



ACN 104 028 542

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

DATE: 31 OCTOBER 2007

ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting of A-Cap Resources Limited to be held on Thursday 29 November 2007, together with the Explanatory Memorandum and Proxy Form, will be despatched to shareholders on Wednesday 31 October 2007. At the same time the 2007 Annual Report will be sent to shareholders who requested a copy.

Those shareholders who did not elect to receive a hard copy of the Annual Report may access it on the Company's website at www.acap.com.au/ar2007.htm

A copy of the Notice of Annual General Meeting and Explanatory Memorandum follows.

Richard Baker
Company Secretary



ACN 104 028 542

NOTICE OF ANNUAL GENERAL MEETING

PROXY FORM

AND

EXPLANATORY MEMORANDUM

Date of Meeting

Thursday 29 November 2007

Time of Meeting

9.30am AEST

Place of Meeting

Ground Floor
Pacific Tower
737 Burwood Road
Hawthorn Victoria 3122



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF A-CAP RESOURCES LIMITED (ACN 104 028 542) (“COMPANY”) WILL BE HELD AT GROUND FLOOR, PACIFIC TOWER, 737 BURWOOD ROAD, HAWTHORN, MELBOURNE 3122 IN THE STATE OF VICTORIA ON THURSDAY 29 NOVEMBER 2007 AT 9.30AM (AEST).

An Explanatory Memorandum containing information in relation to the resolutions to be put to the meeting accompanies this Notice of Annual General Meeting.

AGENDA

ORDINARY BUSINESS

1. Financial Statements and Reports

To receive and consider the Financial Statements and the Reports of the Directors and Auditor for the year ended 30 June 2007.

2. Remuneration Report

To consider and, if thought fit, pass the following ordinary resolution:

“That the Remuneration Report (which forms part of the Director’s Report) for the year ended 30 June 2007 be adopted”.

Note – Pursuant to Section 250R(3) of the Corporations Act 2001, the vote on this resolution is advisory only and does not bind the Directors or the Company.

3. Re-election of Director

To consider and, if thought fit, pass each of the following ordinary resolution:

“That Mr Henry Stacpoole, a director retiring by rotation in accordance with the Company’s Constitution and being eligible, is re-elected as a director of the Company”.

4. Return of Capital – “In-specie” Distribution of Shares in the capital of Botswana Metals Limited (ACN 122 995 073): To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

“That, pursuant to sections 256B and 256C of the Corporations Act 2001 (Cth), the Company’s Constitution and in accordance with the Listing Rules of the Australian

Securities Exchange Limited, the capital of the Company be reduced by distributing fully paid shares in the capital of Botswana Metals Limited (ACN 122 995 073) (“BML”) “in-specie” to the members of the Company on the following basis:

4.1 The reduction of capital shall be subject to the condition precedents:

- (a) that BML shall be approved by the Australian Securities Exchange Limited (“ASX”) for admission to the Official List of Companies (“the Official List”) maintained by the ASX prior to the distribution “in-specie” of the shares in BML taking place on the basis that if BML is not admitted to the Official List by 31 January 2008 or such later date as may be determined pursuant to Clause 4(d) of the Scheme of arrangement approved by The Supreme Court of Victoria on 22 June 2007 in Matter No 5215 of 2007, then the reduction of capital and the proposed distribution “in-specie” shall not take place with the intent that BML shall remain a subsidiary of the Company;
- (b) that the proposed Scheme of Arrangement between the Company and its members the subject of Matter Number 5215 of 2007 in the Supreme Court of Victoria shall be approved by the members of the Company at the Scheme Meeting held on 15 May 2007 pursuant to an Order of the Court made 30 March 2007 therein;
- (c) BML issuing the Company that number of ordinary shares in its capital, each credited as fully paid up so as to enable the distribution of those shares on the basis referred to in clause 4.2 of this resolution.

4.2 On the reduction of capital taking place subsequent to BML being approved by ASX for admission to the Official List each member of the Company shall be entitled to receive one share in the capital of BML for each 2 fully paid ordinary shares in the capital of the Company held on the Record Date chosen by the Company to determine entitlements to such distribution with such distribution being made on the basis that no fractional entitlement to a share in the capital of BML shall be so created with all fractional entitlements to any such shares being disregarded in the calculation of the number of shares in the capital of BML to which any member of the Company shall be so entitled.

By Order of the Board of
A-Cap Resources Limited

Richard Baker
Company Secretary
Dated: 31 October 2007

NOTES

Voting and Instructions for Appointment of Proxy:

1. In accordance with the Corporations Act 2001 the Directors have determined that the shares of the Company that are quoted on the Australian Securities Exchange as at 9.30am on 27 November 2007, will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the meeting.
2. A Member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.

If the Member does not specify the proportion of votes the proxy may exercise, then each proxy will be taken to exercise one half of the votes held and subject to the proxy with fractional entitlements to votes being disregarded.

3. A proxy duly appointed need not be a Member of the Company. In the case of joint holders all must sign.
4. A form of proxy accompanies this Notice and, to be effective, the form and any document necessary to show the validity of the form of proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. Any proxy lodged after that time will be treated as invalid.
5. Directors and Officers of all corporate shareholders should note that unless the corporate shareholder either:
 - (a) completes and lodges with the Company a valid appointment of proxy in accordance with the instructions in these notes; or
 - (b) completes and either lodges with the Company prior to the meeting a form of appointment of or certificate of appointment of a personal representative in accordance with the provisions of Section 250D of the Corporations Law or causes such personal representative to attend the meeting with such form of appointment or certificate; or
 - (c) has appointed an attorney.

and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.

6. Proxies and corporate appointment of representative forms may be returned to the Company in either of the following ways:
 - (a) in person or by post to the Computershare Investor Services Pty Limited at:
GPO Box 242
Melbourne Victoria 3001, Australia or
 - (b) by facsimile to (07) 3237 2152.

7. Corporate Members should comply with the execution requirements set out in these notes or otherwise comply with the provisions of Section 127 of the Act. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:

- 2 directors of the company; or
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

For A-Cap Resources Limited to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable.

In particular a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

8. Completion of a proxy form will not prevent individual Members from attending the meetings in person if they wish. Where a Member completes and lodges a valid proxy form and attends the meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at the meeting.

9. Where a proxy form or form of appointment of or certificate of appointment of a personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.

10. Chairman's voting intentions:

All members appointing proxies should note that the Chairman intends to exercise proxies in his favour, and which do not direct the proxy holder how to vote, in favour of all resolutions. If you do not wish to direct your proxy on how to vote please place a mark in the box.

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of shareholders of **A-CAP RESOURCES LIMITED** (“A-Cap” or “the Company”) in connection with the business to be transacted at the Annual General Meeting of shareholders of A-Cap to be held at Ground Floor, Pacific Tower, 737 Burwood Road, Hawthorn Victoria 3122 on Thursday 29 November 2007 at 9.30am AEST.

It forms part of the accompanying Notice of Meeting convening the 2007 Annual General Meeting and contains an explanation of, and information about, the following matters to be considered at the meeting:

- the Financial Statements and Reports;
- the Remuneration Report;
- the re-election of Mr Stacpoole as a director of the Company, and
- the Return of Capital: distribution “in-specie” – demerger of BML.

The Directors recommend shareholders read the accompanying Notice of General Meeting (“Notice”) and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

1. Financial Statements and Reports

Under the Corporations Act 2001, the directors of a public company that is required to hold an Annual General Meeting must table the financial statements and reports of the Company for the previous year for discussion by the members at that annual general meeting.

Shareholders have been provided with all relevant information concerning the Company’s financial statements for the year ended 30 June 2007 in the Annual Report.

Shareholders should note that the sole purpose of tabling the financial statements of the Company at the Annual General Meeting is to provide the shareholders with the opportunity to ask questions or discuss matters arising from the financial statements at the meeting. It is not the purpose of the meeting that the financial statements be approved, rejected or modified in any way. Further as it is not required by the Corporations Act, no resolution to adopt, receive or consider the statements will be put to the meeting.

2. Remuneration Report

The Corporations Act 2001 requires that the Remuneration Report be submitted to Shareholders for consideration and adoption by way of a non-binding resolution. However the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Shareholders will have the opportunity at the meeting to raise questions in respect of the Remuneration Report.

3. Re-election of Director

In accordance with the Company's Constitution, at every Annual General Meeting, one-third of the directors must retire from office and are eligible for re-election. The directors to retire are those who have been longest in office since their appointment or last re-appointment, or, if the directors have been in office for an equal length of time by agreement.

Mr. Stacpoole retires by rotation and being eligible for re-election, has consented to be re-elected and presents himself for re-election.

He is 72 years old and was appointed a non-executive director in March 2005. Information about Mr. Stacpoole is contained in the 2007 Annual Report.

4. Return of Capital: distribution "in-specie" – demerger of BML

On 15 May 2007 the members of A-Cap approved a reduction of capital for the purposes of implementing the demerger of BML pursuant to the provisions of the Scheme of Arrangement which was entered into between A-Cap and its Members as described in the Scheme Booklet then despatched to Members of A-Cap. The Scheme was approved by the Supreme Court of Victoria on 22 June 2007.

The reduction of capital approved was, by the terms of the resolution, required to be implemented by 30 September 2007. For various reasons relating to the re-arrangement of the tenements in Botswana and related matters the implementation of the Scheme was not possible by that date.

Consequently, it is now necessary for a new resolution to be passed to implement that reduction of capital. That resolution is resolution 3 on the Notice of Meeting.

The distribution "in-specie" and the Reduction of Capital was described in detail in that Scheme Booklet which Members should read carefully to obtain a more complete understanding of the proposal to demerge BML. A copy of the Scheme Booklet is available from A-Cap's website www.acap.com.au

Under Section 256C(4) of the Corporations Act 2001 ("the Act") A-Cap must include with this notice of the meeting a statement setting out all information known to the company that is material to the decision on how to vote on the resolution. However, the company does not have to disclose information if it would be unreasonable to require the company to do so because the company had previously disclosed the information to its shareholders. A-Cap considers that it would be unreasonable to redistribute a copy of the Scheme to members because it has been previously provided to them and a copy, as released to ASX, is also available from the ASX website.

The provisions of clause 4(d) of the Scheme provided that:

"The Scheme will lapse and be of no further force or effect if the Implementation Date has not occurred on or before 30 September 2007 or such later date as A-Cap may advise BML in writing."

On 28 September 2007 A-Cap notified BML in writing that it had extended the date in clause 4(d) from 30 September 2007 to 31 January 2008 and A-Cap subsequently announced that extension of time to the ASX.

The terms of the Court Order approving the Scheme provide by Order 3 that:

“That subject to further Order of this Court, the Plaintiff does not lodge a copy of this Order with Australian Securities and Investment Commission until such time as all the Conditions Precedent referred to in Clause 4 of the Scheme have been satisfied or waived.”

The conditions precedent in Clause 4 of the Scheme have all been satisfied save for that contained in clause 4(a)(iv) which is:

(iv) ASX approving the admission of BML to the Official List of ASX prior to the lodgement of a copy of the order of the Court approving the Scheme with ASIC in accordance with the provisions of section 411(10) of the Act.

Consequently the Scheme will only come into effect when ASX has approved the admission of BML to its Official List and the Court Order is then lodged as required to give effect to the Scheme.

The Demerger of BML, if it comes into effect will be effected by the transfer of the BML shares to the Scheme Members according to their respective entitlements thereto as at the record date under the Scheme as provided in Resolution 3 above with fractional entitlements to shares being disregarded in determining any members entitlement.

The reduction of capital is an equal reduction of capital in accordance with the provisions of Section 256B(2) of the Act. The Notice of Meeting and this Explanatory Memorandum have each been lodged with ASIC in accordance with the requirements of Sections 256C(4) and 256C(5) of the Act.

In relation to Resolution 4 above it is recorded for the purposes of Listing Rule 11.4, the asset being disposed of is a major asset. The resolution proposes the distribution of shares in BML subject to a condition precedent that BML be approved for admission to the Official List of ASX. In accordance with Listing Rule 11.4.1 all of the securities of BML are being distributed pro rata to the Members of A-Cap and all securities to be offered pursuant to the proposed issue to be made by BML in support of its application for listing on ASX offered will likewise be offered pro rata to the Members of A-Cap.

“In-specie” Distribution of BML Shares

The “in-specie” distribution of BML Shares to A-Cap shareholders will be on a pro rata basis pursuant to an equal capital reduction under section 256B of the Corporations Act. Under the reduction of capital, A-Cap shareholders will be entitled to one (1) BML Share for every two (2) A-Cap Shares held on the Record Date.

The Record Date is that date which is defined in the scheme as the Record Date which "Record Date" is that date which is 5 business days after the Effective Date.

The Effective Date is the date on which an office copy of an order of the Court made on 22 June and referred to herein, which approved the Scheme under Section 411(6) of the Act is lodged with the Commission.

A-Cap shareholders will not be required to pay any consideration for the BML Shares, as A-Cap will make an appropriate capital reduction in its books to reflect this distribution. This proposal to reduce the capital in A-Cap and distribute the BML Shares “in-specie” is subject to the approval of the A-Cap shareholders (which is being sought by Resolution 3 in this Notice of Meeting). However A-Cap Shareholders should note the effect of the Resolution will be to reduce the assets of A-Cap to the extent those assets represent the Non- Uranium tenements as referred to in the Annual Report available on www.acap.com.au or by request to the Company, and which were described in the Scheme Booklet.

Although shareholders may pass Resolution 3, the reduction of capital will be dependent on BML being admitted to the Official List. At this stage, BML does not comply with any of the requirements for its admission to the Official List and no guarantee or assurance can be given that it will be so admitted.

For the purpose of satisfying Condition Precedent 4(a)(iv) in the Scheme as referred to above, BML has lodged a prospectus with ASIC for the purpose of raising up to \$11,209,508 with a minimum subscription of \$6,600,000 and has made application for any such admission or approval of listing on ASX.

Value of Shares in BML

A-Cap does not make any prediction as to what the value of the BML Shares will be at the time of distribution to A-Cap shareholders or subsequently.

Requirements of Section 256B of the Act

Section 256B(1) of the Act provides that a company may reduce its share capital if the reduction:

- is fair and reasonable to the company’s shareholders as a whole;
- does not materially prejudice the company’s ability to pay its creditors; and
- is approved by shareholders under section 256C of the Corporations Act.

The proposed capital reduction is an equal reduction as it relates only to ordinary shares, it applies to each holder of ordinary shares in proportion to the number of ordinary shares they hold and the terms of the reduction are the same for each holder of ordinary shares.

Accordingly, as the reduction is an equal reduction, section 256C of the Corporations Act requires approval of the proposed reduction by way of an **ordinary resolution**.

The Directors consider the proposed reduction of capital by distribution “in-specie” of the BML Shares on a pro rata basis to the existing shareholders of A-Cap does not materially prejudice A-Cap’s ability to pay its creditors.

Further, the Directors advise that the reduction of capital will not result in A-Cap insolvent at the time of the capital reduction or become insolvent as a result of the capital reduction. Further, the Directors consider that the proposed “in-specie” distribution is fair and reasonable to A-Cap’s shareholders as a whole because they are

all treated in the same manner given that the distribution of BML Shares is on a pro rata basis.

Effect of Capital Reduction and “In-Specie” Distribution

Effect on Shares

The number of A-Cap Shares and options on issue will remain unchanged as a result of the proposed capital reduction.

The proportionate ownership interest of each shareholder in A-Cap remains the same before and after the return of capital.

Effect on Options

In accordance with Rule 7.22.3 of the Listing Rules, the number of options on issue will remain the same however, options are required to have their exercise price per option reduced by the same amount as the amount returned with respect to each A-Cap Share.

Overseas Shareholders

Distribution of the BML Shares to A-Cap shareholders under the return of capital will be subject to legal and regulatory requirements in their relevant jurisdictions. If the requirements of any jurisdiction where a shareholder is resident are held to restrict or prohibit the distribution of shares as proposed or would impose on A-Cap an obligation to prepare a prospectus or other similar disclosure document or otherwise impose on A-Cap an undue burden, the BML Shares to which the relevant A-Cap shareholder is entitled will be sold by A-Cap on their behalf as soon as practicable after the Record Date and A-Cap will then account to those shareholders for the net proceeds of sale after deducting the costs and expenses of the sale. As the return of capital is being represented and satisfied by the distribution to A-Cap shareholders of BML Shares and security prices may vary from time to time (assuming a liquid market is available), the value of the net proceeds of sale to such shareholders is uncertain.

Listing Rule 7.20

In accordance with Listing Rule 7.20, the following information is provided:

- (a) The number of securities on issue in A-Cap will not be affected by the return of capital: no shares are being cancelled. A-Cap does not have any partly paid shares on issue.
- (b) Fractional entitlements will be disregarded as set out in Resolution 4.
- (c) A-Cap does not have any convertible securities other than 3,595,000 options on issue.
- (d) Holders of options (unlisted) in A-Cap will not be entitled to participate in the proposed reduction of capital however, options may be exercised prior to the entitlement date to participate in the “in-specie” distribution.

ASX Waivers

A-Cap will make an application to the ASX to seek waivers from the following Listing Rules:

- (a) Listing Rule 9.1 to the extent necessary to do the following:
 - (i) not apply the restrictions in Appendix 9B of the Listing Rules to the BML Shares issued to A-Cap Members (the “Distributed Shares”); and
 - (ii) not enter into restriction agreements in relation to the Distributed Shares.

- (b) Listing Rule 1.1 condition 7 to the extent necessary to permit the Distributed Shares, to be included for the purposes of satisfying that rule.