



**ACAP RESOURCES LIMITED
(ABN 28 104 028 542)**

CIRCULAR TO SHAREHOLDERS

INCLUDING

**NOTICE OF ANNUAL GENERAL MEETING
EXPLANATORY MEMORANDUM
PROXY FORM**

Date of Meeting

26 October 2011

Time of Meeting

10.00am (AEST)

Place of Meeting

InterContinental Melbourne, The Rialto
Wheat Room, Lower Ground Floor
495 Collins Street
Melbourne Victoria 3000

These documents should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting

**ACAP RESOURCES LIMITED
(ABN 28 104 028 542)**

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of A-Cap Resources Limited will be held at InterContinental Melbourne The Rialto, Wheat Room, Lower Ground Floor, 495 Collins Street, Melbourne, Victoria 3000 on Wednesday 26 October 2011 at 10.00 am (AEST).

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS

To receive, consider and discuss the Company's financial statements for the year ended 30 June 2011 and the reports of the directors and auditors on those statements.

RESOLUTION 1 – RE-ELECTION OF DIRECTOR

In accordance with Rule 8.1(e)(2)(a) of the Constitution, Mr Paul Ingram retires by rotation and, being eligible, offers himself for re-election.

RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

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

“That, for the purposes of section 250R(2) of the Corporations Act 2001 and for all other purposes, the Remuneration Report contained in the 2011 Annual Report be adopted by Shareholders”

Note:

In accordance with section 250R(2) of the Corporations Act 2001, this resolution is advisory only and does not bind the directors of the Company.

RESOLUTION 3 - ISSUE OF OPTIONS TO ANDREW TUNKS

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 and all other purposes, this meeting approves the issue of 2,000,000 options to subscribe for shares in the Company to Andrew Tunks, a director of the Company (or his nominee), such options to be issued on the terms and conditions set out in Appendix “A” to the explanatory memorandum which accompanied the notice convening this meeting”.

Note:

- (1) The options referred to in resolution 3 will be issued within one month after the date of the general meeting.
- (2) The options will be issued free of charge and no funds will be raised from the issue.
- (3) In accordance with Listing Rule 10.13.6 and section 224 of the Corporations Act 2001, any votes cast on resolution 3 (other than by a person as proxy for a member who is entitled to vote, in accordance with the directions on the relevant proxy form) by Dr Tunks, Mr Stacpoole and Dr Woolrich and their respective associates will be disregarded.

RESOLUTION 4 - ISSUE OF OPTIONS TO HARRY STACPOOLE

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 and all other purposes, this meeting approves the issue of 1,000,000 options to subscribe for shares in the Company to Harry Stacpoole, a director of the Company (or his nominee), such options to be issued on the terms and conditions set out in Appendix “A” to the explanatory memorandum which accompanied the notice convening this meeting”.

Note:

- (1) The options referred to in resolution 4 will be issued within one month after the date of the general meeting.
- (2) The options will be issued free of charge and no funds will be raised from the issue.
- (3) In accordance with Listing Rule 10.13.6 and section 224 of the Corporations Act 2001, any votes cast on resolution 4 (other than by a person as proxy for a member who is entitled to vote, in accordance with the directions on the relevant proxy form) by Mr Stacpoole, Dr Tunks and Dr Woolrich and their respective associates will be disregarded.

RESOLUTION 5 - ISSUE OF OPTIONS TO PAUL WOOLRICH

“That for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act 2001 and all other purposes, this meeting approves the issue of 1,000,000 options to subscribe for shares in the Company to Paul Woolrich, a director of the Company (or his nominee), such options to be issued on the terms and conditions set out in Appendix “A” to the explanatory memorandum which accompanied the notice convening this meeting”.

Note:

- (1) The options referred to in resolution 5 will be issued within one month after the date of the general meeting.
- (2) The options will be issued free of charge and no funds will be raised from the issue.
- (3) In accordance with Listing Rule 10.13.6 and section 224 of the Corporations Act 2001, any votes cast on resolution 5 (other than by a person as proxy for a member who is entitled to vote, in accordance with the directions on the relevant proxy form) by Dr Woolrich, Dr Tunks and Mr Stacpoole and their respective associates will be disregarded.

PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise one-half of the votes.

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: Level 36, Exchange Plaza
2 The Esplanade
Perth, WA 6000

Facsimile Number: (08) 9220 9820

Postal Address: PO Box 7654
Cloisters Square
Perth WA 6850

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.38 of the Corporations Regulations 2001, the Company determines that shares held as at 10.00 am on 24 October 2011 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

By Order of the Board



D I Rakich
Company Secretary

16 September 2011



(ABN 28 104 028 542)

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of A-Cap in connection with the business to be transacted at the annual general meeting of the Company to be held on Wednesday 26 October 2011.

At that meeting, shareholders will be asked to consider resolutions:

- re-electing a director who retires by rotation;
- adopting the remuneration report; and
- approving the issue of options to directors

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to shareholders in deciding whether or not to pass those resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board's reasons for putting them to shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

2. GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

Act or Corporations Act	Corporations Act 2001 (Cth.)
AGM or General Meeting	The annual general meeting of the Company to be held on 26 October 2011
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691)
ASX Listing Rules or Listing Rules	The Official Listing Rules of ASX, as amended from time to time
Board	The board of directors of the Company
Company or A-Cap	A-Cap Resources Limited (ABN 28 104 028 542)
Grant Date	The date the option is issued, being within one month after the date of the annual general meeting
Notice of Meeting	The notice convening the General Meeting which accompanies this Explanatory Memorandum

Option	An option to subscribe for a Share, exercisable at the greater of 50 cents or 143% of the five-day volume weighted average market price of A-Cap Shares on the ASX up to the Grant Date and expiring on 15 October 2015
Proxy Form	The proxy form which accompanies this Explanatory Memorandum
Shares or A-Cap Shares	Fully paid ordinary shares in the Company

3. RESOLUTION 1 – RE ELECTION OF PAUL INGRAM AS A DIRECTOR

In accordance with ASX Listing Rule 14.4 and pursuant to Rule 8.1(e)(2)(a) of the Constitution, at each annual general meeting, one-third of the Directors (excluding the Managing Director) must retire from office. Each retiring Director is entitled to offer himself for re-election as a Director at the annual general meeting.

Mr Ingram will retire by rotation in accordance with the requirements of the Company's Constitution at the annual general meeting. As Mr Ingram is eligible for re-election, he seeks re-election as a director of the Company at the AGM. Mr Ingram was appointed a director of the Company on 1 June 2009.

Mr Ingram is a geologist with extensive experience in corporate and technical management of exploration and mining companies for over 30 years. He has held senior management positions in a number of successful resource companies in the precious metals sector and energy sector, and has managed projects in countries throughout East Asia and in Australia.

4. RESOLUTION 2 – ADOPTION OF REMUNERATION REPORT

The Corporations Act includes disclosure requirements for companies whose shares are quoted on the ASX by requiring that the directors of the company include a remuneration report in the Company's annual report and that a resolution be put to shareholders each year to adopt that report.

The remuneration report is set out in the Company's Annual Report.

The remuneration report:

- outlines the Board's policy for determining the nature and amount of remuneration for directors and executives of the Company; and
- discusses the relationship between the Board's remuneration policy and the Company's performance; and
- details and explains any performance condition applicable to the remuneration of a director or executive; and
- details the remuneration (including options) of each director and executive of the Company for the year; and
- summarises the terms of any contract under which any director or executive is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The vote on the resolution is advisory only and does not bind the directors or the Company, nor does it affect the remuneration paid or payable to the Company's directors or the executives. However, the Board will take the outcome of the resolution into account when considering future remuneration policy.

Section 250R(4) of the Corporations Act prohibits any votes on this resolution being cast by senior executives (or their associates) whose remuneration details are disclosed in the report. This prohibition extends to undirected proxy votes to be cast by the Chairman. In this regard, you should specifically note that if you indicate on the Proxy Form that you do not wish to specify how your proxy should vote on resolution 2, you will be deemed to have expressly directed the Chairman to cast your votes **in favour of** resolution 2. **If you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 2, you must indicate your voting intention by marking either 'against' or 'abstain' against resolution 2 in the Proxy Form.**

5. ISSUE OF OPTIONS TO DIRECTORS

Background

Options previously issued to Andrew Tunks, Harry Stacpoole and Paul Woolrich lapsed unexercised on 30 June 2011. The Company now proposes to replace the lapsed options by the issue of 4,000,000 Options to Andrew Tunks, Harry Stacpoole and Paul Woolrich in the following proportions:

Name of Director	Options
A. Tunks	2,000,000
H. Stacpoole	1,000,000
P. Woolrich	1,000,000

Shareholder approval for the issue of the Options is sought pursuant to Listing Rule 10.11 and section 208 of the Corporations Act.

The purpose of the issues of Options contemplated by resolutions 3 to 5 is to recognise and reward the directors', and particularly the Managing Director's, efforts to date on the Company's behalf as well as to align their interests with those of the shareholders and to provide the directors with an additional incentive to continue their efforts for the benefit of the Company.

The Options form part of the directors' remuneration packages which, in addition to the Options, are as follows:

Name of Director	Position	Salary/Fees & Superannuation
A. Tunks	Managing Director	\$400,392
H. Stacpoole	Non-executive	\$50,000
P. Woolrich	Non-executive	\$258,188

The Company is cognisant of the ASX Principles of Good Corporate Governance and Best Practice Recommendations, which recommend against the issue of options to non-executive directors. However, the Board considers the grant of the Options contemplated by resolutions 4 and 5 to be reasonable in the circumstances given the Company's size and stage of development and the necessity to attract and retain the highest calibre of professionals to the role, whilst conserving the Company's cash reserves.

Dr A. Tunks is the Managing Director of A-Cap and through his direction and efforts the Company has continued to increase its uranium resources and progress feasibility studies on the Company's 100%-owned Letlhakane Project in Botswana. The Options form part of Dr Tunks's remuneration package as Managing Director.

Each option is exercisable at a price being the greater of 50 cents or 143% of the five-day volume weighted average market price of A-Cap Shares on the ASX up to the grant date and expires on 15 October 2015.

The number, exercise price and other terms of the Options to be issued to the directors have been arrived at by assessing the value of the remuneration packages that would be necessary and appropriate to provide in order to retain and motivate individuals of their calibre.

The Options will be issued on the terms set out in Annexure "A" to this Explanatory Memorandum.

The Options are being issued for no consideration and consequently no funds will be raised by the issue. A total of \$2,000,000 in additional share capital would be raised if all of the Options were exercised in full and assuming the exercise price is 50 cents per option.

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue or agree to issue securities to a related party without first obtaining the approval of shareholders by ordinary resolution. As resolutions 3, 4 and 5 relates to the issue of securities to directors of the Company, shareholder approval must be obtained.

In accordance with Listing Rule 10.13, the following information is provided to shareholders:

- (a) The Options will be issued to Dr Tunks, Mr Stacpoole and Dr Woolrich.
- (b) The total number of Options to be issued under resolutions 3, 4 and 5 is 4,000,000.
- (c) The Options will be issued on the terms set out in Annexure "A" to this Explanatory Memorandum.
- (d) The Options will be issued as soon as practicable after the AGM but in any event not later than one month after the AGM.
- (e) The Options will be granted for nil consideration and no funds will be raised by their issue.

Section 208 of the Corporations Act

Shareholder approval is required under section 208 of the Corporations Act for the Company to give a financial benefit to a related party. Each director is a "related party" of the Company for this purpose, whilst the issue of the Options constitutes a "financial benefit".

The following information is provided to shareholders in accordance with section 219 of the Corporations Act to enable them to access whether or not it is in the Company's interests to pass the resolutions:

- (a) The persons to whom the resolutions would permit a financial benefit to be given are Dr A. Tunks, Mr H. Stacpoole and Dr P. Woolrich, each of whom is a director of the Company and a related party of the Company by virtue of section 228(2)(a) of the Act.

- (b) The nature of the financial benefit to be given is the issue of the Options referred to in resolutions 3 to 5.
- (c) Based on a Binomial Option Pricing Model valuation method, the Company estimates that, as at 16 September 2011, the Options had a value per option of \$0.144, giving a total value for the Options to be issued of \$288,000 (for Dr Tunks), \$144,000 (for Mr Stacpoole), and \$144,000 (for Dr Woolrich).

The key assumptions used in arriving at the valuation were:

Exercise price	:	50 cents
Expiry date	:	15 October 2015
Volatility factor	:	100.54%
Share price	:	\$0.24
Risk-free interest rate	:	5.25%
Dividend yield	:	-

- (d) Over the last 12 months, the highest recorded sale price of A-Cap Shares in trading on the ASX was \$0.755 (on 18/2/2011), and the lowest recorded sale price was \$0.165 (on 20/6/2011). The last recorded sale price of A-Cap Shares before the date of this Explanatory Memorandum was \$0.24.
- (e) The directors have relevant interests in A-Cap securities as follows:
- | <i>Name of Director</i> | <i>A-Cap Shares</i> | <i>Unlisted Options</i> |
|-------------------------|---------------------|-------------------------|
| A. Tunks | 74,522 | 3,000,000 |
| R. Pett | - | 1,000,000 |
| P. Ingram | - | 1,000,000 |
| P. Woolrich | 474,522 | - |
| H. Stacpoole | 2,032,947 | - |
- (f) If all of the Options to be issued pursuant to resolutions 3 to 5 were to be exercised, existing shareholders' interests in the Company would be diluted by approximately 2%, assuming no other Shares were issued (including by way of exercise of existing options) prior to the exercise of those Options.
- (g) Dr A. Tunks, Mr H. Stacpoole and Dr P. Woolrich do not wish to make a recommendation to shareholders about resolutions 3, 4 and 5 respectively in view of their personal interest in the outcome of those resolutions.
- (h) Each of the other Directors (being Mr R Pett and Mr P Ingram) recommends that shareholders pass resolutions 3, 4 and 5 for the reasons described in Section 5 of the Explanatory Memorandum.
- (i) There is no other information known to the directors of the Company that is reasonably required by shareholders in order to make a decision regarding whether or not it is in the Company's interests to pass resolutions 3, 4 and 5.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolutions set out in the Notice of Meeting.

Attached to the Notice of Meeting is a Proxy Form for use by shareholders. All shareholders are invited and encouraged to attend the AGM or, if they are unable to attend in person, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained in the Proxy Form and the Notice of Meeting. Lodgement of a Proxy Form will not preclude a shareholder from attending and voting at the AGM in person.

SCHEDULE "A" – TERMS AND CONDITIONS OF OPTIONS

1. Each Option entitles the holder to subscribe for and be allotted one ordinary share in the Company the exercise price of the options will be determined at the date of grant at a price being the greater of 50 cents or 143% of the five-day volume weighted average market price of the Company's shares on the ASX immediately prior to the Grant Date (the "**Exercise Price**").
2. The Options are exercisable at any time prior to 5:00pm (Perth time) on 15 October 2015 (the "**Expiry Date**"). The options are exercisable by notice in writing to the Company accompanied by payment of the Exercise Price.
3. The Options are not transferable but no application will be made to ASX for Official Quotation of the Options.
4. Shares will be allotted and issued pursuant to the exercise of Options not more than 10 business days after receipt of a properly executed notice of exercise and payment of the requisite application moneys.
5. Shares issued upon exercise of the Options will rank pari passu in all respects with Company's fully paid ordinary shares. The Company will apply for Official Quotation by ASX of all shares issued upon the exercise of Options within 3 business days after the date of allotment of those shares.
6. There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered or made to the shareholders during the currency of the Options. However, the Company will send a notice to each optionholder at least 10 business days before the record date for any proposed issue of capital. This will give optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
7. There are no rights to a change in the Exercise Price, or in the number of shares over which the Options can be exercised, in the event of a pro rata issue or a bonus issue by the Company prior to the exercise of any Options.
8. In the event of any reorganisation of the issued capital of the Company on or prior to the Expiry Date, the rights of an option holder will be changed to the extent necessary to comply with the applicable ASX Listing Rules at the time of the reorganisation.
9. The Company will, at least 20 business days before the Expiry Date, send notices to the optionholders containing the information required under the ASX Listing Rules then applicable

INSTRUCTIONS FOR APPOINTMENT OF PROXY

- (1) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.
- (2) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If that proportion is not specified, each proxy may exercise one-half of the member's voting rights.
- (3) A proxy need not be a member of the Company.

Forms to appoint proxies and the Power of Attorney (if any) under which it is signed or an office copy or notarially certified copy thereof must be deposited with the Company at the registered office, Level 36, Exchange Plaza, 2 The Esplanade, Perth, or faxed to the Company (Fax No: (08) 9220 9801 and for overseas shareholders: (618) 9220 9801), not less than 48 hours before the time for holding the meeting. A proxy presented by a company should be under the common seal of that company.