

ICS COPPER SYSTEMS LTD.

FINANCIAL STATEMENTS

April 30, 2008
(Expressed in Canadian Dollars)

These unaudited financial statements for the periods ended April 30, 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 April 30, 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

June 19, 2008

ICS COPPER SYSTEMS LTD.

CONSOLIDATED BALANCE SHEETS

(Expressed in Canadian Dollars)

	APRIL 30 2008	JULY 31 2007
ASSETS	(Unaudited)	
Current		
Cash	\$ 276,577	\$ 294,076
Short-term investments	2,008,962	7,274,125
Accounts receivable	111,934	73,000
GST receivable	16,485	37,756
	2,413,958	7,678,957
Equipment	3,098,651	1,974,186
Mineral Properties (Note 3)	5,476,814	2,064,495
	\$ 10,989,423	\$ 11,717,638
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 176,337	\$ 157,410
Due to related parties (Note 2)	250,000	500,000
	426,337	657,410
SHAREHOLDERS' EQUITY		
Share Capital (Note 4)	11,872,324	11,872,324
Contributed surplus (Note 4)	1,625,578	1,531,286
Deficit	(2,934,816)	(2,343,382)
	10,563,086	11,060,228
	\$ 10,989,423	\$ 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, CA, 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 APRIL 30		NINE MONTHS ENDED APRIL 30	
	2008 (Unaudited)	2007 (Unaudited)	2008 (Unaudited)	2007 (Unaudited)
Administrative Expenses				
Amortization	\$ 2,419	\$ 19,577	\$ 7,500	\$ 55,941
Consulting fees	7,000	59,512	11,486	136,228
Exchange (gain) loss	(135,687)	-	3,408	-
Insurance	15,000	-	15,000	-
Interest and bank charges	2,944	11,274	14,295	24,106
Investor relations and promotion	43,165	13,555	147,934	13,555
Management fees	42,750	57,750	137,875	102,000
Mineral property expenses	22,196	83,665	22,196	134,099
Office	3,940	-	20,757	-
Professional fees	1,831	23,406	53,943	52,130
Rent and utilities	5,468	18,071	18,156	27,482
Salaries and employees benefits	32,854	12,271	103,818	13,250
Stock-based compensation	94,292	-	94,292	-
Telecommunications	7,413	7,197	27,792	8,925
Travel and accommodation	10,483	16,205	73,570	69,561
	156,068	322,483	752,022	637,277
Loss Before Other Income	(156,068)	(322,483)	(752,022)	(637,277)
Other Income				
Interest income	29,176	-	160,588	-
Rental revenue	-	-	-	37,878
Net Loss For The Period	(126,892)	(322,483)	(591,434)	(599,399)
Deficit, Beginning Of Period	(2,807,924)	(458,889)	(2,343,382)	(181,973)
Deficit, End Of Period	\$ (2,934,816)	\$ (781,372)	\$ (2,934,816)	\$ (781,372)
Net Loss Per Share, Basic and diluted	\$ (0.00)	\$ (0.02)	\$ (0.02)	\$ (0.05)
Weighted Average Number Of Shares Outstanding, Basic and diluted	26,963,869	14,184,120	26,963,869	11,579,461

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 APRIL 30		NINE MONTHS ENDED APRIL 30	
	2008 (Unaudited)	2007 (Unaudited)	2008 (Unaudited)	2007 (Unaudited)
Cash Provided By (Used In)				
Operating Activities				
Loss for the period	\$ (126,892)	\$ (322,483)	\$ (591,434)	\$ (599,398)
Items not affecting cash:				
Amortization	2,419	19,577	7,500	55,941
Stock-based compensation	94,292	-	94,292	-
	(30,181)	(302,906)	(489,642)	(543,457)
Changes in non-cash operating assets and liabilities:				
Accounts receivable	(111,724)	-	(38,934)	(10,000)
GST receivable	(7,201)	(7,778)	21,271	(10,371)
Accounts payable and accrued liabilities	(69,326)	(4,313)	18,927	(11,995)
Unearned revenue	-	-	-	(27,878)
Deferred financing costs	-	(100,000)	-	(171,000)
	(218,432)	(414,997)	(488,378)	(774,701)
Investing Activities				
Short-term investments	1,670,823	-	5,265,163	-
Acquisition of equipment	(323,425)	(61,825)	(1,156,385)	(968,817)
Acquisition of mineral properties	(1,064,106)	(7,026)	(3,387,899)	(298,412)
	283,292	(68,851)	720,879	(1,267,229)
Financing Activities				
Issue of common shares	-	-	-	2,041,200
Share issuance costs	-	-	-	(7,500)
Share subscriptions received	-	-	-	(413,200)
Repayments to related parties	-	93,763	(250,000)	53,500
		93,763	(250,000)	1,674,000
Increase (Decrease) In Cash	64,860	(390,085)	(17,499)	(367,930)
Cash, Beginning Of Period	211,717	494,546	294,076	472,391
Cash, End Of Period	\$ 276,577	\$ 104,461	\$ 276,577	\$ 104,461

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

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2008

(Expressed in Canadian Dollars)

(Information as at April 30, 2008 and for the nine month period ended April 30, 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 April 30, 2008 and July 31, 2007, and incurred the following transactions with related parties during the period ended April 30, 2008:

- a) Paid management and consulting fees to directors and officers of the Company in the amount of \$137,875 (2007 - \$102,000) and \$ Nil (2007 - \$14,316);
- b) Paid consulting fees related to mineral properties of \$90,500 (2007 - \$22,159) to a company owned by a director.
- c) Reimbursed vehicle lease costs of a director and officer of the Company in the amount of \$5,537 (2007 - \$5,098);
- 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 \$13,335. The balance owing to the related company as of April 30, 2008 was \$250,000 (July 31, 2007 - \$500,000).

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2008

(Expressed in Canadian Dollars)

(Information as at April 30, 2008 and for the nine month period ended April 30, 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		977,579		-		977,579		666,474
Balance, End Of Period		1,420,351		223,702		1,644,053		666,474
<u>Exploration Costs</u>								
Amortization		20,914		-		20,914		4,703
Assay		204,608		-		204,608		-
Camp and general		139,655		2,480		142,135		74,444
Consulting		368,839		37,923		406,762		210,633
Consumables		191,065		723		191,788		23,355
Drilling		1,751,115		-		1,751,115		465,893
Drilling advances		-		-		-		299,435
Environmental assessments		108,928		-		108,928		-
Finders' fee		45,000		-		45,000		45,000
Geological and engineering		10,026		-		10,026		5,328
Labour and benefits		409,506		-		409,506		56,027
Licence fees		-		13,576		13,576		-
Site clearing		173,297		-		173,297		173,297
Social expenses		64,968		-		64,968		-
Travel and accommodation		215,587		23,867		239,454		35,931
Utilities and communications		50,684		-		50,684		3,975
Balance, End of Period		3,754,192		78,569		3,832,761		1,398,021
Total	\$	5,174,543	\$	302,271	\$	5,476,814	\$	2,064,495

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2008

(Expressed in Canadian Dollars)

(Information as at April 30, 2008 and for the nine month period ended April 30, 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	26,963,869	11,872,324	1,531,286
Stock-based Compensation	-	-	<u>94,292</u>
Balance, April 30, 2008	<u>26,963,869</u>	<u>11,872,324</u>	<u>1,625,578</u>

No shares were issued in nine month period ended April 30, 2008. See note 6.

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

APRIL 30, 2008

(Expressed in Canadian Dollars)

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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 April 30, 2008 at a weighted average exercise price of \$1.25 per share were as follows:

JULY 31 AND APRIL 30, 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		

See also Note 6.

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.

On April 11, 2008, 200,000 options were issued under this plan to Richard G. Molyneux, Director at market value of \$ 0.59 per option.

As of April 30, 2008 the weighted average remaining contractual life of the options was 3.6 years and the weighted average exercise price was \$0.83.

ICS COPPER SYSTEMS LTD.

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2008

(Expressed in Canadian Dollars)

(Information as at April 30, 2008 and for the nine month period ended April 30, 2008 is unaudited)

4. SHARE CAPITAL (Continued)

e) Stock Options

Options outstanding as of April 30, 2008 were as follows:

<u>NUMBER OF OPTIONS EXERCISABLE</u>	<u>EXERCISE PRICE</u>	<u>EXPIRY DATE</u>
300,000	\$ 0.85	July 30, 2008
1,750,000	\$ 0.85	May 8, 2012
<u>200,000</u>	\$ 0.59	April 11, 2013
<u>2,250,000</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 \$74,000 (AUD\$79,230) is due upon installation in Zambia.

6. SUBSEQUENT EVENT

In June 2008, the Company issued 2,750,000 units at a price of \$0.40 per unit by private placement for gross proceeds of \$ 1,100,000. Each unit consisted of one common share and one full non-transferable share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.50 per share. The warrants will expire on June 11, 2010. The Company paid a finders' fee of \$100,000 in connection with this financing.

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NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2008

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7. 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 APRIL 30		NINE MONTHS ENDED APRIL 30	
	2008	2007	2008	2007
Net Loss For The Period				
Canada	\$ (100,600)	\$ (322,483)	\$ (565,142)	\$ (599,399)
Africa	-	-	-	-
	<u>\$ (100,600)</u>	<u>\$ (322,483)</u>	<u>\$ (565,142)</u>	<u>\$ (599,399)</u>
			<u>APRIL 30</u>	<u>JULY 31</u>
			<u>2008</u>	<u>2007</u>
Equipment				
Canada			\$ 13,791	\$ 12,825
Africa			<u>3,084,860</u>	<u>1,961,361</u>
			<u>\$ 3,098,651</u>	<u>\$ 1,974,186</u>
Mineral Properties – Africa			<u>\$ 5,476,814</u>	<u>\$ 2,064,495</u>