ASX Release

Monday 19 May 2014 ASX : ACB

LETLHAKANE DRILLING PROGRAMME COMMENCES

HIGHLIGHTS

- A major reverse circulation (RC) and diamond drilling programme has commenced at the Letlhakane Uranium Project in Botswana
- Drilling will infill and extend high grade uranium mineralization being targeted for early production, results will provide valuable data for mine feasibility work and resource modelling

A-Cap Resources (the "Company" or "A-Cap") is pleased to announce the recommencement of drilling at its flagship Letlhakane Uranium Deposit in Botswana. The drill programme consisting of approximately 5,000 metres of RC and Diamond drilling will extend and further define areas that have been identified as high grade and provide valuable data for ongoing feasibility work and resource modelling. This feasibility work will be completed and incorporated into a mining license application early next year.

Drilling will initially target the shallow primary resources at Serule West, Kraken and Gorgon South. The location of the drilling is within potential pit areas that would be early in the proposed mine life. A series of RC and diamond drill holes at a 20m spacing will establish the mining scale variability of the uranium mineralisation, defined by down hole gamma probing and advance these areas to a measured resource classification and support inpit reserve definition work.

In July, 2013, A-Cap announced a major JORC Mineral Resource Upgrade at Letlhakane completed by Optiro Pty Ltd, an independent expert. The updated Global Mineral Resource, reported in compliance with the JORC code, currently stands at 662 million tonnes at 211ppm U_3O_8 for a contained 308 Mlbs of U_3O_8 (100ppm cut-off). Importantly, within the Letlhakane Resource, a significant higher-grade component at a 300ppm U_3O_8 cut-off, contains ***83.7Mt at 447ppm U_3O_8 for 82.5 Mlbs of U_3O_8.*** Refer table 1.

Cut-off (U3O8 ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U3O8 (ppm)	Contained U3O8 (Mlbs)	Mt	U3O8 (ppm)	Contained U3O8 (Mlbs)	Mt	U3O8 (ppm)	Contained U3O8 (Mlbs)
100	131.9	198	57.5	530.5	215	250.9	**662.4**	**211**	**308.1**
200	49.4	269	29.4	198.6	319	139.7	**248.1**	**309**	**168.9**
250	23.4	322	16.6	114.9	390	98.7	**138.3**	**378**	**115.2**
300	11.3	376	9.4	72.4	458	73.2	**83.7**	**447**	**82.5**

Table 1 - 2013 Mineral resource estimates for ALL DEPOSITS at various U_3O_8 cut-offs

Figure 1 Diamond drilling currently underway

Localised drilling at a mine scale - grade control spacing will set the geological and grade parameters for future resource modelling. The continuity results within the mineralised horizon will also be utilised in ongoing pit optimisations, mining equipment selection and grade control methods. Drilling will initially target the shallow primary resources at Serule West, Kraken and Gorgon South. The location of the drilling is within potential pit areas that would be early in a proposed mine.
The close spacing will allow:

- Spatial variograms to be developed for different grade cut-offs
- Increased confidence in potential in-pit resources
- Correlation of lithology
- Selection of grade control parameters, including costing and selectivity

Down-hole gamma surveys collected at 0.05m resolution will be completed on site using Auslog gamma tools. The ability to collect gamma data at a small scale and calculate the equivalent uranium grade eU will drive the eventual mining methodology.

PQ Diamond drilling will be completed over all areas. The information will be used for:

- Lithological bases disequilibrium studies
- Porosity differences in lithologies and related gamma corrections
- Comminution test-work
- Coal definition
- Increased understanding of mineralisation

All holes will be logged radiometrically, which should allow a rapid assessment of continuity at different cut-off grades and down-hole resolution.

Figure 2 On-site Technical Discussions

Comminution test-work on selected PQ samples will confirm the mining and primary and secondary crushing parameters

A-Cap has announced encouraging results from a detailed Scoping Study that highlighted the positive economics of the deposit. Following completion of mining scale continuity drilling, this Scoping Study will be revised to include the higher grade resource which is expected to impact significantly on operating costs for the project.

Competent person's statement

Information in this report relating to Uranium Exploration results, is based on information compiled by Mr Ashley Jones a full-time employee of A-Cap Resources Limited and a member of MAusIMM. Mr Jones has sufficient experience that 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 under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion of the data in the form and context in which it appears.

The information presented in this report is based on a geological model that was produced in June 2013. Michael Andrew MAusIMM, MAIG has 10 years' experience in modelling and assessing uranium resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to 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'. Mr Andrew is a full time employee of Optiro Pty Ltd and consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

*****Ends*****

For further information contact:

Paul Thomson, CEO, A-Cap Resources *+ 61 8 9220 9850*