

**AMERICAN COPPER CORPORATION.**  
INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2008

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THE ACCOMPANYING FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008 HAVE  
NOT BEEN REVIEWED OR AUDITED BY THE CORPORATION'S AUDITORS.

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**AMERICAN COPPER CORPORATION**  
**INTERIM CONSOLIDATED BALANCE SHEETS**  
 March 31, 2008 and September 30, 2007  
 (Stated in Canadian Dollars)  
 (Unaudited)

	<b>March 31, 2008</b>	September 30, 2007
<b><u>ASSETS</u></b>		
Current		
Cash	\$ 597,363	\$ 1,474,822
Goods and services taxes receivable	16,494	13,397
Prepaid expenses and deposits – Note 6	12,744	19,421
	<b>626,601</b>	1,507,640
Equipment and leaseholds – Note 3	19,442	18,016
Reclamation bond	99,744	22,138
Resource properties – Notes 4, 5 and 6	1,164,898	622,710
	<b>\$ 1,910,685</b>	<b>\$ 2,170,504</b>
<b><u>LIABILITIES</u></b>		
Current		
Accounts payable and accrued liabilities – Note 6	\$ 7,257	\$ 56,423
<b><u>SHAREHOLDERS' EQUITY</u></b>		
Share capital – Notes 4, 5 and 6	2,435,185	2,380,185
Contributed surplus – Note 5	824,009	715,000
Deficit	(1,355,766)	(981,104)
	<b>1,903,428</b>	2,114,081
	<b>\$ 1,910,685</b>	<b>\$ 2,170,504</b>

Commitments and Contingencies – Notes 4 and 5  
 Subsequent Event – Note 8

APPROVED BY THE DIRECTORS:

<u>“Robert Eadie”</u> Robert Eadie	Director	<u>“Gary Arca”</u> Gary Arca	Director
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SEE ACCOMPANYING NOTES

**AMERICAN COPPER CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
for the three and six months ended March 31, 2008 and 2007  
(Stated in Canadian Dollars)  
(Unaudited)

	Three months ended March 31,		Six months ended March 31,	
	2008	2007	2008	2007
<b>Expenses</b>				
Accounting and audit fees	\$ 422	\$ 3,610	\$ 12,422	\$ 13,855
Amortization	1,358	1,231	2,658	2,463
Bank charges and interest	164	142	641	493
Consulting fees – Note 6	15,275	4,525	27,050	49,525
Corporate and administration fees	17,500	6,000	31,750	8,250
Filing fees	14,155	11,063	20,484	11,063
Insurance	1,987	-	3,975	-
Legal fees	22	289	3,483	289
Management fees – Note 6	15,000	15,000	30,000	30,000
Office and miscellaneous	10,486	6,516	23,792	11,838
Property investigation – Note 6	22	33,767	1,819	33,767
Rent	7,342	2,333	12,570	6,995
Shareholder communications	66,542	-	84,587	831
Share based compensation	109,009	347,000	109,009	347,000
Travel	4,274	8,303	19,415	8,858
Loss for the period before other items	(263,558)	(439,779)	(383,655)	(525,227)
<b>Other items:</b>				
Foreign exchange gain (loss)	(4,539)	(3,385)	(4,637)	3,130
Interest and investment income	4,681	2,210	13,630	5,355
	142	(1,175)	8,993	8,485
Net loss for the period	(263,416)	(440,954)	(374,662)	(516,742)
Deficit, beginning of period	(1,092,350)	(370,639)	(981,104)	(294,851)
Deficit, end of period	\$ (1,355,766)	\$ (811,593)	\$ (1,355,766)	\$ (811,593)
Basic and diluted loss per share	\$ (0.02)	\$ (0.04)	\$ (0.02)	\$ (0.04)
Weighted average number of shares outstanding	16,766,770	12,390,001	16,713,597	11,974,616

SEE ACCOMPANYING NOTES

**AMERICAN COPPER CORPORATION**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
for the three and six months ended March 31, 2008 and 2007  
(Stated in Canadian Dollars)  
(Unaudited)

	Three months ended March 31,		Six months ended March 31,	
	2008	2007	2008	2007
<b>Cash Flows used in Operating Activities</b>				
Net loss for the period	\$ (263,416)	\$ (440,954)	\$ (374,662)	\$ (516,742)
Non-cash items:				
Amortization	1,358	1,231	2,658	2,463
Share based compensation	109,009	347,000	109,009	347,000
	<b>(153,049)</b>	<b>(92,723)</b>	<b>(262,995)</b>	<b>(167,279)</b>
Changes in non-cash working capital items:				
Prepaid expenses and deposits	(4,388)	(16,167)	6,677	(14,956)
Goods and services tax receivable	2,458	(2,739)	(3,097)	(5,373)
Accounts payable and accrued liabilities	(16,946)	1,391	(9,166)	3,138
	<b>(171,925)</b>	<b>(110,238)</b>	<b>(268,581)</b>	<b>(184,470)</b>
<b>Cash Flows used in Investing Activities</b>				
Resource property	(454,411)	(126,799)	(527,188)	(187,729)
Reclamation bond	-	-	(77,606)	-
Equipment and leaseholds	(1,158)	-	(4,084)	-
	<b>(455,569)</b>	<b>(126,799)</b>	<b>(608,878)</b>	<b>(187,729)</b>
<b>Cash Flows from Financing Activities</b>				
Issuance of common shares	-	5,000	-	262,000
Share issue costs	-	-	-	-
Share subscriptions received	-	-	-	-
	-	5,000	-	262,000
Increase in cash during the period	<b>(627,494)</b>	<b>(232,037)</b>	<b>(877,459)</b>	<b>(110,199)</b>
Cash, beginning of period	1,224,857	601,196	1,474,822	479,358
Cash, end of period	\$ 597,363	\$ 369,159	\$ 597,363	\$ 369,159
<b>Supplementary disclosure of cash flow information</b>				
Cash paid for:				
Interest	\$ -	\$ -	\$ -	\$ -
Income taxes	\$ -	\$ -	\$ -	\$ -

Non-cash Transactions – Note 5

SEE ACCOMPANYING NOTES

**AMERICAN COPPER CORPORATION**  
**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
 March 31, 2008  
 (Stated in Canadian Dollars)  
 (Unaudited)

Note 1 Nature of Operations

The Company was incorporated on January 27, 2006 under the British Columbia Business Corporations Act. The Company completed an Initial Public Offering (“IPO”) on August 20, 2007 and began trading on the TSX Venture Exchange (“TSX.V”) as a publicly listed entity.

The Company is in the exploration stage and has entered into option agreements to acquire resource properties in the United States of America. The economic recoverability of the properties’ reserves has yet to be determined. The recoverability of amounts from the properties will be dependent upon the discovery of economically recoverable reserves, confirmation of the Company’s interest in the underlying properties, the ability of the Company to obtain necessary financing to satisfy the expenditure requirements under the property agreement and to complete the development of the properties and upon future profitable production or proceeds from the sale thereof. The outcome of these matters cannot be predicted with any certainty at this time.

Note 2 Interim Reporting

While the information presented in the accompanying interim consolidated financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. These interim financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) and follow the same accounting policies and methods of their application as the September 30, 2007 annual financial statements. It is suggested that these interim financial statements be read in conjunction with the Company’s September 30, 2007 annual financial statements.

Note 3 Equipment and Leaseholds

	<b>March 31, 2008</b>		
	Cost	Accumulated Amortization	Net
Computer equipment	\$ 7,627	\$ 2,422	\$ 5,205
Furniture and equipment	14,579	5,748	8,831
Leasehold improvements	10,813	5,407	5,406
	<b>\$ 33,019</b>	<b>\$ 13,577</b>	<b>\$ 19,442</b>

Note 3 Equipment and Leaseholds – (cont'd)

	September 30, 2007		
	Cost	Accumulated Amortization	Net
Computer equipment	\$ 4,701	\$ 1,762	\$ 2,939
Furniture and equipment	13,421	4,325	9,096
Leasehold improvements	10,813	4,832	5,981
	<b>\$ 28,935</b>	<b>\$ 10,919</b>	<b>\$ 18,016</b>

Note 4 Resource Properties

a) Summary of Resource Properties

	March 31, 2008		
	Squaw Peak	Copper Properties	Total
Balance, beginning of year	\$ 506,247	\$ 116,463	<b>\$ 622,710</b>
Acquisition costs	-	415,083	<b>415,083</b>
Deferred expenditures			
Drilling	57,954	-	<b>57,954</b>
Geological consulting	36,734	3,100	<b>39,834</b>
Mapping and reports	5,406	-	<b>5,406</b>
Sampling	2,664	2,550	<b>5,214</b>
Site visits & accommodation	10,036	5,649	<b>15,685</b>
Surveys	3,012	-	<b>3,012</b>
	115,806	11,299	<b>127,105</b>
<b>Balance, end of year</b>	<b>\$ 622,053</b>	<b>\$ 542,845</b>	<b>\$ 1,164,898</b>

Note 4 Resource Properties – (cont'd)

b) Summary of Resource Properties – (cont'd)

	September 30, 2007		
	Squaw Peak	Copper Properties	Total
Balance, beginning of year	\$ 239,502	\$ -	\$ 239,502
Acquisition costs	20,000	116,463	136,463
Deferred expenditures			
Claim maintenance fees	7,535	-	7,535
Claim staking costs	84,506	-	84,506
Geological consulting	88,876	-	88,876
Legal consulting	5,583	-	5,583
Mapping & reports	43,616	-	43,616
Sampling	7,658	-	7,658
Site visits & accommodation	8,971	-	8,971
	246,745	-	246,745
Balance, end of year	\$ 506,247	\$ 116,463	\$ 622,710

b) Squaw Peak

Pursuant to an option agreement dated June 10, 2006, with MinQuest Inc. (“MinQuest”), a company controlled by a director of the Company, the Company may acquire a 100% undivided interest, subject to a 3% net smelter royalty (“NSR”), in 40 mining claims located in Yavapai County, Arizona State, United States of America (“Squaw Peak”). Consideration for the acquisition is cash of US\$1,000,000, reimbursement of the optionor’s costs associated with the acquisition of the property, issuance of 500,000 common shares of the Company, and exploration expenditures of US\$4,500,000 on the property as follows:

Consideration:

- US\$25,000 (paid) and 50,000 common shares (issued) by August 20, 2007;
- US\$30,000 and 100,000 common shares by August 20, 2008;
- US\$45,000 and 150,000 common shares by August 20, 2009;
- US\$60,000 and 200,000 common shares by August 20, 2010;
- US\$80,000 by August 20, 2011;
- US\$100,000 by August 20, 2012;
- US\$120,000 by August 20, 2013;
- US\$140,000 by August 20, 2014; and
- US\$400,000 by August 20, 2015.

Note 4      Resource Properties – Notes 5 and 6 – (cont'd)

b) Squaw Peak – (cont'd)

Exploration Expenditures:

- US\$200,000 by August 20, 2008 (incurred);
- US\$300,000 by August 20, 2009;
- US\$400,000 by August 20, 2010;
- US\$500,000 by August 20, 2011;
- US\$600,000 by August 20, 2012;
- US\$700,000 by August 20, 2013;
- US\$800,000 by August 20, 2014; and
- US\$1,000,000 by August 20, 2015.

Pursuant to the agreement the Company may purchase up to one half of the NSR for US\$2,000,000 for each 1% of the royalty purchased (total of \$3,000,000 for the entire 1.5%). During the term of the Squaw Peak option agreement, the Company is responsible for maintaining the claims in good standing, including paying required taxes, fees and rentals, and completing necessary assessment work.

c) Copper Properties

Pursuant to an option agreement dated January 2, 2008, with MinQuest, the Company may acquire a 100% undivided interest, subject to a 3% NSR, in various claims in: (a) Santa Cruz, Gila County and Yavapai County, Arizona, (b) Grant County, New Mexico, and (c) Humboldt County, Nevada, United States of America (“Copper Properties”). Consideration for the acquisition is reimbursement of the Optionor’s costs associated with the acquisition of the properties, the issuance of 3,650,000 common shares of the Company and incurring US\$25,000,000 in exploration expenditures on the Copper Properties as follows:

Consideration:

- 275,000 common shares on January 25, 2008 (issued);
- 275,000 common shares by January 25, 2009;
- 275,000 common shares by January 25, 2010;
- 275,000 common shares by January 25, 2011;
- 275,000 common shares by January 25, 2012;
- 375,000 common shares by January 25, 2013;
- 800,000 common shares by January 25, 2014; and
- 1,100,000 common shares by January 25, 2015.

Note 4      Resource Properties – Notes 5 and 6 – (cont'd)

c) Copper Properties – (cont'd)

Exploration Expenditures:

- US\$200,000 by January 25, 2009 (incurred);
- US\$1,200,000 by January 25, 2010;
- US\$2,000,000 by January 25, 2011;
- US\$2,000,000 by January 25, 2012;
- US\$2,500,000 by January 25, 2013;
- US\$3,000,000 by January 25, 2014;
- US\$3,000,000 by January 25, 2015;
- US\$3,000,000 by January 25, 2016;
- US\$4,000,000 by January 25, 2017; and
- US\$4,100,000 by January 25, 2018.

Pursuant to the option agreement, the Company may purchase up to one half of the NSR on the basis of a two stage buy down. The NSR on the first one million ounces of gold equivalent production may be bought down for US\$2 million for each 1% of the NSR to a maximum of 1.5% (US\$3 million for the entire 1.5%). Any and all production from the properties subsequent to the first one million ounces of gold equivalent may be bought for an additional US\$4 million for the same 1.5% purchased in the first stage.

During the term of the Copper Properties option agreement, the Company will be responsible for all applicable reclamation statutes, regulations and ordinances relating to such work, maintaining the interests in these properties in good standing, payment of taxes and rentals and all other actions necessary to keep the claims free and clear of all liens and other charges so as to not jeopardize property title.

d) Environmental Protection Practices

The Company is subject to laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Note 5 Share Capital

a) Authorized

Unlimited common shares without par value

b) Share Issuances

	Number	Amount
Balance, September 30, 2006	10,710,001	675,000
Issued for cash pursuant to:		
Private Placement at \$0.25 per share	1,776,000	444,000
Initial public offering at \$0.40 per share	4,000,000	1,600,000
Issued pursuant to agent agreement	125,000	50,000
Issued pursuant to property option agreement	50,000	20,000
Share issue costs	-	(408,815)
Balance, September 30, 2007	16,661,001	2,380,185
Issued pursuant to property option agreement	275,000	55,000
<b>Balance, March 31, 2008</b>	<b>16,936,001</b>	<b>\$ 2,435,185</b>

Private Placements

The Company issued 4,400,001 shares to Founders at \$0.01 per share for cash proceeds of \$44,000. These shares were valued by management and directors at \$0.055 per share based on the relative price of other common share issuances at the time, discounted for the effect of the escrow requirement, among other factors. The result of this valuation was that the Company recorded stock-based compensation of \$198,000 during the period ended September 30, 2006.

The Company completed a private placement in June, 2006 and issued 6,310,000 shares at a price of \$0.10 per share, for gross proceeds of \$631,000.

The Company completed a private placement in November, 2006 and issued 1,680,000 shares at a price of \$0.25 per share, for gross proceeds of \$420,000.

In May, 2007, the Company received \$24,000 from Directors for issuance of 96,000 common shares at \$0.25 per share.

Note 5 Share Capital – (cont'd)

Initial Public Offering

On August 20<sup>th</sup>, 2007, the Company completed an IPO for the sale of 4,000,000 units at a price of \$0.40 per unit for gross proceeds of \$1,600,000. Each unit consists of one common share and one-half of one common share purchase warrant, each whole warrant entitles the holder to purchase one common share at \$0.75 per share exercisable up to August 20, 2009. All of the proceeds were allocated to share capital and none was allocated to the warrants. The Company paid a cash commission of \$128,000 (8% of the gross proceeds) and issued 125,000 shares of the Company, valued at \$50,000, as a Corporate finance fee to the agent. In addition, the agent received 800,000 Agent Warrants (20% of the shares issued) pursuant to the IPO which will entitle the agent to purchase one additional common share of the Company at \$0.40 per share for each warrant held for two years. The Company paid an administrative fee of \$10,000 to the agent and \$15,670 for the agent's expenses. During the year ended September 30, 2007 the Company also paid \$35,145 in legal fees relating to the IPO.

Non-Cash Transaction

In February 2008, the Company issued 275,000 common shares valued at \$0.20 per share to a company with a director in common pursuant to the Copper Properties option agreement. The value of these shares, \$55,000, has been excluded from the statement of cash flows.

c) Share Purchase Options

A summary of the Company's outstanding share purchase options as of March 31, 2008 and September 30, 2007 and the changes during the periods then ended is presented below:

	Number of options	Weighted average exercise price
Outstanding at September 30, 2006	-	-
Granted	1,150,000	\$0.40
Outstanding and exercisable at September 30, 2007	1,150,000	\$0.40
Granted	540,000	\$0.25
<b>Outstanding and exercisable at March 31, 2008</b>	<b>1,690,000</b>	<b>\$0.35</b>

Note 5 Share Capital – (cont'd)

c) Share Purchase Options – (cont'd)

At March 31, 2008, there were 1,690,000 share purchase options outstanding and exercisable entitling the holders thereof the right to purchase one common share for each option held as follows:

Number of Shares	Exercise Price	Expiry Date
1,150,000	\$0.40	February 19, 2012
540,000	\$0.25	March 31, 2003
<b>1,150,000</b>		

d) Stock Based Compensation

The Company approved a stock option plan which allows for share purchase options to be granted of up to 10% of the number of outstanding shares. The options will be exercisable for a maximum of five years from the date of grant. Unless otherwise stated, the options vest when granted. Options granted for investor relations will have vesting provisions as to one-quarter of the options each three months.

During the year ended September 30, 2007, the Company granted share purchase options to directors, officers, and employees to acquire up to 1,150,000 common shares at \$0.40 per share.

The fair value of the 1,150,000 options granted of \$347,000 was determined using the Black-Scholes option-pricing model with the following assumptions:

Dividend rate	0.00 %	Expected annual volatility	98 %
Expected life	5 Years	Risk-free interest rate	4.06 %

During the six months ended March 31, 2008, the Company granted share purchase options to directors, officers and employees to acquire up to 540,000 at \$0.25 per share.

The fair value of the 540,000 options granted of \$109,009 was determined using the Black-Scholes option-pricing model with the following assumptions:

Dividend rate	0.00 %	Expected annual volatility	112 %
Expected life	5 Years	Risk-free interest rate	3.35 %

Note 5 Share Capital – (cont'd)

e) Share Purchase Warrants

A summary of share purchase warrants outstanding during the periods ended March 31, 2008 and September 30, 2007 are as follows:

Balance at September 30, 2006	-
Issued	2,800,000
<b>Balance outstanding and exercisable at September 30, 2007 and March 31, 2008</b>	<b>2,800,000</b>

As at March 31, 2008, the following share purchase warrants were outstanding:

Number of Shares	Exercise Price	Expiry Date
2,000,000	\$0.75	August 20, 2009
800,000	\$0.40	August 20, 2009
<b>2,800,000</b>		

These warrants entitle the holders thereof the right to acquire one common share for each warrant held.

During the year ended September 30, 2007, the Company included \$170,000 in share issue costs for the 800,000 share purchase warrants issued to the agents pursuant to the Company's IPO. The Company used the Black Scholes option pricing model to estimate the fair value of the share purchase warrants using the following assumptions:

Dividend yield	Nil
Annualized volatility	98%
Risk-free interest rate	4.23%
Expected life	2 years

f) Contributed Surplus

A summary of the changes to contributed surplus for the periods ending March 31, 2008 and September 30, 2007 is as follows:

	March 31, 2008	September 30, 2007
Balance, beginning of the period	\$ 715,000	\$ 198,000
Agent's share purchase warrants	-	170,000
Share purchase options granted	109,009	347,000
Founder's shares	-	-
<b>Balance, end of the period</b>	<b>\$ 824,009</b>	<b>\$ 715,000</b>

g) Escrow Shares

As at March 31, 2008, the Company has 3,612,001 common shares held in escrow. The release of these shares is subject to an escrow agreement. The escrow shares will be released in tranches of 722,400 common shares during consecutive six-month intervals over the next thirty-six month period.

Note 6 Related Party Transactions

The Company incurred the following costs with companies controlled by directors of the Company and with companies controlled by significant shareholders:

	<b>Six months ended March 31,</b>	
	<b>2008</b>	<b>2007</b>
Consulting fees	\$ 15,000	\$ 15,000
Management fees	30,000	15,000
Property investigation	1,819	-
Resource properties - deferred expenses	36,975	35,400
- acquisition expenses	6,525	-
	<b>\$ 90,319</b>	<b>\$ 65,400</b>

These expenditures were measured by the exchange amount, which are the amounts agreed upon by the transacting parties.

Included in prepaid expenses at March 31, 2008 is a \$2,500 (September 30, 2007 – \$2,500) deposit to a company with a common director.

Included in accounts payable at March 31, 2008 is \$Nil (September 30, 2007 – \$3,730) due to a company with a common director for unpaid expenses.

During the period ended March 31, 2008, the Company issued 275,000 common shares to a company with a director in common pursuant to the Squaw Peak option agreement.

Note 7 Segmented Information

The Company operates in one reportable operating and geographic segment, being the exploration and evaluation of mineral properties for development in the United States.

Note 8      Subsequent Event

Subsequent to March 31, 2008, the Company:

- a) closed a non-brokered private placement consisting of 2,000,000 Units at a price of \$0.20 per Unit for gross proceeds of \$400,000. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant entitles the holder to purchase on additional common share at a price of \$0.40 for a period of one year. The warrants include an early expiry feature which may trigger should the common shares of the Company close above \$0.40 for a minimum period of ten trading days.

The Company paid a cash commission of \$27,200 and issued 204,000 warrants to the agent. The agents' warrants are exercisable at \$0.20 per share until April 25, 2009 and include the same early expiry feature described above.

- b) granted 200,000 incentive stock options to directors, officers and consultants of the Company exercisable at a price of \$0.20 per share until May 1, 2013 subject to the requirements of the TSX.V.