

ICS COPPER SYSTEMS LTD.

FINANCIAL STATEMENTS

January 31, 2008
(Expressed in Canadian Dollars)

These unaudited financial statements for the periods ended January 31, 2008 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 January 31, 2008 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

March 28, 2008

ICS COPPER SYSTEMS LTD.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	JANUARY 31 2008	JULY 31 2007
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ASSETS	(Unaudited)	
Current		
Cash	\$ 211,717	\$ 294,076
Short-term investments	3,679,785	7,274,125
Accounts receivables	210	73,000
GST receivables	9,284	37,756
	3,900,996	7,678,957
Equipment	2,779,615	1,974,186
Mineral Properties (Note 3)	4,410,738	2,064,495
	\$ 11,091,349	\$ 11,717,638
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LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 245,663	\$ 157,410
Due to related parties (Note 2)	250,000	500,000
	495,663	657,410
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SHAREHOLDERS' EQUITY		
Share Capital (Note 4)	11,872,324	11,872,324
Contributed surplus (Note 4)	1,531,286	1,531,286
Deficit	(2,807,924)	(2,343,382)
	10,595,686	11,060,228
	\$ 11,091,349	\$ 11,717,638
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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.

STATEMENTS OF OPERATIONS AND DEFICIT

(Expressed in Canadian Dollars)

	THREE MONTHS ENDED JANUARY 31		SIX MONTHS ENDED JANUARY 31	
	2008	2007	2008	2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Administrative Expenses				
Amortization	\$ 2,440	\$ 18,313	\$ 5,081	\$ 36,364
Consulting fees	4,486	59,485	4,486	76,715
Exchange (gain) loss	(2,558)	-	139,095	-
Interest and bank charges	4,849	5,971	11,351	12,832
Investor relations and promotion	47,443	-	104,769	-
Management fees	52,375	19,250	95,125	19,250
Mineral property expenses	-	46,434	-	50,434
Office	11,537	5,020	16,817	7,572
Professional fees	22,452	24,519	52,112	28,724
Rent	6,300	2,816	12,688	2,816
Salaries and employee benefits	38,456	10,000	70,964	25,000
Telephone and communications	8,034	957	20,379	1,728
Travel and accommodation	13,614	18,066	63,087	53,359
	209,428	210,831	595,954	314,794
Loss Before Other Income	(209,428)	(210,831)	(595,954)	(314,794)
Other Income				
Interest income	60,382	-	131,412	-
Rental revenue	-	13,938	-	37,878
	(149,046)	(196,893)	(464,542)	(276,916)
Net Loss For The Period	(149,046)	(196,893)	(464,542)	(276,916)
Deficit, Beginning Of Period	(2,658,878)	(261,996)	(2,343,382)	(181,973)
Deficit, End Of Period	\$ (2,807,924)	\$ (458,889)	\$ (2,807,924)	\$ (458,889)
Net Loss Per Share, Basic and diluted	\$ (0.01)	\$ (0.02)	\$ (0.02)	\$ (0.03)
Weighted Average Number Of Shares Outstanding, Basic and diluted	26,963,869	13,039,077	26,963,869	10,319,598

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

ICS COPPER SYSTEMS LTD.

STATEMENT OF CASH FLOWS

(Expressed in Canadian Dollars)

	THREE MONTHS ENDED JANUARY 31		SIX MONTHS ENDED JANUARY 31	
	2008	2007	2008	2007
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash Provided By (Used In)				
Operating Activities				
Loss for the period	\$ (149,046)	\$ (196,893)	\$ (464,542)	\$ (276,916)
Items not affecting cash:				
Amortization	2,440	18,313	5,081	36,364
Interest accrued on related party loan	-	6,237	-	12,585
	(146,606)	(172,343)	(459,461)	(227,967)
Changes in non-cash operating assets and liabilities:				
Accounts receivable	56,379	(10,000)	72,790	(10,000)
GST receivable	35,487	(1,480)	28,472	(2,593)
Accounts payable and accrued liabilities	(76,184)	(9,216)	88,253	(7,682)
Unearned revenue	-	(3,938)	-	(27,878)
Deferred financing costs	-	(71,000)	-	(71,000)
	(130,924)	(267,977)	(269,946)	(347,120)
Investing Activities				
Short-term investments	1,765,244	-	3,594,340	-
Acquisition of equipment	(334,979)	(716,831)	(832,960)	(756,991)
Acquisition of mineral properties	(1,203,004)	(189,312)	(2,323,793)	(441,387)
	227,261	(906,143)	437,587	(1,198,378)
Financing Activities				
Issue of common shares	-	2,041,200	-	2,041,200
Share issuance costs	-	(7,500)	-	(7,500)
Share subscriptions received	-	(1,283,700)	-	(413,200)
Repayments to related parties	(250,000)	(14,687)	(250,000)	(52,847)
	(250,000)	735,313	(250,000)	1,567,653
Increase (Decrease) In Cash	(153,663)	(438,807)	(82,359)	22,155
Cash, Beginning Of Period	365,380	933,353	294,076	472,391
Cash, End Of Period	\$ 211,717	\$ 494,546	\$ 211,717	\$ 494,546

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

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2008

(Expressed in Canadian Dollars)

(Information as at January 31, 2008 and for the six month period ended January 31, 2008 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 January 31, 2008 and July 31, 2007, and incurred the following transactions with related parties during the period ended January 31, 2008:

- a) Paid management and consulting fees to directors and officers of the Company in the amount of \$42,750 (2007 - \$44,250) and \$15,000 (2007 - \$76,715);
- b) Paid consulting fees related to mineral properties of \$Nil (2007 - \$30,000) 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 (2007 - \$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 January 31, 2008 and July 31, 2007 was \$500,000.

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2008

(Expressed in Canadian Dollars)

(Information as at January 31, 2008 and for the six month period ended January 31, 2008 is unaudited)

3. MINERAL PROPERTIES

	ZAMBIA	DRC	January 31 2008 (Unaudited)	JULY 31 2007
<u>Acquisition Costs</u>				
Balance, Beginning of Period	\$ 442,772	\$ 223,702	\$ 666,474	\$ -
Option payments – cash	824,760	-	824,760	666,474
Balance, End Of Period	1,267,532	223,702	1,491,234	666,474
<u>Exploration Costs</u>				
Amortization	15,821	-	15,821	4,703
Assay	127,520	-	127,520	-
Camp and general	119,153	2,480	121,633	74,444
Consumables	125,507	723	126,230	23,355
Drilling advances	87,057	-	87,057	299,435
Drilling	1,363,777	-	1,363,777	465,893
Consulting	305,896	34,897	340,793	210,633
Finders' fee	45,000	-	45,000	45,000
Geological and engineering	9,837	-	9,837	5,328
Labour and benefits	276,102	-	276,102	56,027
Property investigation costs	16,139	-	16,139	-
Site clearing	173,297	-	173,297	173,297
Social expenses	21,729	-	21,729	-
Travel and accommodation	138,546	22,838	161,384	35,931
Utilities and communications	33,185	-	33,185	3,975
Balance, End of Period	2,858,566	60,938	2,919,504	1,398,021
Total	\$ 4,126,098	\$ 284,640	\$ 4,410,738	\$ 2,064,495

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2008

(Expressed in Canadian Dollars)

(Information as at January 31, 2008 and for the six month period ended January 31, 2008 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

	<u>NUMBER OF SHARES</u>	<u>AMOUNT</u>	<u>CONTRIBUTED SURPLUS</u>
Balance, July 31, 2007 and January 31, 2008	26,963,869	\$ 11,872,324	\$ 1,531,286

No shares were issued in six month period ended January 31, 2008.

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

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2008

(Expressed in Canadian Dollars)

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

4. SHARE CAPITAL (Continued)

d) Share Purchase Warrants

Warrants granted and exercisable for the purchase of 7,470,251 shares as of January 31, 2008 at a weighted average exercise price of \$1.25 per share were as follows:

JULY 31 AND JANUARY 31, 2008		
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
7,470,251		

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 January 31, 2008, 2,350,000 options were outstanding for the purchase of shares at a price of \$0.85. As of January 31, 2008 the weighted average remaining contractual life of the options was 4.5 years and the weighted average exercise price was \$0.85.

Options outstanding as of January 31, 2008 were as follows:

JULY 31 AND JANUARY 31, 2008			
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
2,350,000	2,050,000		

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NOTES TO FINANCIAL STATEMENTS

JANUARY 31, 2008

(Expressed in Canadian Dollars)

(Information as at January 31, 2008 and for the six month period ended January 31, 2008 is unaudited)

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 \$74,000 (AUD\$79,230) is due upon installation in Zambia.

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 JANUARY 31		SIX MONTHS ENDED JANUARY 31	
	2008	2007	2008	2007
Net Loss For The Period				
Canada	\$ (149,046)	\$ (182,955)	\$ (464,542)	\$ (239,038)
Africa	-	-	-	-
	\$ (149,046)	\$ (182,955)	\$ (464,542)	\$ (239,038)
			JANUARY 31	JULY 31
			2008	2007
Equipment				
Canada			\$ 13,840	\$ 12,825
Africa			2,765,775	1,961,361
			\$ 2,779,615	\$ 1,974,186
Mineral Properties – Africa			\$ 4,410,738	\$ 2,064,495