



ACN 104 028 542

**TO: COMPANY ANNOUNCEMENTS OFFICE  
ASX LIMITED**

**DATE: 30 April 2008**

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## **QUARTERLY REPORT TO 31 MARCH 2008**

The Exploration Activity Report on the Company's tenements in Botswana and the Appendix 5B to 31 March 2008 pursuant to Listing Rule 5.2 follows.

### **Corporate Matters**

Corporate matters reported during the quarter consisted of the Company making an equal reduction of capital on 9 January 2008 and the demerging of the Company's non-uranium assets to Botswana Metals Limited as part of the Scheme of Arrangement approved by shareholders at the meeting of 15 May 2007.

### **Botswana Operational Report**

#### **Letlhakane Project – PL45/2004**

##### **Scoping Study**

Following the release of A-Cap's first Inferred Mineral Resource (Table 1) in December 2007, SRK Consulting (SRK) was commissioned in March 2008 to complete a scoping study that will establish the economics of the Letlhakane prospects. This study will focus on the resources, metallurgy, mining methods, and capital and operating expenditures required for the project.

<b>Cut off U<sub>3</sub>O<sub>8</sub></b>	<b>Tonnes Million</b>	<b>Grade U<sub>3</sub>O<sub>8</sub> ppm</b>	<b>Contained U<sub>3</sub>O<sub>8</sub> Tonnes</b>	<b>Contained U<sub>3</sub>O<sub>8</sub> Million Pounds</b>
80	120	120	14,400	31.7
90	89	130	11,570	25.1
100	65	140	9,100	20.1
120	37	160	6,920	13.3
150	18	190	3,420	7.7
200	6	240	1,440	3.2

Table 1. Inferred Mineral Resource estimates. Hellman & Schofield (2007).

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

REGISTERED OFFICE

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Initial work in the study will include:

- Review of the Hellman and Schofield Resource Model
- Botswana site visits from key SRK study personnel
- Quantitative analysis of Uranium mineral occurrence by automated SEM;
- Determination of the leach character of the ores via bottle roll tests at MINTEK;
- Determination of the upgrade potential via washing and screening.
- Study of low cost mining methods
- Optimisation of pit designs (Cube Mining Perth)

Tests will be performed on five samples representative of the ore styles within the Letlhakane deposit and are as follows.

- 1) Mokobaesi mudstone hosting secondary mineralisation,
- 2) Mokobaesi calcrete hosting secondary mineralisation,
- 3) Mokobaesi mudstone hosting primary mineralisation,
- 4) Kraken sandstone-hosted primary mineralisation,
- 5) Kraken carbonaceous mudstone/coal hosted mineralisation

The five sample-types were selected from diamond drill-core from within the inferred resource area. The core was covered in protective plastic to prevent remobilisation of the highly-soluble secondary mineralisation, and oxidation of the primary mineralisation. The test work will be conducted at the Mintek laboratories in South Africa.

The results of the scoping study should be available in the third quarter 2008.

### **Letlhakane Reverse Circulation (RC) Drilling**

Following a significant wet season in Botswana, A-Cap recommenced its RC programme in February 2008. Drilling has been wholly focussed on the newly discovered Gorgon prospect and has comprised 134 holes for 8905m. Mineralisation at Gorgon is hosted within fine-grained Karroo sediments and to date encouraging results have been encountered (Table 2.)

HOLEID	FINAL DEPTH	EASTING	NORTHING	FROM	TO	GRADE_PPM
MOKR0985	60	527930.33	7584723.53	29.15	31.05	1.9m @672
MOKR0987	60	527930.15	7585123.76	32.9	33.55	0.65m @1141
MOKR0991	72	527930.93	7583322.74	41.65	42.55	0.9m @840
MOKR0992	58	527930.95	7583272.71	36.35	40.3	3.95m @1074
MOKR1185	60	527530.62	7583522.68	27.15	27.75	0.6m @1855
MOKR1186	82.75	527530.7	7583322.57	49.85	50.4	0.55m @866
MOKR1191	64	527329.82	7585123.5	22.5	23.7	1.2m @2023
MOKR1196	82	527330.16	7584323.05	21.4	21.9	0.5m @805
				35.55	36.8	1.25m @717
MOKR1204	64	527129.83	7584823.24	31.85	34.3	2.45m @740
MOKR1211	60	526929.16	7586123.89	40.6	41.4	0.8m @609
MOKR1212	64	526929.25	7585923.78	17.9	19.1	1.2m @3161
				21	21.7	0.7m @520
MOKR1214	62	526929.42	7585523.55	25.85	26.4	0.55m @1441
MOKR1226	60	526729.78	7584422.85	25.95	26.55	0.6m @701
MOKR1233	73	526528.93	7586123.72	56.85	58.85	2m @710
MOKR1236	60	526529.19	7585523.38	53.15	53.65	0.5m @628
MOKR1237	64	526529.28	7585323.27	39.05	39.7	0.65m @685
MOKR1245	64	526329.55	7584422.67	30.55	31.25	0.7m @1691
MOKR1246	70	526329.53	7584472.7	30.7	31.25	0.55m @1344
MOKR1247	70	526329.47	7584622.79	26.45	27	0.55m @501
MOKR1251	66	526329.12	7585423.24	51.15	51.85	0.7m @679
MOKR1256	64.6	526128.58	7586423.72	48.09	49.09	1m @732
MOKR1260	73	526128.79	7585923.44	54	54.65	0.65m @920
MOKR1280	68	525728.22	7586723.72	38.05	38.95	0.9m @506
MOKR1280	68	525728.22	7586723.72	44.55	45.4	0.85m @591
MOKR1284	80	525528.75	7585222.78	69.6	70.3	0.7m @1746

Table2. High-grade >500ppm intercepts from RC drilling during Q1 2008. Max 1m internal dilution. U<sub>3</sub>O<sub>8</sub> equivalent results.

These results have been previously reported to the ASX, and occur within a thicker lower grade mineralised zone.

### Lethakane Diamond Drilling

Three separate diamond drilling programs were completed within the Mokobaesi Project area during the quarter for 616m.

A total of seven diamond holes were drilled for metallurgical test work. Four of the holes were drilled into the Mokobaesi resource area (MOKD0005-0008) and three into the western portion of the Kraken mineralisation (MOKD0009-0011). The core was graphically logged on site and then sealed in plastic for transport back to Francistown and then to Johannesburg.

In order to better understand the geological setting of the mineralisation being defined in the Gorgon area, a program of four diamond holes (270m) was completed (GODD0001-4). The core is awaiting transport to Francistown where it will be logged. All holes intersected significant mineralisation. (Table 3)

To better understand the statistical differences between RC samples that have been assayed by SetPoint Laboratory vs. downhole gamma ray data (which provide e  $U_3O_8$  through a calibrated probe), a program of diamond vs RC twin holes was commenced. A total of 10 diamond holes were planned along line 7000E at Mokobaesi. Each hole twins an existing RC hole which has been geochemically assayed from top to bottom. Each diamond hole has been probed and once geologically logged, the core will be sent for geochemical assay. The aim of the program is to attempt to explain the differences observed between the gamma ray data and the assay data in the RC drill holes.

HOLE ID	FINAL DEPTH	EASTING	NORTHING	FROM	TO	GRADE_PPM
GODD0002	60	526929.25	7585925.78	17.85	19.05	1.2m @1944
				20.9	21.45	0.6m @724
GODD0003	90	527930.95	7583274.71	35.9	40.85	5.0m @793
GODD0004	60	527930.33	7584725.53	29.95	30.6	0.7m @1376
MOKD0005	14	529531.62	7583828.71	8.05	9.35	1.3m @1002
MOKD0006	25	529731.84	7583568.65	1.3	2.7	1.4m @812
MOKD0007	32	529931.66	7584249.12	1.05	4.15	3.1m @744
MOKD0008	40	530131.88	7583994.06	0.4	2.5	2.1m @694
MOKD0009	48.5	530532.85	7582278.26	34.8	36	1.2m @1115
				37.15	37.65	0.5m @880
MOKD0010	40	530732.72	7582828.66	22.2	23.35	1.2m @1111
				30.55	31.25	0.7m @683

Table 3. High-grade >500ppm intercepts from diamond drilling during Q1 2008. Max 1m internal dilution.  $U_3O_8$  equivalent results.

These results have been previously reported to the ASX, and occur within a thicker lower grade mineralised zone.

### Chemical Assays

In accordance with A-Cap's QA/QC policy, 4,960 pressed-pellet and 99 fusion disc assay results were received from SetPoint Laboratory and Mintek in Johannesburg South Africa. A-Cap will be increasing the proportion of chemical assaying in the future for greater QA/QC control on chemical assay vs. probe  $U_3O_8$  equivalent results.

### Serule Uranium Prospect

Work at Serule was delayed due to the demands of the scoping study and the drilling at Gorgon. It is still anticipated that scout RC drilling will commence in the first half of 2008.

## Remote Sensing

Results from the airborne radiometric and magnetic survey were received from GeX Surveys during the quarter. Standard maps have been created and specialised maps are being generated as required and an overall report is being compiled. The magnetic survey offers exceptional detail and highlights structural features in great resolution. The radiometric data also shows great detail highlighting previously subtle responses that could influence exploration direction.

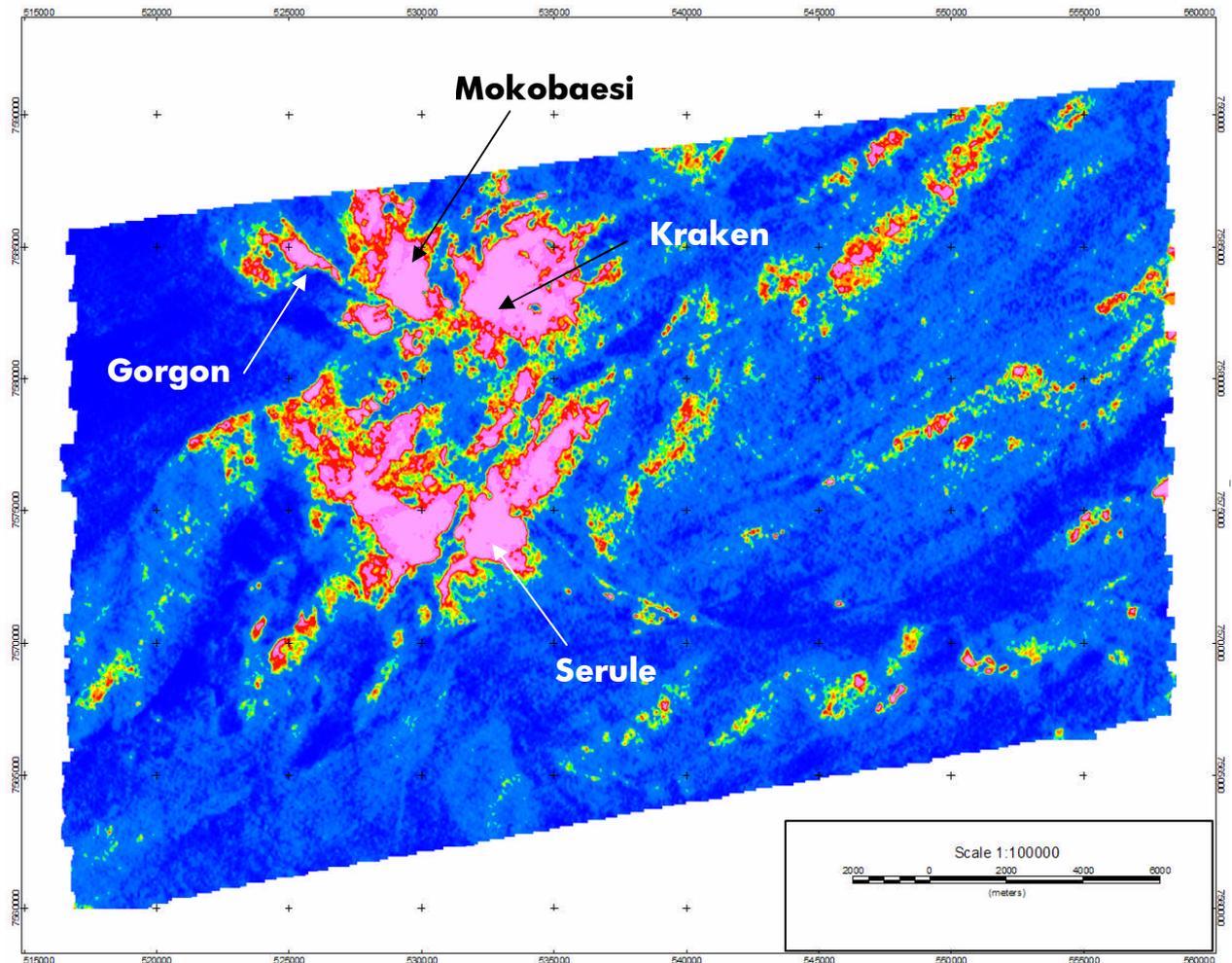


Figure 1. Airborne radiometric data over Lethlakane. Pink areas indicate the zones of high radioactivity. Detailed interpretation of these results will guide future exploration in the area.

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

Long delays were experienced in the actual acquisition of data over the Mea and Sua block due to weather conditions. Aircraft maintenance issues also caused a significant delay in progress. A total of 11963 line km of data has been collected in the period 1 January to 21 April 2008. The survey will be completed in April and A-Cap will take possession of the final data after processing. Field checking of major anomalies will commence in May 2008 and it is anticipated that these surveys will lead to initial drilling in the third quarter of 2008.

### **PL136/2005 – North Uray**

No significant work was conducted over this license during the quarter. Work is anticipated to begin in the second quarter of 2008.

### **PL137/2005 – South Uray**

No significant work was conducted over this license during the quarter. Work is anticipated to begin in the second quarter of 2008.

### **PL138/2005 – Bolau**

Ground gravity surveys to characterise the basement topography progressed fairly well and basement profiles have been produced. Stratigraphic modeling will begin on the corrected data.

Regional data was collected at 100m station spacing and 2km line spacing. The detailed orientation study, to test the gravity response of potentially important structures controlling mineralisation, was carried out at 25m station spacing and 400m line spacing. A total of 1140 stations were surveyed in Bolau and Letlhakane.

It is anticipated that this work will help develop the overall geological model for the evolution of the uranium mineralisation in the Bolau PL and lead to new drill targets to be tested in late 2008.

## **NEW PROSPECTING LICENCES**

A-Cap Resources through Cardia Mining Botswana made application for three new prospecting licenses on the 25/5/07. These licenses were applied for RADIOACTIVE MINERALS and BASE and PRECIOUS METALS under the understanding that exploration rights for these commodities could be held within the same PL.

In February the Botswana Minister for Mines granted the licenses but altered the area applied for resulting in four separate licences being granted as opposed to three and separate licences were granted for Radioactives and for Base Metals.

**PL's 71/2008, 72/2008, 73/2008 and 74/2008** were granted for Radioactive minerals. (Fig 2)

**PL's 55/2008, 56/2008, 57/2008 and 58/2008** were granted over exactly the same areas for Base and Precious Metals.

In terms of exploration for Radioactives, the new PLs cover extensive areas of Karoo Sedimentary rocks that have never been explored for Uranium. The Karoo Supergroup is a well known host for Tabular Sandstone hosted uranium and also Roll Front uranium deposits. Preliminary evaluation of the ground will commence in the third quarter 2008.

A decision on the future exploration potential of PL 55/2008, PL 56/2008, PL 57/2008 and PL 58/2008 for base and precious metals will be made before any exploration efforts are expended for these commodities.

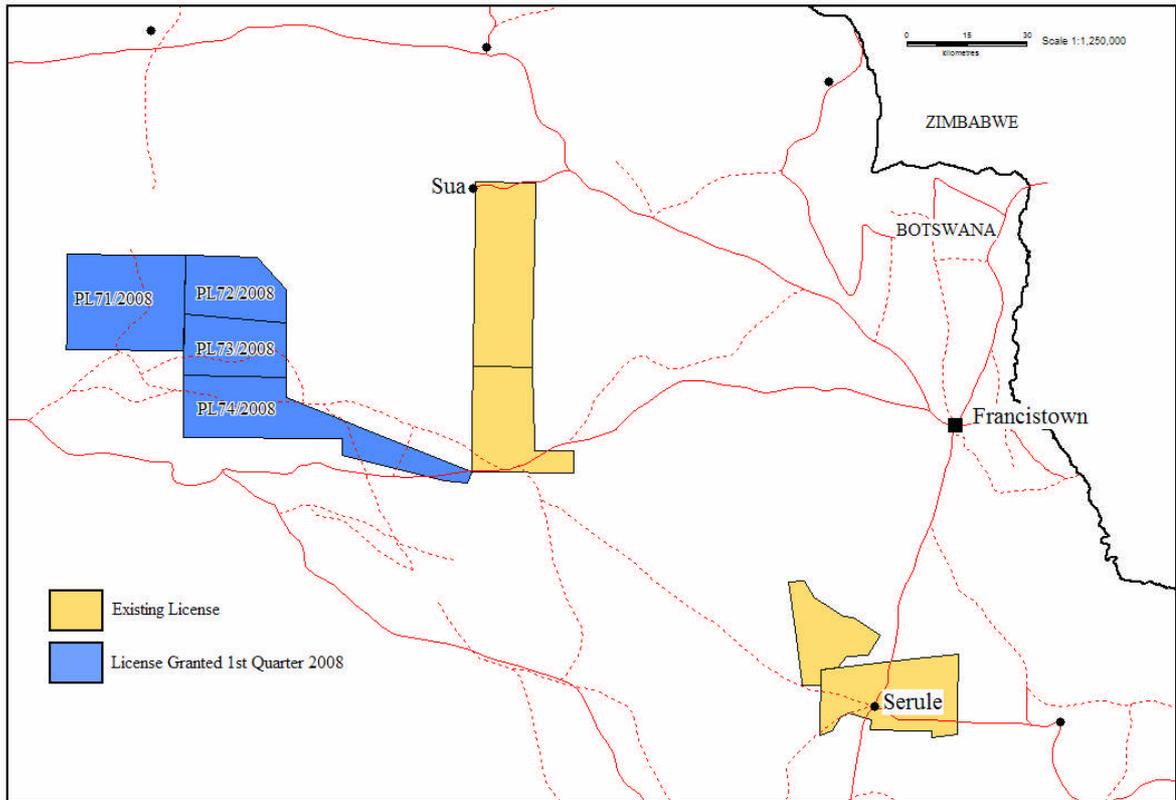


Figure 2. A-Cap’s new Prospecting Licences indicated in Blue. Existing Licences are shown in light brown.

***Dr Andrew Tunks  
Managing Director  
A-Cap Resources Limited***

***Information in this report that relates to exploration results 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 the Company. 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 2008

### Consolidated statement of cash flows

<b>Cash flows related to operating activities</b>	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	-1,171	-4,363
(b) development	-	-
(c) production	-	-
(d) administration	-417	-1,424
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24	260
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>-1,563</b>	<b>-5,527</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-17	-57
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-230
1.11 Loans repaid by other entities	230	230
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>213</b>	<b>-57</b>
1.13 Total operating and investing cash flows (carried forward)	<b>-1,350</b>	<b>-5,584</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	-1,350	-5,584
	<b>Cash flows related to financing activities</b>		
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 (provide details if material)	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	-1,350	-5,584
1.20	Cash at beginning of quarter/year to date	11,064	15,312
1.21	Exchange rate adjustments to item 1.20	-79	-93
1.22	<b>Cash at end of quarter</b>	9,635	9,635

**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	117
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, Gross Salaries of \$62,130 were paid to Mr P Volpe (\$35,930) and Dr A Tunks (\$26,200). Total Directors Fees of \$55,000 were paid to Mr P Volpe (\$17,500); Mr H.Stacpoole (\$12,500); Dr P Woolrich (\$12,500) and Dr A Tunks (\$12,500). Dr Woolrich also received consulting fees totalling \$14,000.

**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

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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.*

+ See chapter 19 for defined terms.

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

	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	1,500
4.2 Development	-
<b>Total</b>	<b>1,500</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	893	109
5.2 Deposits at call	793	605
5.3 Bank overdraft	-	-
5.4 Other (provide details) Term Deposits	7,950	10,350
<b>Total: cash at end of quarter</b> (item 1.22)	<b>9,635</b>	<b>11,064</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	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

+ See chapter 19 for defined terms.

**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.*

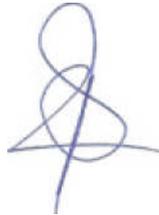
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> <i>(description)</i>	NIL	NIL		
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL		
7.3 <b>+Ordinary securities</b>	110,095,078	110,095,078		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	NIL	NIL		
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>	2,200,000 200,000 500,000 300,000 395,000	NIL NIL NIL NIL NIL	<i>Exercise price</i> 40 cents 45 cents 55 cents 80 cents 80% of market price	<i>Expiry date</i> 30 November 2009 30 November 2009 30 November 2009 30 November 2009 On the date the employee ceases to be in the employ of the Company or subsidiary.
7.8 Issued during quarter	NIL	NIL		
7.9 Exercised during quarter	NIL	NIL		
7.10 Expired during quarter	NIL	NIL		

+ See chapter 19 for defined terms.

7.11	<b>Debentures</b> <i>(totals only)</i>	NIL	NIL
7.12	<b>Unsecured notes</b> <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 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: ...30 April 2008.....  
 Company secretary

Print name: ..RICHARD BAKER.....

## 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

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+ See chapter 19 for defined terms.

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

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- 5      **Accounting Standards** ASX will accept, for example, the use of International Accounting 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.

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