

ASX RELEASE

Wednesday 30 April 2014

QUARTERLY REPORT AND APPENDIX 5B FOR THE PERIOD ENDED 31 MARCH 2014

A-Cap Resources Limited (“A-Cap” or “the Company”) (ASX:ACB) is pleased to provide its Quarterly Activities Report for the period ended 31 March 2014.

HIGHLIGHTS

Capital Raising

- Subsequent to quarter end the Company announced a \$5.8 million capital raising comprised of a placement to raise \$1.32 million and a fully underwritten non renounceable rights issue to raise \$4.5 million.

Work Program

- Proceeds from the Capital Raising will fund a major RC and Diamond drilling programme designed to better define and extend high grade uranium mineralisation and provide further data for mine planning and resource modelling and fund other feasibility work including process design and environmental work necessary for a mining licence application in the first half of 2015 at the Company’s Letlhakane Uranium Project in Botswana. Proceeds will also be used to fund further drilling programmes on the Company’s Mea and Bolau coal projects following positive reports received from independent consultants on the development potential of these assets.

Letlhakane Uranium Project (“Letlhakane”)

- Planning carried out on further feasibility work necessary for a mining licence application next year including metallurgical and process design programmes, environmental work and mine planning.
- A major RC and Diamond drilling programme was designed to further define and extend known high grade mineralisation and provide further data for mine planning and resource modelling. This drilling will commence in May 2014.

Mea Coal Project (“Mea”)

- Completion of a study on the Mea Coal Project by independent consulting group Sedgman was positive. The study highlighted the potential for project development covering geological, engineering and marketing.
- Drilling programme to define an indicated resource at Mea planned to commence next quarter.

Bolau Coal Project (“Bolau”)

- Sedgman was commissioned in December 2013 to complete an initial study of the Bolau Coal Project, results are under review.
- Drilling programme to define an indicated resource at Bolau planned to commence next quarter.

PROJECT OVERVIEW

Uranium

The Letlhakane Uranium Project is one of the world's largest undeveloped Uranium Deposits. The Project lies adjacent to Botswana's main North-South infrastructure corridor that includes a sealed all weather highway, railway line and the national power grid, all of which make significant contributions to keeping the capital cost of future developments low.

In July, 2013, A-Cap announced a major JORC Mineral Resource Upgrade at Letlhakane completed by Optiro Pty Ltd, an independent expert. The updated Global Mineral Resource, reported in compliance with the JORC code, currently stands at 662 million tonnes at 211ppm U₃O₈ for a contained 308 Mlbs of U₃O₈ (100ppm cut-off). Importantly, within the Letlhakane Resource, a significant higher-grade component at a 300ppm U₃O₈ cut-off, contains **83.7Mt at 447ppm U₃O₈ for 82.5 Mlbs of U₃O₈.**

A-Cap has announced encouraging results from a detailed Scoping Study that highlighted the positive economics of the deposit. Following completion of mining scale continuity drilling, this Scoping Study will be revised to include the higher grade resource which is expected to impact significantly on operating costs for the project.

Coal

The **Mea Coal Project** on PL134/2005 contains multiple coal seams within a thicker carbonaceous unit that extends to over 100m true thickness. Initial results are very promising with Raw Coal Quality at Mea potentially higher than the typical coal found elsewhere in Botswana. A JORC compliant inferred resource of 335 million tonnes of coal in multiple seams has been announced. The project has been the focus of a detailed engineering and marketing scoping study, the results of which has determined that further drilling should be conducted.

The **Bolau Coal Project** constitutes the up and down dip extension of African Energy's Sese Coal Project that extends into A-Cap's prospecting licences PL138/2005 and PL125/2009. The adjacent Sese thermal coal deposit contains JORC compliant Mineral Resource of over 2.5 billion tonnes, comprising a Measured Resource of over 650 Mt coal, with an additional ~1,850 Mt in Indicated and Inferred Resource category. A scoping study for the Bolau Project has been initiated to enable management to outline the next steps for the geological and economic evaluation. Drilling to define an indicated resource is planned for the basal seam which at the up-dip portion is intersected at approximately 15-20m deep.

The **Letlhakane Coal Project** is coincident with the uranium resource and a JORC compliant resource of 107 million tonnes has been reported.

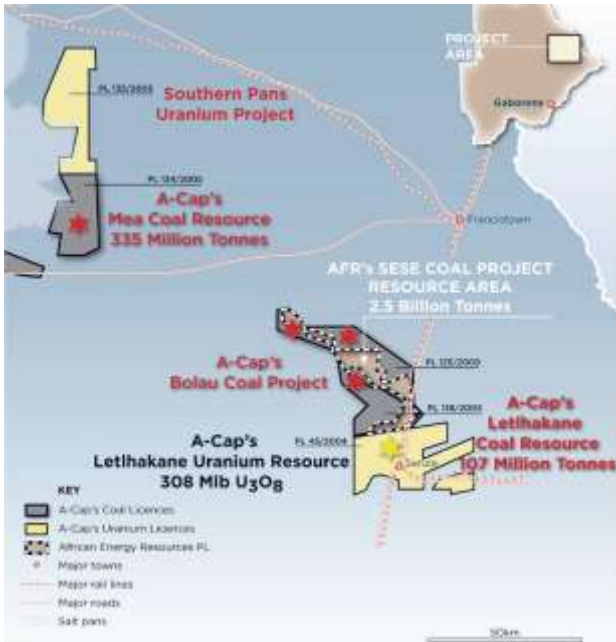


Figure 1

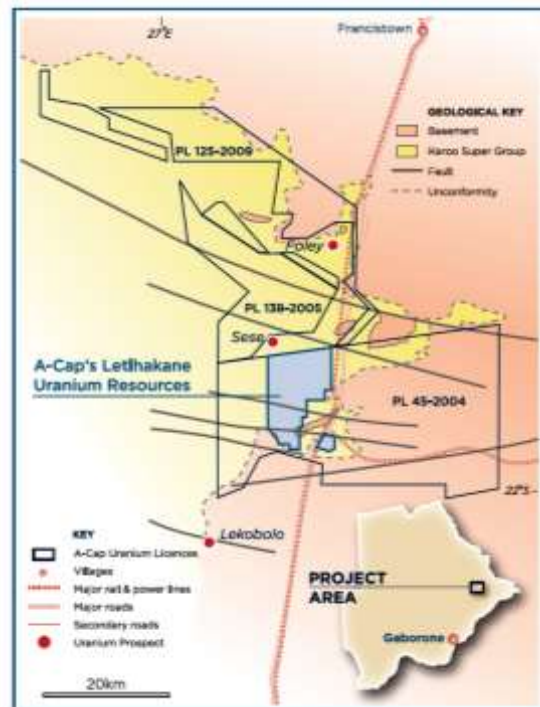


Figure 2

Figure 1: Location Map of A-Cap's main project areas. The Letlhakane Project hosts the Serule Uranium Deposit on PL45/2004.

Figure 2: Demonstrates the relative locations of the Letlhakane Uranium resources within PL45/2004. Also highlighted is the excellent infrastructure in the area, which includes a dual lane highway, railway and high tension power lines.

OPERATIONS REPORT

LETLHAKANE URANIUM PROJECT

Feasibility work on the Letlhakane Uranium Project continued during the quarter, with lithological modelling metallurgical testwork and resource work .

Planning was completed on a feasibility work programme necessary for a mining licence application in the first half of next year. A major RC and Diamond drilling programme was designed to infill and extend known areas of high grade uranium mineralisation and provide further data for mine planning and resource modelling. Programmes for further metallurgical work and process design were planned, including a scope of work for geotechnical, geochemical and hydrological studies on heaps and waste products. A revised Scoping Study report for Environmental and Social Impact Assessment (ESIA) was completed. All this work will commence next quarter with RC and Diamond drilling due to start within the next few weeks.

Updated Resource

The Letlhakane Uranium Project is one of the world's largest undeveloped Uranium Deposits The Project lies adjacent to Botswana's main North-South infrastructure corridor that includes a sealed all weather highway, railway line and the national power grid, all of which make significant contributions to keeping the capital cost of future developments low.

In July 2013, A-Cap announced a major JORC Mineral Resource Upgrade for Letlhakane. The updated Global Mineral Resource, completed by an independent expert and reported in compliance with the JORC 2004 code, is summarised at a number of cut off grades in Table 1:

Cut-off (U3O8 ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U3O8 (ppm)	Contained U3O8 (Mlbs)	Mt	U3O8 (ppm)	Contained U3O8 (Mlbs)	Mt	U3O8 (ppm)	Contained U3O8 (Mlbs)
100	131.9	198	57.5	530.5	215	250.9	662.4	211	308.1
200	49.4	269	29.4	198.6	319	139.7	248.1	309	168.9
250	23.4	322	16.6	114.9	390	98.7	138.3	378	115.2
300	11.3	376	9.4	72.4	458	73.2	83.7	447	82.5

Table 1 - 2013 Mineral resource estimates for ALL DEPOSITS at various U₃O₈ cut-offs

Importantly, within the Letlhakane Resource, a significant higher-grade component has been identified at a 300ppm U₃O₈ cut-off, containing **83.7Mt at 447ppm U₃O₈ for a contained 83 Mlbs of U₃O₈**. This upgrade maintains A-Cap's Letlhakane Uranium Deposit as one of the top ten largest undeveloped uranium deposits in the world.

Metallurgy

A Scope of Work (SOW) for the remaining metallurgical test programs, required to complete the Pre-Feasibility Study (PFS), has been completed and sent out to various groups for tender. A SOW for the geotechnical, geochemical and hydrological study of the heaps and waste products of the proposed Letlhakane uranium operation has also been prepared and sent out to tender. This study is required as part of the PFS and will form part of the input into the ESIA.

Environmental and Social Impact Assessment (ESIA)

Due to recent successful exploration efforts, a gap analysis for the main project ESIA has been undertaken to assess the impact of including the expanded resource area and potential inclusion of coal. An amended ESIA Scoping Report including a Gap Analysis has been submitted and approved by the Department of Environmental Affairs. Specialist studies are ongoing.

Wellfield Exploration

A detailed water exploration program was undertaken. Applications to register water rights for each of the 17 boreholes have been approved by the Water Apportionment Board.

Power Supply

A system survey has been undertaken by Botswana Power Corporation ("BPC"). They have confirmed that they can supply the required power and recommendations and a quotation have been provided. It is planned to sign an MOU with BPC and start detailed design and construction of the infrastructure.

Tenure – PL45/2004

Prospecting Licence PL45/2004 – Letlhakane has been extended for a period of 2 years from 1 July 2013. The Company relinquished approximately 25% of the licence in areas that are considered unprospective for uranium, coal or base metals mineralisation. The two year extension will allow adequate time for A-Cap to complete all feasibility and environmental work necessary to enable the submission of a mining licence for the Letlhakane Uranium Project. This extension reflects the Government of Botswana's recognition of A-Cap's commitment to the development of the Letlhakane Uranium Project, the high quality of work undertaken on the project to date and importantly, A-Cap's high standing with the communities in which it operates and all stakeholders in general.

Lethakane Coal

The resource consists of an Inferred 107Mt of low sulphur, high ash coal capable of producing a domestic thermal product if beneficiated at either a 1.80 g/cm³ or 1.60 g/cm³ density wash. The coal is coincident with the area of the uranium deposit.

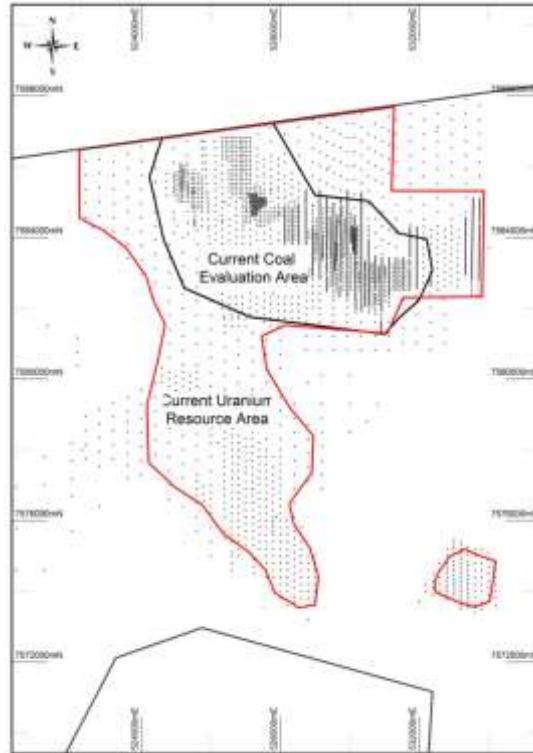


Figure 3: Demonstrates the relative locations of the Lethakane Uranium and coal resources within PL45/2004. Also highlighted is the excellent infrastructure in the area

The diamond drilling in the area as part of the uranium drill plan will help to further define the coal component in this deposit. Downhole density will be run to define the coal seams accurately.

MEA COAL PROJECT

A-Cap announced in 2012 the discovery of a major new coal field at the Mea Project in Northern Botswana. Coal was found in multiple seams, ranging from high quality domestic thermal coal, export quality coal and possibly material suitable for metallurgical applications.

The Mea Coal deposit is located approximately 120km west of Francistown on PL134/2005 (Figure 1). The project is situated 5Km north of the A30 highway that links Francistown to Orapa with all-weather roads and grid power lines passing through the prospect area.

The Mea Coal Project has an initial JORC compliant resource of 335Mt defined within a small portion of this field. During the June quarter, the Company announced that test work on selected high-quality float fractions from the wash tests have revealed that potential exists for higher value products to be derived from Mea such as PCI coal.

A-Cap commissioned Sedgman to complete an engineering and marketing study for the Mea Coal Project. The study examined the geological resource, potential product types available, market demands and mineability of the Mea resource with respect to these parameters. The results of the study were extremely positive and will guide the future work programs for the Mea Project.

Drilling to define an indicated resource is planned for the BC seam. The resource targeted is in proportion to the current constraints in the Botswana infrastructure. Drilling will target the better zones within the current resource area. This drilling is planned to commence during the next quarter.

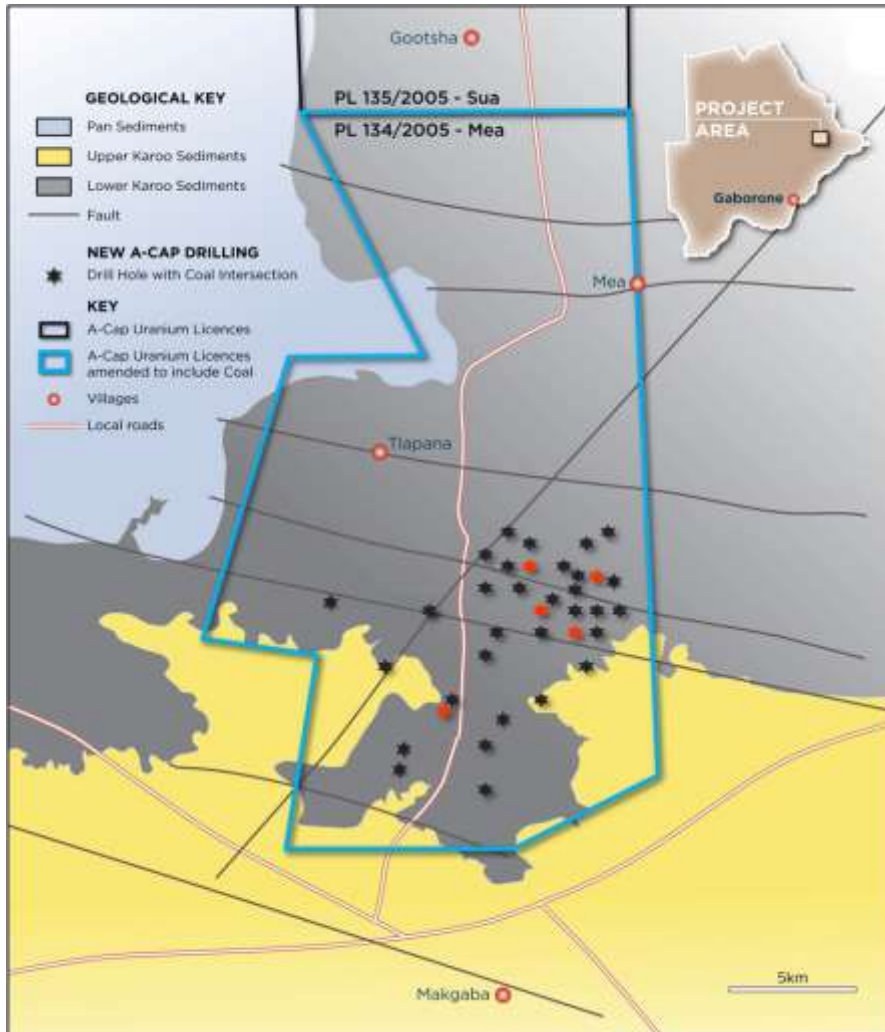


Figure 4: Plan view of the Mea Coal Project showing the location of all drill holes to date. Black stars are percussion holes, red stars are diamond core holes.

BOLAU COAL PROJECT

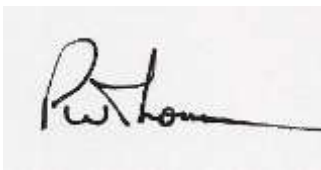
The Company discovered coal at the Bolau Project (which comprises two PLs Foley PL125/2209 and Bolau PL138/2005) during its ongoing regional uranium exploration program. The identified coal horizons appear to be on the extensions of the Sese Coal Project discovered by African Energy Resources which contains over 2.5 billion tonnes of thermal coal. Initial drilling undertaken by the Company has discovered coal in seams of comparable thickness and quality to the Sese coal deposit.

During the December quarter the Company commissioned Sedgman to complete an assessment of the Bolau Coal Project. One outcome is planned drilling to define an indicated resource focusing on the basal seam which at the up-dip portion is intersected at approximately 15-20m deep. The resource targeted is in proportion to the current constraints in the Botswana infrastructure. Drilling is planned both up-dip and down-dip of the neighbouring African Energy Resources tenements with measured resources.

This drilling is planned to commence during the next quarter.

CORPORATE

- ▲ At quarter end, the Company held cash and marketable securities totalling \$1,115,000.
- ▲ Subsequent to the end of the quarter, the Company announced a \$5.8 million capital raising by way of:
 - a) a placement to raise \$1.32 million from institutional investors based in the United Kingdom (**Placement**); and;
 - b) a subsequent fully underwritten non-renounceable, entitlement offer to shareholders of approximately 81,824,282 new shares on the basis of one (1) new share in the Company for every 3.5 shares held, at an issue price of 5.5 cents per share (**Issue Price**) to raise approximately \$4.5 million (**Rights Issue**).



Paul Thomson
CHIEF EXECUTIVE OFFICER

Information in this report relating to Coal Exploration results, is based on information compiled by Mr Steven Groves (a previous employee of A-Cap Resources Limited and a member of The Australian Institute of Geoscientists) and Mr Darryl Stevenson (Consulting Coal Geologist to A-Cap Resources). Mr Stevenson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources. Mr Stevenson consents to the inclusion of the data in the form and context in which it appears].

The information presented in this report is based on a geological model that was produced in June 2013. Michael Andrew MAusIMM, MAIG has 10 years' experience in modelling and assessing uranium resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Andrew is a full time employee of Optiro Pty Ltd and consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Ends

For Further information contact:
Paul Thomson, A-Cap Resources

+ 61 8 9220 9850

Appendix 5B Mining exploration entity quarterly report

Introduced 01/07/96. Origin: Appendix 8. Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

A-CAP RESOURCES LIMITED

ABN

28 104 028 542

Quarter ended ("current quarter")

31st March 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(381)	(1,538)
(b) development	-	-
(c) production	-	-
(d) administration	(462)	(1,531)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	4	40
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Receipt of ATO R&D tax credit	381	381
	(458)	(2,648)
Net Operating Cash Flows		
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(13)	(15)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	4
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
	-	(11)
Net investing cash flows		
1.13 Total operating and investing cash flows (carried forward)	(471)	(2,659)

1.13	Total operating and investing cash flows (brought forward)	(471)	(2,659)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Costs of capital raising)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(471)	(2,659)
1.20	Cash at beginning of quarter/year to date	1,025	3,223
1.21	Exchange rate adjustments to item 1.20	(2)	(12)
1.22	Cash at end of quarter	552	552

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(144)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director & Consulting fees paid to related entities

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	(999)
4.2 Development	-
4.3 Production	-
4.4 Administration	(484)
Total	(1,483)

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	30	76
5.2 Deposits at call	522	949
5.3 Bank overdraft	-	-
5.4 Other – Term Deposits	-	-
Total: cash at end of quarter (item 1.22)	552	1,025

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	N/A	-	-	-
6.2 Interests in mining tenements acquired or increased	N/A	-	-	-

+ See chapter 19 for defined terms.
Appendix 5B

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL		
7.3 +Ordinary securities	262,384,986	262,384,986		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5 +Convertible debt securities <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7 Options <i>(description and conversion factor)</i>	10,000	NIL	<i>Exercise price</i> 80% of market value	<i>Expiry date</i> On the day the employee ceases to be in the employ of the Company or subsidiary thereof.
	700,000	NIL	44 cents	15 June 2014
	5,000,000	NIL	40 cents	31 October 2014
	2,000,000	NIL	45 cents	15 March 2015
	4,000,000	NIL	50 cents	15 October 2015
	1,000,000	NIL	40 cents	15 December 2015
	1,500,000	NIL	33 cents	31 January 2016

+ See chapter 19 for defined terms.
Appendix 5B

7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>	NIL	NIL		
7.12	Unsecured notes <i>(totals only)</i>	NIL	NIL		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:
(Company Secretary)

Date: 30th April 2014

Print name: DENIS RAKICH

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.