

**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 30 APRIL 2009**

**QUARTERLY REPORT TO 31 MARCH 2009**

The Exploration Activity Report on the Company's tenements in Botswana and the Appendix 5B to 31 March 2009 pursuant to Listing Rule 5.2 follows.

**1ST QUARTER EXPENDITURE**

As forecast in the previous quarterly the first quarter 2009 expenditures were low due to an extended wet season in Botswana and the lack of drilling activity during the quarter. Total expenditure for the quarter was \$506,000 which included expenditure of the Environmental Impact Assessment ("EIA") and Water Study, site rehabilitation, assay and all overheads.

**UPCOMING EXPLORATION PROGRAM**

Expected exploration expenditure for the second quarter 2009 is planned to be \$625,000 which includes significant drilling and assay costs. Details of the planned exploration are provided below.

**RESOURCE UPGRADE DRILLING**

A 5,000m Reverse Circulation (RC) drill program commenced on April 24 at the Gorgon Prospect, which forms the western part of the Inferred Resource at the Letlhakane Uranium Project. The aim of this drilling is to increase geological confidence in the current Resource with the aim to close up drill spacing and move into the Indicated Resource Category (Fig 1). The drilling is expected to take approximately six to eight weeks to complete.

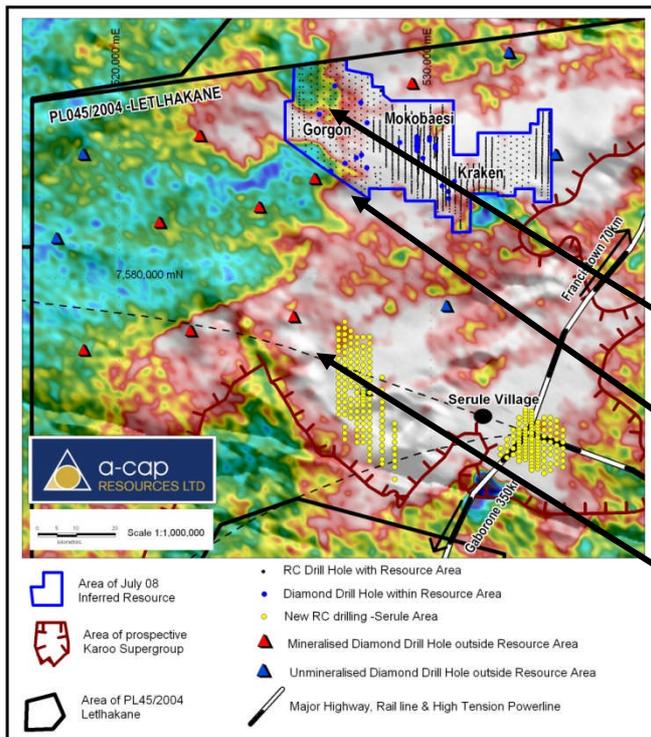


Figure 1. Shows the location of the main Letlhakane Uranium Project Resource within the Blue Box pictured over the background radiometric image.

Area for Gorgon resource upgrade drilling (5,000m)

Area for Resource extension drilling Gorgon South. (3,000m)

Area for Serule exploration extension drilling (2,800m)

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## **RESOURCE EXPLORATION DRILLING**

A further exploration program is also planned for the second and third quarters that will see the completion of approximately 6,000m of new drilling at the Gorgon and Serule prospects in order to grow the current resource base.

The drilling at Gorgon will target existing high grade zones discovered at Gorgon South during previous exploration carried out during 2008 (Fig 1).

The drilling at Serule will follow up on high grade zones discovered at Serule during regional reconnaissance exploration during 2008. The program has been designed to close up the spacing in some of the higher grade areas and also to extend outside the currently known mineralisation to delineate potential new resources (Fig 1). The drilling completed during 2008 at Serule is not currently in the Resource Inventories of the Letlhakane Uranium Project but the Board of A-Cap believes that this exciting area has the potential to significantly increase the contained uranium within the deposit.

## **EXPLORATION ACTIVITIES FOR THE QUARTER ENDED 31 MARCH 2009**

### **PL45/2004 - Letlhakane Project**

#### **Exploration & Resource Drilling**

No drilling was completed during first quarter 2009. Drilling is due to re-commence at the end of April with a total of 11,000 metres of RC drilling proposed.

#### **Geochemical Sample Submission**

During the quarter a total of 867 samples from Serule West were collected, sorted and shipped to Set Point Laboratories in South Africa for preparation and analysis. This includes 20 standards (Amis0098 and Amis0097) and 21 duplicates. These samples will be analysed for uranium only by XRF (pressed powder pellet). These samples were collected from mineralised intersections delineated by the downhole radiometric probe. The results should be returned within the next quarter.

#### **Analytical Results**

Analytical results ( $U_3O_8$  ppm only) were received for a total of two thousand, two hundred and sixty nine (2269) samples during the reporting period. These samples were all prepped and analysed at Set Point Laboratories in South Africa.

630 results were from core samples submitted late in 2008. These holes were sampled for the purposes of pushing the Inferred Resources in the Mokobaesi and Gorgon areas into the Indicated category. Results were received for 15 holes (GODD0006-7, 11-14 and 16 and MOKD0022 – 29).

The assay results from the infill RC program completed across the Mokobaesi Calcrete Resource in September 2008, were all received during the quarter. Results were received for a total of one thousand, six hundred and thirty nine samples (1639).

New chemical assays now available from the 2008 resource infill drilling on the Mokobaesi Calcrete portion of the resource indicate that application of the 0.85 factor to  $eU_3O_8$  grades in calcrete-hosted mineralisation is not appropriate and that potentially a positive factor should be applied to probe results where no geochemical assays are available. **This would result in a significant increase in the grade of the Mokobaesi calcrete-hosted portion of the global resource and an increase in resource tonnage above any given cut-off grade.**

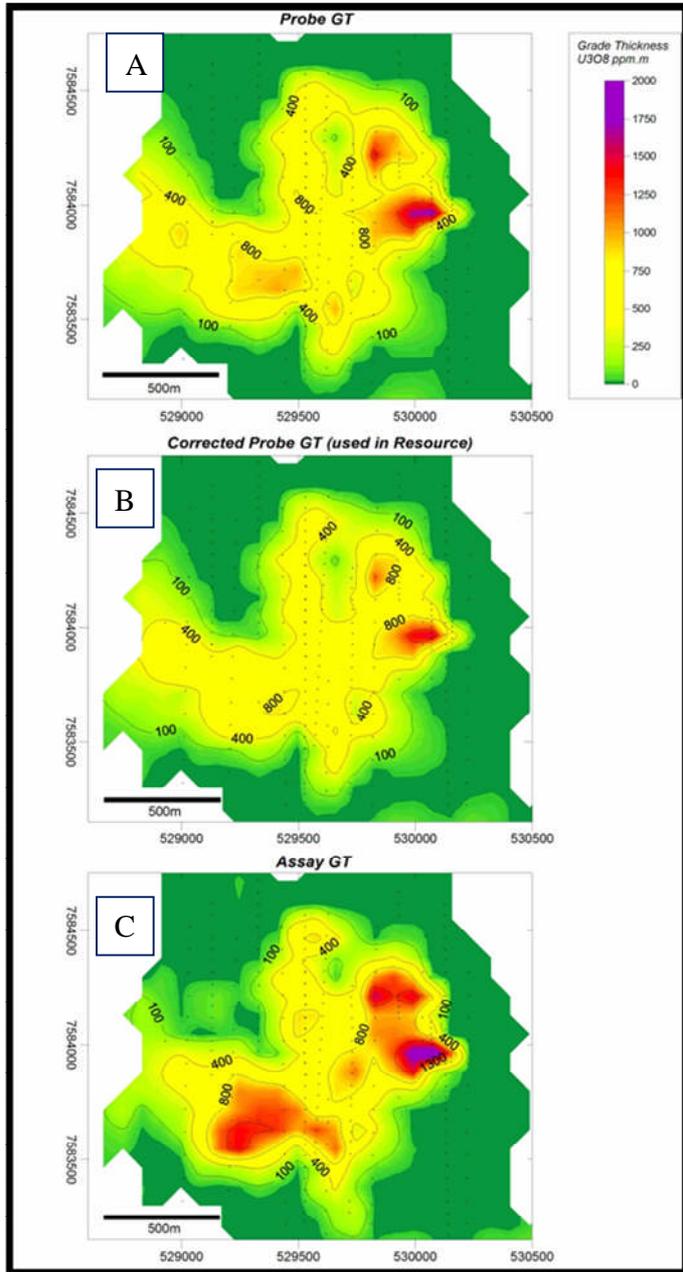


Figure 2 –shows the impact of the bias to low grades in eU<sub>3</sub>O<sub>8</sub> grades in calcrete-hosted mineralisation in a spatial context. Figures 2A, 2B and 2C show respectively:

- A. Grade-thickness contours based on down-hole radiometric logging (eU<sub>3</sub>O<sub>8</sub>)
- B. Grade-thickness contours based on “corrected” eU<sub>3</sub>O<sub>8</sub> grades used for the June 2008 resource estimate
- C. Grade-thickness contours using newly available chemical U<sub>3</sub>O<sub>8</sub> assays.

The differences between the grade-thickness contours in Figures 2B and 2C give an indication of the positive effect that a modification to the disequilibrium factor could have on the calcrete resource tonnage reported above a range of cut-off grades.

### Rehabilitation

As of the end of March 2009, all of the RC drill-holes within the project area had been plugged and backfilled. The bulk sample bags were removed from the site and the sample material buried in a trench on the edge of the grid. During the next quarter all of the drill traverses will be driven to check for holes that may have collapsed and/or opened during the rainy season. These holes will be duly rehabilitated.

### Water Table Depth

A program of measuring the depth of the static ground water was complete during the quarter. A selection of RC holes from throughout the grid area were uncapped and a dip meter was lowered down to measure the depth of the water table. The data was recorded digitally and has been used to create a DTM wireframe for the water table across the project area.

### Surveying

An on-site control point has been established to allow a more accurate determination of Release Level (“RL”) using the DGPS. Drillhole RL has been checked across the project and a total of 312 holes have been found to have incorrect RL’s. A program of re-surveying will be completed during April and May.

### Environmental Impact Assessment (EIA)

The first phase of baseline studies on the wet-hot period of the year, commenced during late February. A summary of the baseline studies initiated is included below in Table 2. Results from the first quarter studies will be available before the end of June 2009.

Subject	Consultant	Scope of study
Aquatic biodiversity	Dr Ben van der Waal Consultant from Management of the Zambezi/ Chobe River System Fishery Resource Project	<ul style="list-style-type: none"><li>• Document the aquatic species currently existing in the EIA Study Area prior to the commencement of ground disturbance.</li></ul>
Ground Water Chemistry	Water Surveys Botswana	<ul style="list-style-type: none"><li>• Baseline trace element geochemistry</li></ul>
Hydrocensus	Water Surveys Botswana	<ul style="list-style-type: none"><li>• Identify water users within the area of influence.</li><li>• Establish aquifer water usage</li></ul>
Baseline Radioactivity studies	NECSA	<ul style="list-style-type: none"><li>• Assess radioactivity in fine dust fraction</li><li>• Assess radioactivity in coarse dust fraction</li><li>• Assess radioactivity in groundwater</li><li>• Assess radioactivity in stream sediments</li><li>• Assess radioactivity in soil</li><li>• Assess radioactivity in crops/food chain</li></ul>

Table 1 – Summary of EIA baseline studies commenced during the quarter.

The Community Consultation and Information portion of the EIA was also commenced in March, with public meetings held in Gojwane and Serule villages. These meetings, which were well attended and are a compulsory part of the EIA, were held:

- To allow the developer (A-cap Resources) to formally announce the proposed project and outline the project development process;
- To allow the Environmental Consultant (Metago and Ecosurv) to outline the statutory process that the Scoping and detailed EIA will follow; and
- To accord participants an opportunity to ask questions and register issues that they feel the EIA should consider.

A key persons meeting held on the 5 March 2009 with the Tonota Sub District Development Committee (Sub DDC) was equally well attended. A full list of attending key persons will be included in the final report submitted to the Department of Environmental Affairs.

### **Water Resource Exploration**

Water Surveys (Botswana) have commenced a desk-top study with an aim to produce targets for future process water exploration. This study will be completed by April 2009.

### **Tenement Issues**

The renewal document for PL45/2004 was submitted to the Department of Geological Services on the 28<sup>th</sup> of March 2009.

### **PL134/2005 – Mea and PL135/2005 – Sua**

No significant work was conducted on the license during the quarter.

### **PL71/2008, PL72/2008, PL73/2008, PL74/2008 – MAKGHADIGHADI PROJECT**

Planning for an airborne radiometric and magnetic survey has been finalised for these field areas.

A crucial issue for the collection of airborne radiometric data is that the ground surface and topsoil must be dry, as water severely impedes the radiometric response. It is planned that the airborne survey will commence in the second half of 2009 once the ground has adequately dried from a prolonged wet season.

### **PL136/2005 – North Uray**

No significant work was conducted on the license during the quarter.

### **PL137/2005 – South Uray**

No significant work was conducted on the license during the quarter.

### **PL138/2005 – Bolau**

No significant work was conducted on the license during the quarter.

### **NEW PROSPECTING LICENSE APPLICATIONS**

Three new applications were submitted for ground around PL45/2004 during last quarter of 2008. The licences cover areas of Karoo stratigraphy similar to that which hosts mineralisation at Mokobaesi, Kraken and Gorgon (Figure 3).

### **Dr Andrew Tunks**



### **Managing Director**

### **A-Cap Resources Limited**

*Information in this report that relates to exploration results, data and cut off grades is based on information compiled by Dr Andrew Tunks who is a member of the Australian Institute of Geoscientists. Dr Tunks is a fulltime employee of A-Cap Resources. Dr Tunks has sufficient experience which 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 as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Dr Tunks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

A-CAP RESOURCES LIMITED

ABN

28 104 028 542

Quarter ended ("current quarter")

31 MARCH 2009

### 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 and evaluation	-290	-3,066
(b) development	-	-
(c) production	-	-
(d) administration	-216	-1,057
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	47	266
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – VAT refund in Botswana	158	158
<b>Net Operating Cash Flows</b>	<b>-301</b>	<b>-3,699</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-1	-22
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-1</b>	<b>-22</b>
1.13 Total operating and investing cash flows (carried forward)	<b>-302</b>	<b>-3,721</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	-302	-3,721
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	16	3
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 (provide details if material)	-	-
	<b>Net financing cash flows</b>	16	3
<b>Net increase (decrease) in cash held</b>			
		-286	-3,718
1.20	Cash at beginning of quarter/year to date	5,504	8,944
1.21	Exchange rate adjustments to item 1.20	-2	-11
1.22	<b>Cash at end of quarter</b>	5,215	5,215

**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	124
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

During the quarter the following payments were made to directors:	
<b>Salaries</b>	
Dr A Tunks	<u>\$57,339</u>
<b>Directors Fees</b>	
Mr P Volpe	\$25,000
Mr H Stacpoole	\$12,500
Dr P Woolrich	<u>\$12,500</u>
Total Directors Fees	<u>\$50,000</u>
<b>Consulting Fees</b>	
Dr P Woolrich	<u>\$8,500</u>
Superannuation contributions totalling \$8,536 were also paid on behalf of the Directors.	

**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

NIL
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- 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

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### 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	625
4.2 Development	-
<b>Total</b>	<b>625</b>

### 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	84	79
5.2 Deposits at call	5,132	5,425
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>5,215</b>	<b>5,504</b>

### 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			
6.2	Interests in mining tenements acquired or increased	PL71/2008 PL72/2008 PL73/2008 PL74/2008	NIL NIL NIL NIL	100% 100% 100% 100%

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**Appendix 5B**  
**Mining exploration entity quarterly report**

**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 <b>Preference + securities</b> <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 <b>+Ordinary securities</b>	110,245,078	110,245,078		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	150,000 -	150,000 -		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>	NIL	NIL		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7 <b>Options</b> <i>(description and conversion factor)</i>	2,200,000 200,000 500,000 300,000 140,000  4,100,000 750,000 1,000,000	NIL NIL NIL NIL NIL  NIL NIL NIL	<i>Exercise price</i> 40 cents 45 cents 55 cents 80 cents 80% of market value  30 cents 40 cents 55.2 cents	<i>Expiry date</i> 30/11/2009 30/11/2009 30/11/2009 30/11/2009 On the day the employee ceases to be in the employ of the Company or subsidiary thereof. 30/6/2011 30/6/2011 29/11/2009
7.8 Issued during quarter	100,000	NIL	30 cents	30/6/2011
7.9 Exercised during quarter	150,000	NIL	10.4 cents	

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