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**TO: COMPANY ANNOUNCEMENTS OFFICE  
AUSTRALIAN SECURITIES EXCHANGE**

**DATE: 14<sup>th</sup> December 2007**

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**LETLHAKANE PROJECT – BOTSWANA  
MOKOBAESI AND KRAKEN INFERRED RESOURCE  
CONTAINING 20 MILLION POUNDS U<sub>3</sub>O<sub>8</sub>**

**HIGHLIGHTS**

- This Inferred Mineral Resource estimate is the first uranium resource for A-Cap and the first uranium resource in Botswana that is reported according to the JORC code.
- At a cut off grade of 100ppm U<sub>3</sub>O<sub>8</sub> the Inferred Mineral Resource is estimated at 65 million tonnes at a grade of 140ppm of U<sub>3</sub>O<sub>8</sub> for a contained 9,100 tonnes of U<sub>3</sub>O<sub>8</sub> (20.1 million lbs U<sub>3</sub>O<sub>8</sub> )
- Inferred Mineral Resource estimates at a range of cut off grades are presented in the following table.

<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
<b>100</b>	<b>65</b>	<b>140</b>	<b>9,100</b>	<b>20.1</b>
120	37	160	6,920	13.3
150	18	190	3,420	7.7
200	6	240	1,440	3.2

- The estimated resource covers an area approximately 6km (east-west) by 3km (north south) and extends from surface to 45m depth.
- This is only a small area within a much larger radiometric anomaly that occurs on Prospecting Licence 45/2004 Letlhakane. Regional diamond drilling has previously confirmed the presence of uranium mineralisation up to 10km from the boundary of the current Inferred Resource highlighting the potential to grow the project.
- Drilling on targets outside the Inferred Resource will commence in January 2008.
- A-Cap has already commenced metallurgical studies on the various ore types observed, a scoping study on the economics of the deposit is planned for early 2008
- Botswana has a stable government and excellent infrastructure that is immediately adjacent to the project area including power, water and major roads which will substantially aid in the development of this project.

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## INTERIM INFERRED RESOURCE

The Board of A-Cap Resources is pleased to announce the initial Inferred Mineral Resource Estimate for the **Mokobaesi** and **Kraken** prospects which form part of the larger Letlhakane Project in North Eastern Botswana. See Figure 1.

The Inferred Resource was estimated by independent consultants Hellman and Schofield Pty Ltd and the estimate has been reported in accordance with the JORC code (2004). The estimates include calcrete and saprolite mineralisation.

**At a cut off grade of 100ppm U<sub>3</sub>O<sub>8</sub> the Inferred Mineral Resource contains 65million tonnes at a grade of 140ppm U<sub>3</sub>O<sub>8</sub> for a contained 9100 tonnes of U<sub>3</sub>O<sub>8</sub> (20.1 million pounds). Table 1 presents resource estimates at a range of cut off grades.**

<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
<b>100</b>	<b>65</b>	<b>140</b>	<b>9,100</b>	<b>20.1</b>
120	37	160	6,920	13.3
150	18	190	3,420	7.7
200	6	240	1,440	3.2

*The numbers in this table are rounded to reflect the accuracy of estimates and as a consequence exhibit rounding errors. Both **Contained Tonnes U<sub>3</sub>O<sub>8</sub>** and **Contained Pounds U<sub>3</sub>O<sub>8</sub>** are based on contained metal in the ground and do not consider any mining, metallurgical or economic parameters at this stage.*

A-Cap is conducting detailed metallurgical testwork on a variety of ore types and grade ranges from the Mokobaesi and Kraken Prospects. The results from the metallurgy study will be used in conjunction with the Inferred Mineral Resource estimates to commence a scoping study early in 2008. This study will focus on the economic impact of mining methods and process options which will be used to determine an appropriate cut off grade for these deposits.

The resource estimation was based on a dataset of 1,148 reverse circulation and 4 diamond holes drilled by A-Cap during 2006 -2007 which includes chemical assays (by XRF) for 8,760 one metre samples as well as radiometric logging data for most holes. The majority of the area under consideration is drilled on a 200m (east-west) by 50m (north-south) grid with minor infilling to 50m by 50m spacing, in peripheral areas to the east the spacing is 200m by 200m. The Inferred Resource estimate is constrained by the current land surface and extends to approximately 45m depth covering an area of approximately three kilometers north-south and six kilometers east-west (Figure 2). No historical data from previous exploration is included in the estimate.

The Resource was estimated from an Ordinary Kriged block model generated from one metre downhole composites of U<sub>3</sub>O<sub>8</sub> grades calculated using chemical assay results in preference to radiometric probe results. Comparisons between chemical assaying and down hole radiometric probing show a bias in the probe data. Consequently to address this issue, probe results were multiplied by 0.74 for the Geotron Probe used by A-Cap in 2006 and 0.84 for the Auslog probe used by A-Cap in 2007. An upper cut of 500ppm U<sub>3</sub>O<sub>8</sub> was used on all data.

The current estimates are based on assumed bulk densities provided by A-Cap. These are 2.1 t/bcm for calcrete mineralisation and 2.4 t/bcm for saprolite mineralisation.

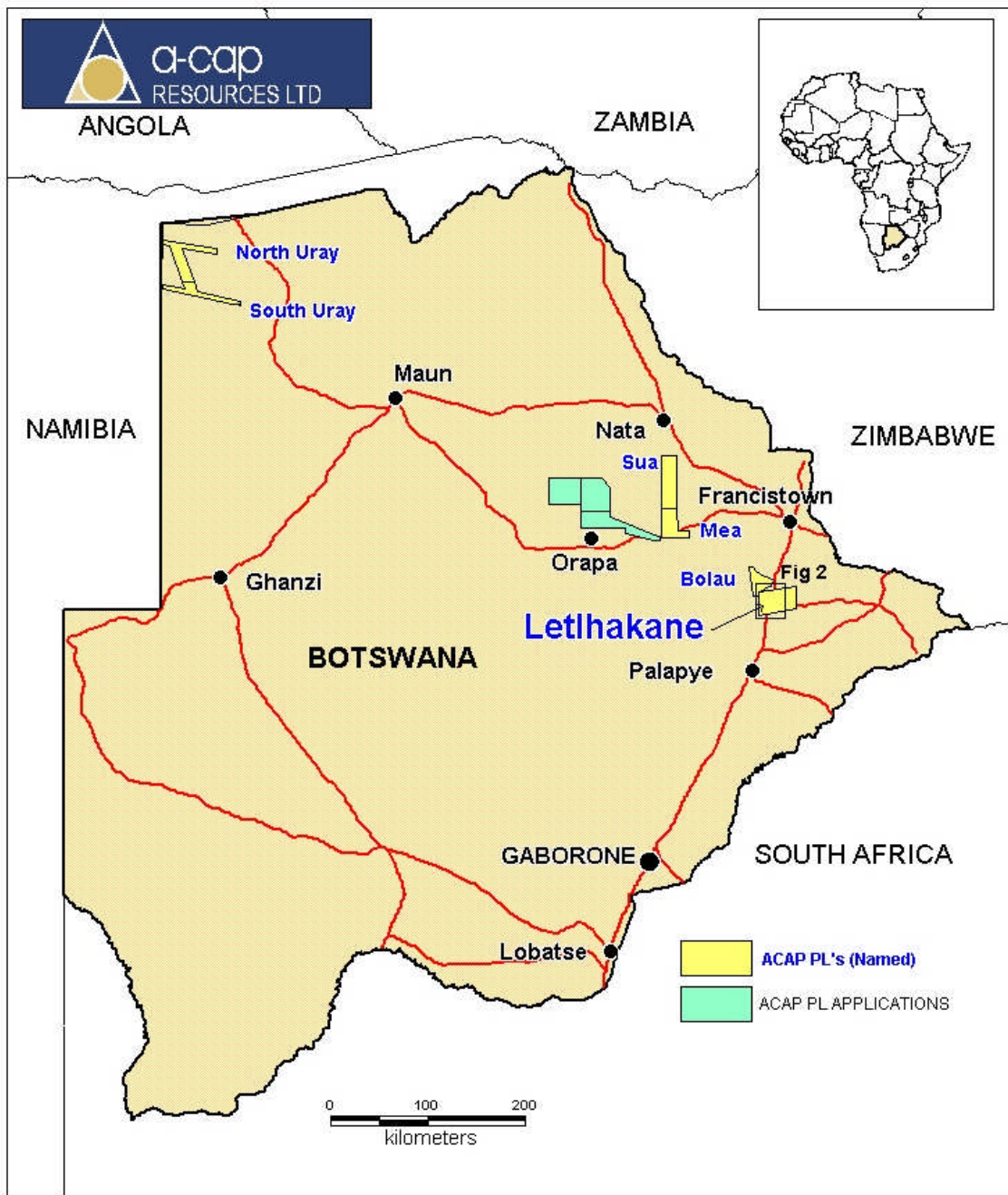


Figure 1 Indicates A-Cap's tenement position in Botswana and shows the location of the Letlhakane Prospecting Licence. The location of Figure 2 (next page) which shows prospect scale detail is indicated.

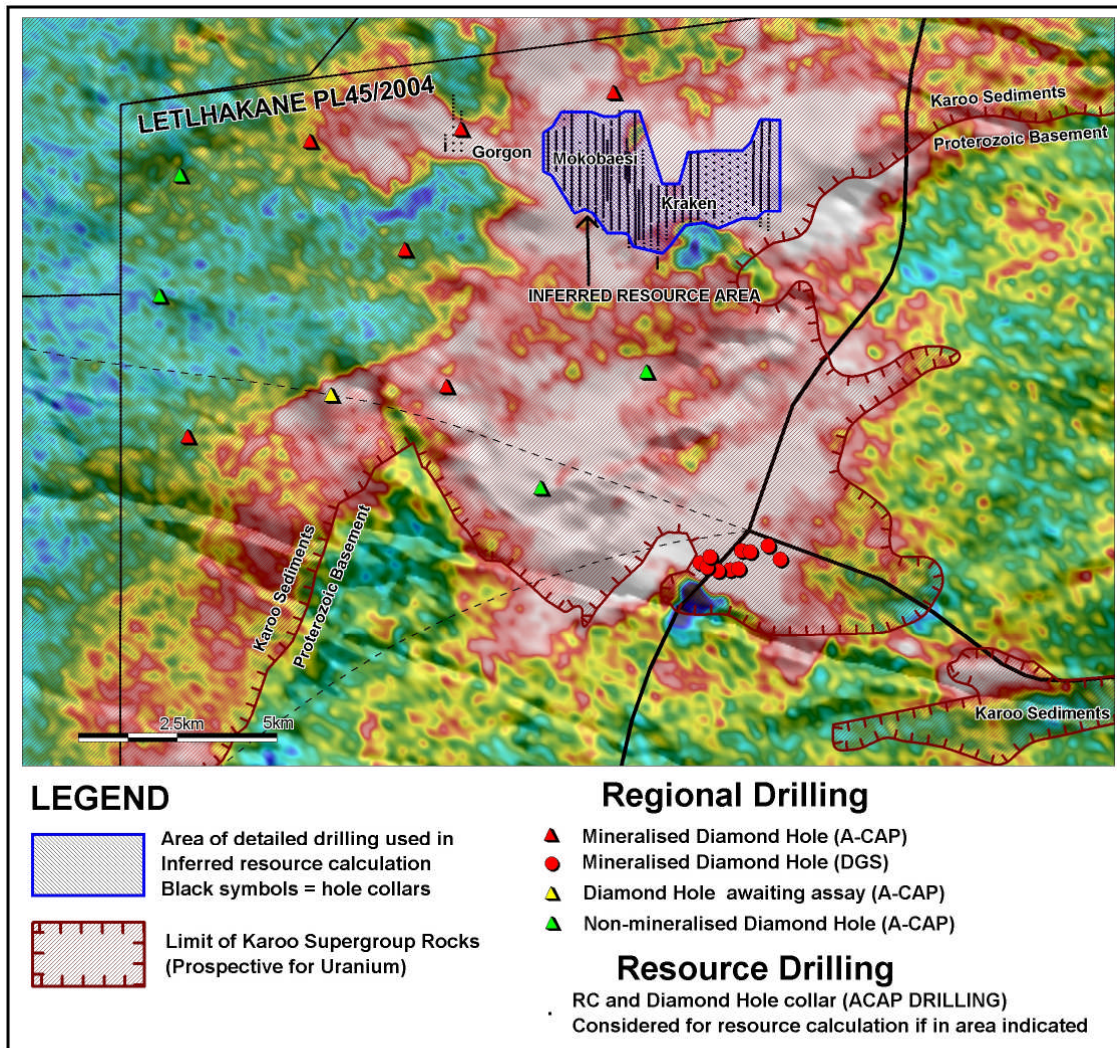


Figure 2 Shows the area used in the Inferred Resource estimation (outlined in blue), which is approximately 6km long by 3km wide. Also shown is the outcrop limits of the Karoo Sediments which are prospective for Uranium mineralisation. Regional diamond drilling outside the Inferred Resource Area is also indicated illustrating the potential to substantially increase the resource within the project area (all results for regional drilling have been previously released to market). The backdrop colour image is the Botswana Department of Geological Survey (DGS) Uranium radiometric anomaly map. In this map colours are used to depict anomalous radiation with blue and green showing low levels of anomalism through to yellow – red showing moderate levels of anomalism with white showing the highest levels of radioactivity. This image further highlights the prospectivity of the area.

## **FURTHER RESOURCE WORK**

Further work has been recommended by Hellman and Schofield to improve the robustness of the current Inferred resource estimate and progress towards estimation of an Indicated Resource. These suggestions include:

- Detailed sampling to establish bulk rock densities across a range of rock types.
- Improve quality control on chemical assaying for future drill programmes by submitting more standards covering a greater range of grades than have been used to date, and regular check assaying by a second laboratory.
- Investigate the apparent overstating of U<sub>3</sub>O<sub>8</sub> grades by radiometric probing.
- Close up sample spacing on a regularly spaced grid across mineralised zones.
- Collection of sample weights to investigate sample recovery and to establish if any links exist between sample recovery and assay grade.

## **SCOPE TO GROW**

The Inferred Mineral Resource estimate published in this release is both Botswana's and A-Cap's first uranium resource estimate reported in accordance with the JORC Code. However the directors of A-CAP believe that these estimates represent the early stages of discovery of a potentially much larger mineralised field.

## **FUTURE EXPLORATION**

Drilling at the Gorgon prospect immediately west of the current Inferred Resource is expected to recommence after the Christmas break. This will be followed up by an extensive drilling program at the Serule anomaly approximately 10km south of the Mokobaesi and Kraken prospects. Both these areas are outside the Inferred resource discussed in this report and therefore have the potential to significantly increase A-Cap's total mineral resource within the Letlhakane Project.

*Dr Andrew Tunks*  
*Chief Executive Officer*  
*A-Cap Resources Limited*

*Information in this report that relates to the Mineral Resource reflects information compiled by Jonathan Abbott and Arnold van der Heyden, who are both full time employees of Hellman and Schofield Pty Ltd. Mr Abbott, a member of the AusIMM, has more than five years experience in the field of Exploration Results and is a competent person in terms of JORC standards for Exploration Results and Resource Estimation in general. Mr van der Heyden, a member of the AusIMM, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is reporting 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 Abbott and Mr van der Heyden consent to the inclusion in the report of the matters based on the information compiled by them, in the form and context in which it appears.*

*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.*