



ABN 28 104 028 542

TO: **COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: 20 July 2009

RE: **A-CAP RESOURCES LIMITED COMMENCES BANKABLE FEASIBILITY
STUDY AT THE LETLHAKANE URANIUM PROJECT**

HIGHLIGHTS

- Appointment of Lycopodium Minerals as manager of Bankable Feasibility Study (“BFS”)
- Appointment of Optiro to update Letlhakane Uranium Project Mineral Resource Statement.
- A-Cap has budgeted AUD 6.5M for expenditure directly committed to the Bankable Feasibility Study; this amount contains significant resource drilling and metallurgy studies.
- A-Cap has budgeted AUD 2M for exploration drilling outside the resource area on projects at Gorgon South and Serule, and on the acquisition of new airborne radiometric data for prospecting licences in the Makghadighadi pans area.
- The commencement of the BFS is a crucial step forward in A-Cap’s transition from an exploration company to Botswana’s first uranium miner.

AWARD OF BANKABLE FEASIBILITY STUDY TO LYCOPODIUM

In July 2009 A-Cap Resources issued a call for tenders to seven international companies for management of the BFS for the Letlhakane Uranium Project in north east Botswana. After a thorough review of all tenders A-Cap is pleased to announce that Lycopodium Minerals Pty. Ltd. has been granted management of the BFS.

The Lycopodium team has an extensive track record of successful involvement with uranium projects both around the world and particularly in Africa; recent work has included;

- Henkries uranium project process development –South Africa
- Etango uranium heap leach process development –Namibia
- Rössing process optimisation –Namibia
- Mutanga Project DFS process design –Zambia
- Kayelekera uranium infrastructure and environmental - Malawi

RESOURCE UPDATE

As a crucial input to the BFS, A-Cap has also appointed Mr. Ian Glacken of Optiro to undertake the Mineral Resource modelling at the Letlhakane Uranium Project. Ian Glacken is a Fellow of the AusIMM, a Chartered Engineer and a Competent Person as defined by the JORC Code for the reporting of uranium resources and reserves. Ian has an extensive career in resource estimation and reporting having had direct uranium resource experience at Olympic Dam, Yeelirrie, Ranger, Jabiluka and Four Mile. Ian is a Director and Principal Consultant at Optiro and prior to this was the Group General Manager - Resources for the Snowden Group.

As part of the Resource update Ian will be visiting the Letlhakane Uranium Project in August to review the data and inspect A-Cap’s field procedures. A-Cap expects that a Resource update will be announced in the fourth quarter of 2009.

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BFS COMPONENTS

The Letlhakane Uranium Project global Mineral Resource estimated by SRK and announced to the markets in June 2008 contains 280 Mt of Ore at a grade of 158 ppm U_3O_8 for 44,500 tonnes of U_3O_8 (based on a 100ppm cut-off).

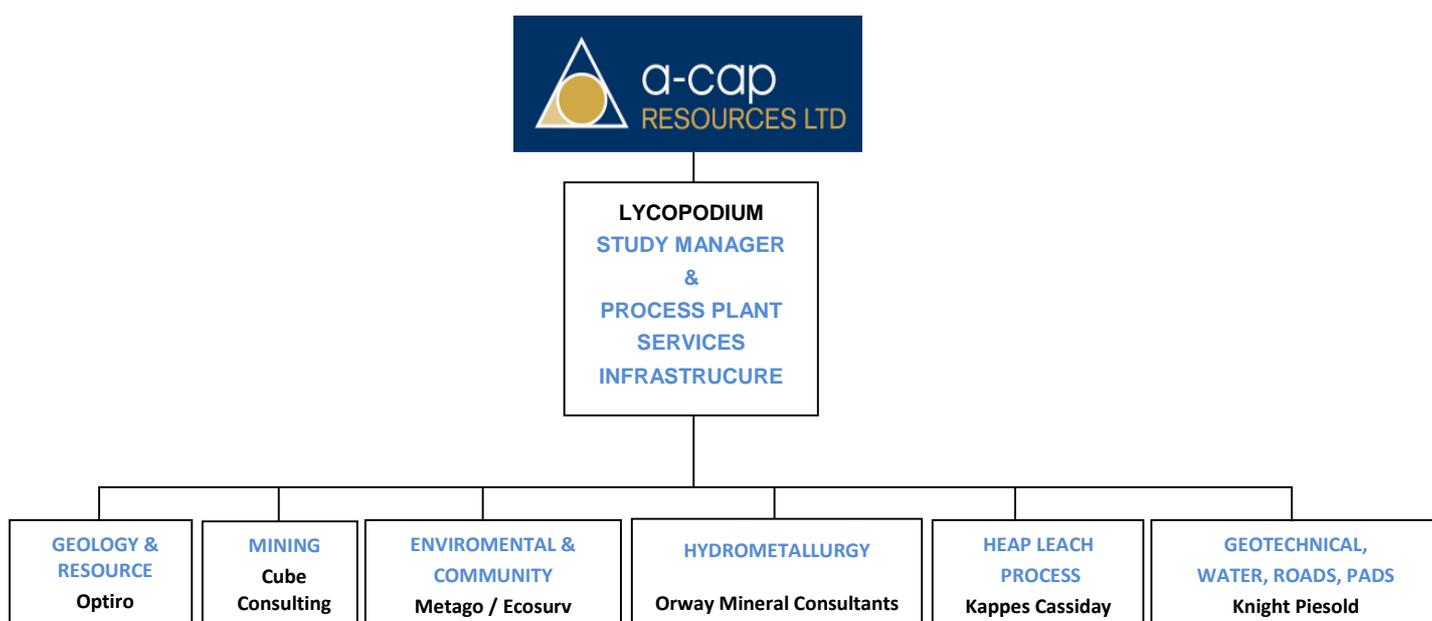
A scoping study completed in 2008 by SRK showed that a project designed to exploit the oxide and calcrete portions of the global resource could be economically viable with a projected cash cost of \$US34/lb U_3O_8 .

Based on these studies the Board of A-Cap is commencing the BFS study which is expected to run for one year. The main components of the study will be:

- Mineral Resource estimation completed in compliance with the JORC Code
- Extensive metallurgical testwork programme
- Open pit optimisation, design and scheduling based on new resource models
- Heap leach design and scheduling
- Process plant design
- Infrastructure studies
- Environmental and community studies, including closure plans
- Mine water studies
- BFS level capital and operating cost estimates
- Financial modelling

BFS MANAGEMENT AND SUB CONSULTANTS

Lycopodium will manage an impressive list of expert subcontractors, all of whom have extensive experience within their direct area of responsibility. Lycopodium also will take over management of sub-consultants already appointed by A-Cap, such as Metago and Ecosurv Botswana who are already engaged in the EIA process. This will ensure delivery of all required inputs into the BFS in a timely and coordinated manner.



BFS TIMING

The BFS kick-off meeting involving all participants will be held on the 22nd and 23rd of July, and an initial site meeting will occur in early August. The BFS will occur in two stages, initially incorporating metallurgical testwork and process design (32 weeks), followed by an engineering and costing phase (20 weeks). Given these time constraints and the August 2009 start date A-Cap expects delivery of the BFS in the third quarter of 2010.

Under Botswana Law the application for a Mining Licence cannot begin until a BFS including Environmental Management Plan and Closure Plan is submitted to the relevant Botswana Ministries. This is a key step in A-Cap's goal for the Letlhakane Project to become Botswana's first operating uranium mine in 2011.

BFS BUDGET

A-Cap has budgeted for expenditure of AUD6.5M in costs directly associated with the BFS. An anticipated high-level breakdown of that expenditure is

| | |
|-------------------------------|---------------|
| BFS Consultants | \$2.5M |
| Resource upgrade drilling | \$1.7M |
| Geochemistry | \$0.5M |
| Metallurgical testwork | <u>\$1.8M</u> |
| DIRECT BFS EXPENDITURE | \$6.5M |

ONGOING EXPLORATION

Whilst committing significant expenditure to the BFS, A-Cap is very much aware of the excellent potential of its other exploration prospects outside the Letlhakane Uranium Project resource area. To this end the Board of A-Cap is allocating in excess of AUD2M in direct exploration expenditure to look for new resources outside the main project area. Initial drilling targets will be at Serule and Gorgon South, where A-Cap has previously drilled economic uranium mineralisation intersections.

On a more regional exploration front A-Cap has committed to contract GeX Surveys of South Africa to acquire a new airborne radiometric and magnetic survey over prospective Karoo Supergroup stratigraphy within the Makghadighadi project area. A-Cap holds 4 prospecting licences in the Makghadighadi area (PL's 71, 72, 73 and 74/2008), covering over 3000 km², that have never been explored for uranium.

SUMMARY

The commencement of the BFS for the Letlhakane Uranium Project marks an exciting milestone for A-Cap on the route from Botswana's most advanced uranium explorer towards developing Botswana's first uranium mine.

The capital raising completed in May 2009 through BGF Equities, which saw Polo Resources take a 19.9% stake in the Company, has provided sufficient funds to enable A-Cap to fully commit to the BFS while still advancing its other exciting uranium exploration prospects outside the currently defined Letlhakane resource in Botswana.

Dr Andrew Tunks



**Managing Director
A-Cap Resources**