

ICS COPPER SYSTEMS LTD.

FINANCIAL STATEMENTS

OCTOBER 31, 2007
(Expressed in Canadian Dollars)

These unaudited financial statements for the periods ended October 31, 2007 have not been reviewed by the Company's auditor.

ICS COPPER SYSTEMS LTD

Notice of No Auditor Review of Interim Financial Information

Pursuant to subsection 4.3(3)(a) of Part 4 of National Instrument 51-102 Continuous Disclosure Obligations, if an auditor has not performed a review of interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been so reviewed.

The accompanying unaudited interim financial statements of ICS Copper Systems Ltd (the "Company") for the period ending October 31, 2007 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these financial statements.

(signed) "Graham A Chisholm"
President and Chief Executive Officer

December 3, 2007

ICS COPPER SYSTEMS LTD.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	October 31 2007	July 31 2007
ASSETS	(Unaudited)	
Current		
Cash	\$ 365,380	\$ 294,076
Short-term investments	5,445,029	7,274,125
Accounts receivables	56,589	73,000
GST receivables	44,771	37,756
	5,911,769	7,678,957
Equipment	2,461,633	1,974,186
Mineral Properties (Note 3)	3,193,177	2,064,495
	\$ 11,566,579	\$ 11,717,638
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 321,847	\$ 157,410
Due to related parties (Note 2)	500,000	500,000
	821,847	657,410
SHAREHOLDERS' EQUITY		
Share Capital (Note 4)	11,872,324	11,872,324
Contributed surplus (Note 4)	1,531,286	1,531,286
Deficit	(2,658,878)	(2,343,382)
	10,744,732	11,060,228
	\$ 11,566,579	\$ 11,717,638

Approved on behalf of the Board of Directors:

"G A Chisholm"

 Graham A. Chisholm, Director
 President & Chief Executive Officer

"D A Fynn"

 David A. Fynn, Director
 Chief Financial Officer

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

ICS COPPER SYSTEMS LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT FOR THE THREE MONTHS ENDED OCTOBER 31, 2007 AND 2006

(Expressed in Canadian Dollars)

	Three Months Ended October 31, 2007 (Unaudited)	Three Month Ended October 31, 2006 (Unaudited)
Expenses		
Amortization	\$ 2,641	\$ 18,050
Consulting fees	-	17,762
Foreign currency exchange loss	141,653	-
Interest and bank charges	6,502	6,861
Investor relations and promotion	57,326	-
Management fees	42,750	15,000
Office	5,280	-
Professional fees	29,660	3,675
Rent and utilities	6,388	1,600
Salaries and employee benefits	32,508	-
Telecommunications	12,345	1,725
Travel and accommodation	49,473	39,290
Loss Before Other Income	(386,526)	(103,963)
Equipment rental	-	23,940
Interest income	71,030	-
	71,030	23,940
Net Loss For The Period	(315,496)	(80,023)
Deficit, Beginning Of Period	(2,343,382)	(181,973)
Deficit, End Of Period	\$ (2,658,878)	\$ (261,996)
Loss Per Share, Basic and diluted	\$ (0.01)	\$ (0.01)
Weighted Average Number Of Shares Outstanding, Basic and diluted	26,963,869	10,858,686

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

ICS COPPER SYSTEMS LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

	THREE MONTHS ENDED OCT 31, 2007 (Unaudited)	THREE MONTHS ENDED Oct 31, 2006 (Unaudited)
Cash Provided By (Used In)		
Operating Activities		
Net loss for the period	\$ (315,496)	\$ (80,023)
Items not affecting cash:		
Amortization	2,641	18,050
Interest accrued on related party loan	-	6,348
	(312,855)	(55,625)
Changes in non-cash operating assets and liabilities:		
Accounts receivable	16,411	-
GST receivable	(7,015)	(1,113)
Accounts payable and accrued liabilities	164,437	1,534
Unearned revenue	-	(23,940)
	(139,022)	(79,144)
Investing Activities		
Short term investments	1,829,096	-
Acquisition of equipment	(497,981)	(40,159)
Mineral properties	(1,120,789)	(252,075)
	210,326	(292,234)
Financing Activities		
Issue of common shares	-	-
Share issuance costs	-	-
Share subscriptions received	-	870,500
Repayments to related parties	-	(38,160)
	-	832,340
Increase In Cash	71,304	460,962
Cash, Beginning Of Period	294,076	472,391
Cash, End Of Period	\$ 365,380	\$ 933,353
Disclosure Of Supplementary Cash Flow And Non-Cash Investing and Financing Information		
Interest paid	\$ 5,835	\$ 6,348
Income taxes paid	\$ -	\$ -

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

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2007

(Expressed in Canadian Dollars)

(Information as at October 31, 2007 and for the three month period ended October 31, 2007 is unaudited)

1. BASIS OF PRESENTATION

The interim financial statements of ICS Copper Systems Ltd (the "Company") have been prepared in accordance with accounting principles generally accepted in Canada. The interim financial statements have been prepared following the same accounting policies and methods of computation as the audited financial statements for the fiscal year ended July 31, 2007. The interim financial statements should be read in conjunction with the audited financial statements and the notes thereto for the year ended July 31, 2007.

Results of operations for the interim period are not necessarily indicative of annual results.

2. DUE TO RELATED PARTIES AND RELATED PARTY TRANSACTIONS

The Company had the following amounts due to related parties as of October 31, 2007 and July 31, 2007, and incurred the following transactions with related parties during the period ended October 31, 2007:

- a) Paid management and consulting fees to directors and officers of the Company in the amount of \$42,750 (2006 - \$15,000) and \$15,000 (2006 - \$17,981);
- b) Paid consulting fees related to mineral properties of \$30,000 (2006 - \$NIL) to a company owned by a director.
- c) Reimbursed vehicle lease costs of a director and officer of the Company in the amount of \$1,915 (2006 - \$Nil);
- d) In 2006, the Company acquired mining equipment from a company controlled by a director and officer of the Company having a carrying value of \$555,944. The acquisition was financed by an unsecured 4.5% interest-bearing loan, with no fixed terms of repayment. Interest paid on the loan amounted to \$5,835. The balance owing to the related company as of October 31, 2007 and July 31, 2007 was \$500,000.

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2007

(Expressed in Canadian Dollars)

(Information as at October 31, 2007 and for the three month period ended October 31, 2007 is unaudited)

3. MINERAL PROPERTIES

	ZAMBIA	DRC	October 31 2007 (Unaudited)	JULY 31 2007
<u>Acquisition Costs</u>				
	\$	\$	\$	-
Balance, Beginning of Period	442,772	223,702	666,474	\$ -
Option payments – cash	413,080	-	413,080	666,474
Balance, End Of Period	855,852	223,702	1,079,554	666,474
<u>Exploration Costs</u>				
Amortization	12,596	-	12,596	4,703
Assay	29,854	-	29,854	-
Camp and general	90,568	-	90,568	74,444
Consumables	83,100	209	83,309	23,355
Drilling advances	180,515	-	180,515	299,435
Drilling	927,825	-	927,825	465,893
Consulting	258,633	30,753	289,386	210,633
Finders' fee	45,000	-	45,000	45,000
Geological and engineering	6,576	-	6,576	5,328
Labour and benefits	139,218	-	139,218	56,027
Site clearing	173,297	-	173,297	173,297
Social expenses	16,682	-	16,682	-
Travel and accommodation	82,470	20,864	103,334	35,931
Utilities and communications	15,463	-	15,463	3,975
Balance, End of Period	2,061,797	51,826	2,113,623	\$ 1,398,021
Total	\$ 2,917,649	\$ 275,528	\$ 3,193,177	\$ 2,064,495

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2007

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(Information as at October 31, 2007 and for the three month period ended October 31, 2007 is unaudited)

4. SHARE CAPITAL

a) Authorized

Unlimited number of Class "A" voting Common shares without par value
Unlimited number of Preferred shares without par value

b) Issued

	NUMBER OF SHARES	AMOUNT	CONTRIBUTED SURPLUS
Balance, July 31, 2007 and October 31, 2007	26,963,869	\$ 11,872,324	\$ 1,531,286

No shares were issued in three month period ended October 31, 2007.

c) Restricted Shares

i) Seed Shares

5,744,000 common shares subject to regulatory "Seed Share Resale Restrictions" with 1,770,000 subject to a four month hold period to September 1, 2007, 3,044,000 subject to a one year hold period to May 1, 2008 and 960,000 shares subject to an 18 month hold period to December 1, 2008. 20% of the seed shares were released on May 2, 2007 and the remaining shares release for trading in equal tranches every four, three and six months, respectively.

ii) Escrow Shares

As at July 31, 2007, 7,389,108 common shares remained in escrow pursuant to an escrow agreement. The remaining escrow shares will be released in six equal tranches of 1,231,518 shares every six months from November 8, 2007 until May 8, 2010.

iii) Pooled Shares

On May 2, 2007, 13,105,120 common shares were voluntarily placed into a "Pool" pursuant to an agreement entered into between the Company and various shareholders. 10% of the pooled shares were released for trading on May 2, 2007. The remaining 11,794,608 pooled shares release for trading in equal quarterly tranches of 2,948,852 shares from July 2, 2007

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NOTES TO FINANCIAL STATEMENTS

OCTOBER 31, 2007

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4. SHARE CAPITAL (Continued)

d) Share Purchase Warrants

Warrants granted and exercisable for the purchase of 7,470,251 shares as of October 31, 2007 at a weighted average exercise price of \$1.25 per share were as follows:

JULY 31 and OCTOBER 31, 2007		
NUMBER OF WARRANTS	EXERCISE PRICES	EXPIRY DATES
1,120,251	\$ 0.85	May 1, 2009
5,750,000	\$ 1.30	May 1, 2009
500,000	\$ 1.50	June 8, 2009
100,000	\$ 1.50	June 8, 2009
<u>7,470,251</u>		

e) Stock Options

The Company has a stock option plan that provides for the issuance of compensatory options to its directors, officers, employees and consultants. The maximum number of outstanding options must be no more than 10% of the issued and outstanding shares at any point in time. Options granted under the plan may have a maximum term of five years. Terms of the vesting period over which the options are earned are determined by the Board of Directors.

As of July 31, 2007 and October 31, 2007, 2,350,000 options were outstanding for the purchase of shares at a price of \$0.85. As of October 31, 2007 the weighted average remaining contractual life of the options was 4.5 years and the weighted average exercise price was \$0.85.

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4. SHARE CAPITAL (Continued)

Options outstanding as of October 31, 2007 were as follows:

JULY 31 and OCTOBER 31, 2007			
NUMBER OF OPTIONS	NUMBER OF OPTIONS EXERCISABLE	EXERCISE PRICE	EXPIRY DATE
2,000,000	2,000,000	\$ 0.85	May 8, 2012
350,000	50,000	\$ 0.85	May 8, 2012
<u>2,350,000</u>	<u>2,050,000</u>		

5. COMMITMENTS

- a) The Company is committed under an operating lease for premises in British Columbia, Canada until December, 2008. As of July 31, 2007 the minimum rent and tenancy costs payable under the lease was approximately \$22,600, with \$16,900 payable in fiscal 2008 and \$5,700 payable in fiscal 2009.
- b) In September 2007, the Company made the third instalment on its mining equipment contract of approximately \$210,000 (AUD\$239,790) upon the shipment of the equipment from the supplier's factory in Australia. A final instalment of approximately \$70,000 (AUD\$79,930) is due upon installation in Zambia.

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6. SEGMENTED INFORMATION

Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operation decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. All of the Company's operations are within the mineral exploration sector. The Company's mining operations are centralized whereby the Company's head office is responsible for the exploration results and for providing support in addressing local and regional issues. The Company's mineral properties are in Zambia and the DRC, Africa.

	Three Months Ended October 31, 2007	Three Months Ended October 31, 2006
Net Loss For The Period		
Canada	\$ (315,496)	\$ (80,023)
Africa	-	-
	\$ (315,496)	\$ (80,023)
	At October 31, 2007	At July 31, 2007
Equipment		
Canada	\$ 12,558	\$ 12,825
Africa	<u>2,449,075</u>	<u>1,961,361</u>
	\$ 2,461,633	1,974,186
Mineral Properties		
Africa	<u>\$ 3,193,177</u>	<u>\$ 2,064,495</u>