



ABN 28 104 028 542

TO: **COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED**

DATE: **4 DECEMBER 2008**

The board of A-Cap is pleased to announce its plans for the continued development of the Letlhakane Uranium Project towards becoming Botswana's first uranium mine in 2011.

Important stages in the progression of the project from exploration to mine are about to commence which are planned to result in the completion of a full feasibility study by the end of 2009. A-Cap is committing to the following milestones for the 2009 year in order to be in a position to seek approval from the Botswana Government for a mining licence in early 2010 with a view to being in production by 2011. These activities include:-

- The commencement in January 2009 of a full Environmental Impact Assessment (EIA) managed by Metago Environmental Engineers and Ecosurv Environmental Consultants.
- The commencement of a ground water resource study, in January 2009, to identify a source of water, vital for processing of ore on the heap leach pads.
- Drilling in preparation for a resource upgrade across the project.
- Finalisation of the metallurgical testwork.
- Calling for tenders in early 2009 for a full feasibility study for completion in late 2009.

The Letlhakane Uranium Project -a robust project

The recently published Scoping Study (released to the ASX on 17 October 2008) completed by SRK indicated the project is financially robust with an **operating cost** of **US\$29/lb** U₃O₈ based on the already defined inferred calcrete and oxide resources. An operating cost of US\$29/lb would represent an operating margin of over US\$25/lb U₃O₈ in comparison to the current U₃O₈ spot price of US\$55/lb and over US\$40/lb when considering the current long term contract price of U₃O₈ (US\$70/lb).

During the Scoping Study it was decided to run 2 parallel open-pit optimisation models that varied according to the price of U₃O₈. The results of these two options are given below:-

	Price US \$/lb	Ore Mt	Waste Mt	Grade ppm U ₃ O ₈	Stripping ratio	Recovered U ₃ O ₈ Mlbs	Ave annual production Mlbs	Mine Life (yrs)	U ₃ O ₈ Produced Mlb
1	\$55	46	55	178	1.2	14	2.2	7	14.3
2	\$80	77	153	169	2	22	2.2	11	22.5

By examining recent price trends of the uranium spot and long term contract markets it was decided that the main thrust of the scoping study evaluation should focus on the modelling of option one using a US\$55/lb U₃O₈ pit shell. Naturally mine design can be amended at later stages through cut backs and pit deepening which could extract additional ore if the uranium price moves in a positive direction over time. Evaluation of option two illustrates how the project would grow if there are positive movements in the uranium price resulting in a much larger project.

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Towards Development - Environmental Impact Assessment (EIA)

Through a tendering process, the contract to manage the EIA study has been awarded to a consortium comprising two Southern Africa based consultancies; **Metago Environmental Engineers** and **Ecosurv Environmental Consultants**. Both companies have extensive experience in the environmental aspects of uranium mining developments and sound track records in delivering completed EIAs on Botswana projects.

Due to the legislative need to collect baseline environmental data throughout the year reflecting both wet and dry season conditions, the EIA must run throughout a full calendar year. It is planned to commence the EIA in January 2009.

Towards Development - Water Resource Study

A crucial aspect of the development of the Letlhakane Uranium Project will be the identification of a suitable water supply for process water needs. A-Cap has already called for tenders on this study and a final decision will be made shortly. The water resource study will commence with a desk top study identifying nearby aquifers based on geophysical techniques and the existing governmental borehole database. Again it is expected that this project will commence in January 2009.

Towards Development - Resource Upgrade

Detailed drilling in preparation for a resource upgrade from Inferred Resource to Indicated Resource has already been completed for the Mokobaesi portion of the Resource. Further drilling will be required for the Gorgon portion of the resource that falls within the current option 1 mine plan. This drilling will commence in early 2009 at the end of the current wet season. A resource upgrade will be prepared after the completion of other necessary drilling.

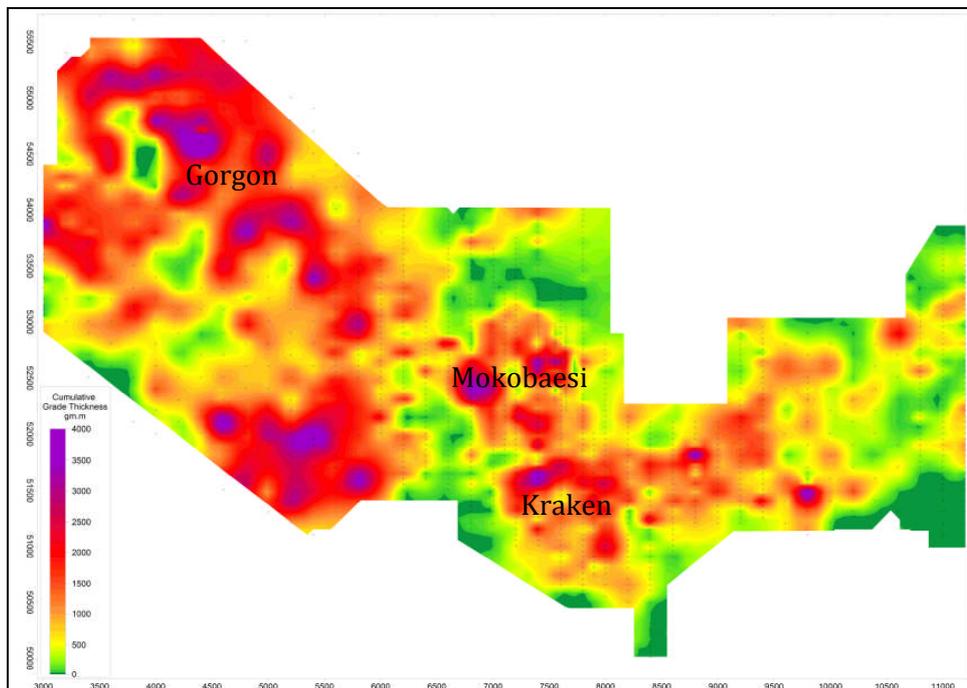


Figure 1 Shows a cumulative Grade Thickness plot for all current Letlhakane drilling. This figure highlights the location of the three main projects within the Letlhakane Uranium Project.

Towards Development - Metallurgy

Previous work completed on the metallurgy of the resources at the Letlhakane Uranium Project indicates that recoveries within the oxide portion of the resource are excellent with recoveries in bottle rolls in excess of 90% from the calcrete hosted mineralisation. Detailed studies on the characteristics of the ore types during heap leaching are currently being undertaken in the form of "column leach tests" at MINTEK in Johannesburg South Africa. Results from the column tests will be available early in 2009.

A-Cap will continue with its program of metallurgical testwork throughout 2009 to continue to develop an understanding of the metallurgical properties of all oretypes. One of the major project upsides will be to find an extractive technique which improves the recovery of the "Primary Ore" (25- 50% recoveries) which is currently excluded from the current mine plans. Primary ore represents approximately 60% of the global resource inventory and if the metallurgical issues can be addressed will make an enormous impact across the long term of the project.

Feasibility Study

A-Cap has now set in place the required plans (as outlined above) to complete the four major outstanding works required for the completion of a full feasibility study on the Letlhakane Uranium Project.

A call for tenders on the feasibility study will be issued early in 2009. It is envisioned that the feasibility study will commence early in 2009 and run for approximately nine months. The feasibility study will draw from the results of the EIA, Water Resource Study and the resource upgrade. Ultimately the results of all three studies will be used in the submission of the feasibility study to the Botswana Government as is required for the application of a mining licence under the Botswana Mining Act.

Summary

The Directors of A-Cap have been encouraged by the results of the scoping study which indicates an economically robust project at current uranium prices. As such the Company is committing resources to the continued development of the Letlhakane Uranium Project from an exploration phase through to mining with production commencing in 2011.

Dr Andrew J. Tunks



Managing Director
A-Cap Resources Limited