipment (delivery of the products at the mine gate), at which time legal title and risk pass to the off-take partner and provisional revenue is recorded at current month average price. The quoted period established for each sale contract to finalize the sales price is the month subsequent to the month of delivery, within which the contract is required to be settled.

From time to time the Group may manage its exposure to commodity price risk by entering into put contracts or metal forward sales contracts with the goal of preserving its future revenue streams. As at 31 March 2014, with other variables unchanged, a plus or minus 1% change in commodity prices, on sales revenue, would affect the loss for the year by plus or minus US$601,234 for the year (2013:US$627,333).

(b) Credit risk

The Group is exposed to credit risk on its cash and cash equivalents and other receivables as set out in Notes 14 and 16, which represents a maximum exposure to credit risk of US$10.2 million (2013:US$7.68 million). The Group only deposits surplus cash with well-established financial institutions of high quality credit standing.

(c) Liquidity Risk

As at 31 March 2014 the Group had US$4.36 million (2013: US$2.4 million) in cash and cash equivalents, US$5.82 million (2013:US$5.2 million) in other receivables and prepayments, US$93.4 million (2013:US$93.6 million) due to ZCI, US$0.79 million (2013: US$1.91 million) due to Banc ABC and US$1.1 million (2013: nil) due to MRI.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of committed credit facilities. The Group manages liquidity risk by monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Financial liabilities	Due or due in less than 1 month US$000's	Due between 1 to 3 Months US$000's	Due between 3 months and 1 year US$000's	Due between 1 to 5 Years US$000's
Trade and other payables	(441)	(3,618)	(2,282)	(12,775)
Due to ZCI Ltd	-	-	(93,376)	-
Due to Banc ABC	(12)	(24)	(709)	(41)
MRI Borrowings	(375)	(751)	-	-

Fair value of financial instruments

The fair value of the Group's and the Company's financial instruments reflect the carrying amounts shown in the balance sheet.

27. Contingent Liability

The directors are not aware of any proceedings which are threatened or pending, which may have a material effect on our financial position, results of operations or liquidity. Specific claims against the Company, which arise in the ordinary course of business, have been provided for where the directors consider it probable that the claims will be settled.

28. Ultimate Controlling Party

The directors regard ZCI Ltd, a company registered in Bermuda, as the Company's immediate parent undertaking. Copies of the accounts of ZCI Limited, the smallest and largest group for which accounts are prepared, may be obtained from the ZCI Limited registered office.

The Company's ultimate controlling party is The Copperbelt Development Foundation.