



a-cap
RESOURCES LTD

**A-CAP RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES**

ACN 104 028 542

**HALF-YEAR REPORT
31 DECEMBER 2011**

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Your Directors submit the financial report on the consolidated entity consisting of A-Cap Resources Ltd ("A-Cap") and the entities it controlled at the end of, or during the half-year ended 31 December 2011.

DIRECTORS

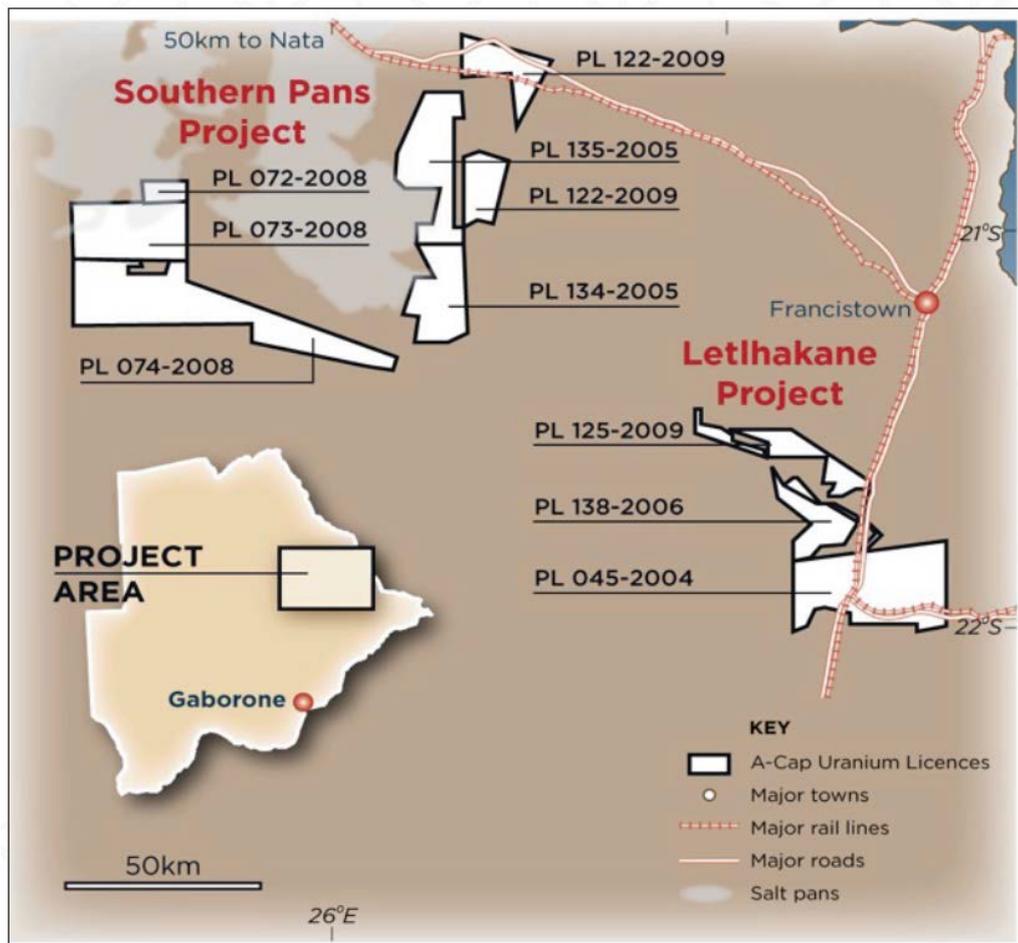
The following persons were Directors of A-Cap Resources Ltd during or since the end of the half-year and up to the date of this report:

Robert James Pett
 Richard Lockwood (appointed 22nd February 2012)
 Andrew James Tunks
 Paul Woolrich
 Henry James Stacpoole
 Paul Anthony Ingram

The Directors were in office for the full period unless otherwise stated.

REVIEW OF OPERATIONS

In the six months to 31st December 2011, A-Cap has further completed significant work on the Letlhakane Uranium Project, whilst successfully continuing its exploration efforts.



LETLHAKANE FEASIBILITY STUDY (BFS)

Metallurgical Testwork Program

During the reporting period, A-Cap completed its 1 metre (m) column testwork on the Letlhakane Uranium Primary Ore, which confirmed recoveries of up to 80%. The 1m columns program was designed to optimise the acid addition at both the agglomeration and leach stages.

A follow up drill program of 45 PQ diamond holes for 1,945m was conducted to provide additional ore for metallurgical testing at SGS Orestest Laboratories in 2 metre and 4 metre columns. Testing is well advanced and is anticipated to be completed by the end of quarter 2, 2012, which will assist in A-Cap's decision making with respect to:

- Evaluating 4 main ore types (Serule West Primary ore, Gorgon South Primary ore, Kraken Primary ore and Mixed Oxide ore)
- Evaluation of crush size using minus 8mm, minus 19mm & minus 30mm. To date most of the 2m column leaches have been carried out using minus 8mm material with a few using minus 19mm material. The coarser leaches have indicated similar recoveries to the finer crush
- Evaluating two acid regimes – 10kg/t & 25kg/t at the agglomeration stage and 50g/l & 100g/l at the leach stage.

Environmental Social Impact Assessment (ESIA)

A-Cap continued to progress both ESIA studies, the main project ESIA and the wellfield ESIA, with scoping reports having been submitted and accepted by the Department of Environmental affairs.

Water Exploration

Drilling and pump testing of exploration boreholes has been completed and a final report received. Application for an abstraction permit is planned to be submitted by the end of 2012.

Power Supply

A system survey has been undertaken by Botswana Power Corporation (BPC) and recommendations given. A-Cap plans to sign an MOU with BPC by the end of 2012, with design and construction of the infrastructure to commence in 2013.

Resource Extension

To better understand the geological characteristics of certain ore types, conventional Open Hole drilling was undertaken in the North-Western section of the Serule resource during the quarter, totalling 25 holes for 2,270m. Numerous encouraging intersections were returned in the program and will assist in the interpretation of this recently identified mineralisation.

EXPLORATION

11 Diamond Core holes for 867m were drilled at PL125/2009 (Foley), of which seven holes intersected anomalous uranium, together with significant thicknesses of carbonaceous rocks. Planning of follow up exploration is underway.

A further ten HQ diamond holes for 1,539m were drilled at PL134/2005, whilst a program of eight conventional open holes were drilled at PL135/2005 (Sua) at 922m. The purpose of these programs was to further understand the Karoo Supergroup stratigraphy and as a first pass follow up on surficial uranium anomalies. Anomalous uranium values were intersected in several holes and the drilling provided valuable stratigraphic information across the largely unexplored region of the Southern Pans Project. These results are being interpreted with a view to generating further exploration targets for geophysical and drill testing.

A total of 20 RC holes for 2,568m designed to test conceptual uranium exploration targets was completed at PL138/2005 (Bolau). A standout zone of some 4km x 3km was identified as a significant accumulation of uranium, open in all directions, and has the potential to represent an additional uranium resource adjacent to that defined on PL45/2004 (PL138/2005 is 7km north of PL45/2004).

With respect to exploration drilling conducted at Letlhakane, 39 RC holes for 4,405m, designed to test targets west of the Gorgon Main Resource outside the JORC resource area boundary was completed. Several holes with high-grade uranium were intersected, including 6.2m @ 1,129ppm eqU3O8. The majority of mineralised intersections occurred between 40m and 90m below surface, with some holes containing numerous mineralised horizons. The mineralised zone extends the Letlhakane Uranium Mineralisation 2km to the west of the current resource, and remains open to the west and south.

TENEMENT STATUS

The Minister of Minerals, Energy & Water Resources confirmed the acceptance of A-Cap's extension application for PL45/2004 on the 6th September 2011. Tenure has been extended to the 30th June 2013.

Applications for renewal of PL's 122/2009 and 125/2009 have been submitted to the Department of Geological Surveys, the Company is currently awaiting the outcome of these submissions. These PL's are due to expire on the 31st March 2012.

CORPORATE

- A-Cap welcomed to the Board of A-Cap's wholly owned subsidiary, A-Cap Resources Botswana (Proprietary) Ltd, Mr Anthony Khama.

EVENTS SUBSEQUENT TO REPORTING DATE

On the 22nd February 2012:

- Mr Paul Thomson was appointed Chief Executive Officer of A-Cap Resources Limited, with Dr Andrew Tunks stepping back from the role of Managing Director
- Dr Tunks remains on the Board of A-Cap as a Non-executive Director
- Mr Richard Lockwood was appointed to the Board of A-Cap as a Non-executive Director.

AUDITORS' DECLARATION

The auditors' independence declaration under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of the Directors made on 14th March 2012.

A handwritten signature in black ink, appearing to be 'R.J. PETT', written in a cursive style.

R.J. PETT
Chairman

Dated this 14th day of March 2012
Perth, Australia

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF A-CAP RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



William Buck Audit (VIC) Pty Ltd
ABN 59 116 151 136



H.D. Paton
Director

Dated in Melbourne on this 14th day of March 2012

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Dec 2011	Dec 2010
	\$	\$
Revenue	-	-
Other income	285,866	224,752
Communication costs	(68,492)	(63,590)
Corporate expenses	(28,817)	(29,861)
Depreciation	(31,808)	(16,828)
Employment costs	(856,810)	(575,872)
Insurance expense	(34,821)	(25,555)
IT costs	(20,599)	(19,644)
Office costs	(154,498)	(117,948)
Professional fees	(171,381)	(141,014)
Promotional costs	(127,422)	(80,707)
Share based payments	(796,319)	(1,175,541)
Travel expenses	(329,918)	(299,577)
Other expenses	(58,559)	(55,295)
Loss from ordinary activities before income tax expense	(2,393,578)	(2,376,680)
Income tax expense	-	-
Loss from ordinary activities after income tax expense attributable to the parent	(2,393,578)	(2,376,680)
Other Comprehensive Income		
Adjustments from translation of foreign controlled operations	987,568	(1,434,938)
Total comprehensive loss for the half-year attributable to the parent	(1,406,010)	(3,811,618)
Earnings per share :		
Basic earnings per share (cents per share)	(1.20)	(1.44)
Diluted earnings per share (cents per share)	(1.20)	(1.44)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2011

	Dec 2011	Jun 2011
	\$	\$
Assets		
Current Assets		
Cash and cash equivalents	6,725,174	12,154,296
Trade and other receivables	419,007	564,640
Total Current Assets	7,144,181	12,718,936
Non-Current Assets		
Plant & Equipment	655,868	678,769
Capitalised exploration and evaluation	25,896,002	21,244,047
Total Non-Current Assets	26,551,870	21,922,816
Total Assets	33,696,051	34,641,752
Current Liabilities		
Trade and other payables	1,174,322	1,534,444
Total Current Liabilities	1,174,322	1,534,444
Total Liabilities	1,174,322	1,534,444
Net Assets	32,521,729	33,107,307
Equity		
Issued capital	47,129,142	46,308,710
Reserves	(2,132,493)	(3,120,061)
Accumulated losses	(12,474,920)	(10,081,342)
Total Equity	32,521,729	33,107,307

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF- YEAR ENDED 31 DECEMBER 2011

	Ordinary shares	Option reserve	Accumulated losses	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2011	44,531,868	1,776,842	(10,081,342)	(3,120,061)	33,107,307
Loss for the period	-	-	(2,393,578)	-	(2,393,578)
Other comprehensive loss	-	-	-	987,568	987,568
Total comprehensive loss for the year	-	-	(2,393,578)	987,568	(1,406,010)
Transactions with owners in their capacity as owners:					
Issued unlisted options	-	820,432	-	-	820,432
Share issue costs, net of tax	-	-	-	-	-
At 31 December 2011	44,531,868	2,597,274	(12,474,920)	(2,132,493)	32,521,729

	Ordinary shares	Option reserve	Accumulated losses	Foreign Currency Translation Reserve	Total
	\$	\$	\$	\$	\$
At 1 July 2010	28,910,898	3,908,793	(9,657,562)	(1,044,593)	22,117,536
Loss for the period	-	-	(2,376,680)	-	(2,376,680)
Other comprehensive loss	-	-	-	(1,434,938)	(1,434,938)
Total comprehensive loss for the year	-	-	(2,376,680)	(1,434,938)	(3,811,618)
Transactions with owners in their capacity as owners:					
Issued capital / unlisted options	15,601,160	1,175,541	-	-	16,776,701
Share issues costs, net of tax	(546,749)	-	-	-	(546,749)
At 31 December 2010	43,965,309	5,084,334	(12,034,242)	(2,479,531)	34,535,870

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF- YEAR ENDED 31 DECEMBER 2011

	Dec 2011	Dec 2010
	\$	\$
Cash Flows from Operating Activities		
Payments to suppliers and employees	(1,914,756)	(1,632,068)
Interest received	343,942	147,855
Other income received	-	-
Net cash flows (used in) operating activities	(1,570,814)	(1,484,213)
Cash Flows from Investing Activities		
Purchase of non-current assets	(97,769)	(91,848)
Proceeds from disposal of assets	6,041	-
Exploration expenditure	(3,766,580)	(2,795,757)
Net cash flow (used in) investing activities	(3,858,308)	(2,887,605)
Cash Flows from Financing Activities		
Proceeds from issues of ordinary shares and options	-	12,855,899
Net cash flows from financing activities	-	12,855,899
Net increase in cash and cash equivalents	(5,429,122)	8,484,081
Cash and cash equivalents at beginning of period	12,154,296	6,559,110
Cash and cash equivalents at end of period	6,725,174	15,043,191

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 BASIS OF PREPARATION OF HALF-YEAR FINANCIAL REPORT

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the valuation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2011 annual financial report for the financial year ended 30 June 2011, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to their operations and effective for the current reporting period.

NOTE 2 SEGMENT INFORMATION

(i) Segment Performance

REVENUE	Dec-2011			Dec-2010		
	Australia \$	Africa \$	Total	Australia \$	Africa \$	Total
Interest revenue	279,461	364	279,825	202,821	553	203,374
Other income	-	6,041	6,041	-	21,378	21,378
Total segment revenue	279,461	6,405	285,866	202,821	21,931	224,752
Segment net loss from continuing operations before tax	(2,003,739)	(389,839)	(2,393,578)	(1,952,241)	(424,439)	(2,376,680)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 SEGMENT INFORMATION (CONTINUED)

SEGMENT ASSETS	Dec-2011			Jun-2011		
	Australia \$	Africa \$	Total	Australia \$	Africa \$	Total
Cash and cash equivalents	6,707,027	18,147	6,725,174	12,107,325	46,971	12,154,296
Plant and equipment	59,514	596,354	655,868	66,469	612,300	678,769
Capitalised exploration and evaluation	4,014,848	21,881,154	25,896,002	2,868,720	18,375,327	21,244,047
Trade & other receivables	237,600	181,407	419,007	361,534	203,106	564,640
Total segment assets	11,018,989	22,676,702	33,696,051	15,404,048	19,237,704	34,641,752

SEGMENT LIABILITIES	Dec-2011			Jun-2011		
	Australia \$	Africa \$	Total	Australia \$	Africa \$	Total
Trade & other payables	377,992	796,330	1,174,322	615,187	919,257	1,534,444
Total segment liabilities	377,992	796,330	1,174,322	615,187	919,257	1,534,444

NOTE 3 CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities or contingent assets existing at the date of this report (2010: Nil). The company is not involved in any material, legal or arbitration proceedings and, so far as directors are aware, no such proceedings are pending or threatened against the company.

NOTE 4 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On the 22nd February 2012:

- Mr Paul Thomson was appointed Chief Executive Officer of A-Cap Resources Limited, with Dr Andrew Tunks stepping back from the role of Managing Director
- Dr Tunks remains on the Board of A-Cap as a Non-executive Director
- Mr Richard Lockwood was appointed to the Board of A-Cap as a Non-executive Director.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 RELATED PARTY TRANSACTIONS

	Dec-2011 \$	Dec-2010 \$
Geological and metallurgical consulting fees paid to Woolrich & Associates, a company in which Mr Paul Woolrich is a Director and shareholder.	87,170	108,281

NOTE 6 COMMITMENTS

	Dec-2011 \$	Jun-2011 \$
Exploration Expenditure Commitments		
Payable		
- not later than 12 months	3,795,384	3,440,612
- between 12 months and 5 years	2,332,750	5,188,316
- greater than 5 years	-	-
	6,128,134	8,628,928

NOTE 7 ISSUED CAPITAL

Ordinary shares

1 July to 31 December-11		Number of Shares	Issue Price \$	\$
At the beginning of the reporting period		200,104,986		44,531,851
At reporting date 31 December -11		200,104,986		44,531,851

1 July-10 to 30 June-11		Number of Shares	Issue Price \$	\$
At the beginning of the reporting period		161,845,078		28,910,881
1 December 2010	Placement of shares	22,860,000	0.42	9,601,200
31 December 2010	Share purchase plan	14,285,622	0.42	5,999,961
25 January 2011	Share issue to Mineral Holdings Botswana	714,286	0.71	507,143
8 February 2011	Exercise of options	400,000	0.30	120,000
	Share capital raising costs			(607,334)
At reporting date 30 June-11		200,104,986		44,531,851

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 ISSUED CAPITAL (CONTINUED)

Options

1 July to 31 December-11		Number of options	\$
At the beginning of the reporting period		7,710,000	1,776,842
26 October 2011	Issue of unlisted options	4,000,000	699,872
22 December 2011	Issue of unlisted options	1,000,000	120,560
At reporting date 31 December -11		12,710,000	2,597,274

1 July-10 to 30 June-11		Number of options	\$
At the beginning of the reporting period		9,560,000	3,908,793
12 November 2010	Issue of unlisted options	5,000,000	1,175,541
8 February 2011	Exercise of options	(400,000)	-
1 April 2011	Issue of unlisted options	2,000,000	467,907
30 June 2011	Reversal of previously recognised option expense	-	(3,775,399)
	Forfeited options	(100,000)	-
	Expired options	(8,350,000)	-
At reporting date 30 June-11		7,710,000	1,776,842

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF A-CAP RESOURCES LIMITED AND CONTROLLED ENTITY

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of A-Cap Resources Limited and controlled entity (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of A-Cap Resources Limited and controlled entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Auckland

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF A-CAP RESOURCES LIMITED AND CONTROLLED ENTITY

(Continued)

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of A-Cap Resources Limited and controlled entity is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
- b) complying with AASB134 Interim Financial Reporting and the Corporations Regulations 2001.

Matters Relating to the Electronic Presentation of the Reviewed Half Year Financial Report

This auditor's review report relates to the half year financial report of A-Cap Resources Limited and controlled entity for the half year ended 31 December 2011 included on A-Cap Resources Limited's web site. The company's directors are responsible for the integrity of the A-Cap Resources Limited's web site. We have not been engaged to report on the integrity of the A-Cap Resources Limited's web site. The auditor's review report refers only to the half year financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed half year financial report to confirm the information included in the reviewed financial report presented on this web site.



William Buck Audit (VIC) Pty Ltd

ABN 59 116 151 136



H.D. Paton

Director

Dated this 14th day of March 2012

The Directors declare that:

- a) In the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- b) In the directors' opinion, the attached financial statement and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'R J PETT', written over a horizontal line.

R J PETT
Chairman

Dated this 14th day of March 2012
Perth, Western Australia

Directors	Mr Robert James Pett Richard Lockwood Dr Andrew James Tunks Dr Paul Woolrich Mr Paul Anthony Ingram Mr Henry James Stacpoole	(Chairman) (Non-executive Director) (Non-executive Director) (Executive Director) (Non-executive Director) (Non-executive Director)
Chief Executive Officer	Mr Paul Thomson	
Company Secretary	Mr Denis Ivan Rakich	
Share Registry	Advanced Share Registry Services Limited 150 Stirling Highway NEDLANDS WA 6009 Telephone (08) 9389 8033 Facsimile (08) 9389 7871	
Bankers	Westpac Banking Corporation 109 St Georges Terrace PERTH WA 6000	
Auditors	William Buck Level 1, 465 Auburn Road Hawthorn East VIC 3123	
Solicitors	Minter Ellison Level 49 Central Park 152 – 158 St Georges Terrace Perth WA 6000	
Stock Exchange	A-Cap Resources is listed on the Australian Securities Exchange (ASX code: ACB) and the Botswana Stock Exchange (BSE code: A-CAP).	