



TO: COMPANY ANNOUNCEMENTS OFFICE

ASX LIMITED

DATE: 25 AUGUST 2009

A-CAP TO TACKLE METALLURGY OF PRIMARY ORE

UPDATE

- A-Cap working with Lycopodium and a team of sub consultants has recently commenced a Bankable Feasibility Study (“BFS”) on the secondary and oxide portions of the Letlhakane Uranium Project.
- The Global Inferred Resource at the Letlhakane Uranium Project contains 98Mlbs of U₃O₈ at a 100ppm cut off.
- Approximately 60% of the Inferred Resource is classified as “Primary Ore” which, based on limited previous work, has metallurgical recoveries of up to 50%.
- A-Cap has requested Lycopodium to conduct a study into the metallurgy and possible treatment options for the Primary Ore.
- The objective is to ascertain if the 60Mlbs of U₃O₈ in the primary ore can be economically recovered.

Primary Resource

The Global Inferred Resource at the Letlhakane Uranium Project is 280Mt @ 158 ppm for 98Mlbs of U₃O₈, however approximately 60% of this massive resource lies beneath the zone of surficial oxidation. This ore is termed the “Primary Ore” and, based on limited preliminary testwork previously conducted in 2007 and 2008, appears to have low recovery in metallurgical bottle roll testwork.

Over the past six months several experienced metallurgists have visited the Letlhakane Uranium Project and examined the Primary Ore in drill core offering opinions on possible leaching methods. At the same time considerable mineralogical work has been carried out by Dr Rob Bowell of SRK at the University of Cardiff Mineralogy Laboratory. Ongoing exploration has revealed that there are higher-grade zones within the Primary Ore that may be amenable to selective mining.

The combination of the above factors has given the Board of A-Cap the confidence to renew testwork on the primary ore with a view to completing a full range of variability testwork to establish the best way to unlock the value in this 60Mlb resource.

As a consequence A-Cap Resources has requested the senior metallurgist involved in the BFS to prepare a scope of work for a comprehensive series of tests on the primary ore. The plan will be to run this as a "Scoping Study" in parallel with the BFS.

A-Cap currently have two drill rigs onsite and one of these rigs will be used to complete the sampling of the primary ore using PQ sized diamond core across both Kraken and Gorgon where the bulk of the ore exists.

Further details and ultimately results of the proposed program will be released to the market as soon as they are available.

Dr Andrew Tunks

A handwritten signature in black ink, appearing to read "Andrew Tunks". The signature is written in a cursive, flowing style.

**Managing Director
A-Cap Resources Limited**

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.