ASX Release

Tuesday, 7 December 2010

EXPLORATION SUCCESS POINTS TO POTENTIAL FOR FURTHER DISCOVERIES

A-Cap Resources Limited (“A-Cap” or “the Company”) announces that regional exploration within its 100% owned “Southern Pans Project” (located approximately 150km northwest of the Lethlakane project) has returned highly anomalous rock chip samples with uranium grades above 500ppm.

- Exploration teams have been following up on uranium anomalism over a very large area discovered at the “Southern Pans Project” in Botswana.
- Initial work is highly promising with multiple geophysical anomalies sampled with results indicating up to 575ppm U3O8 in rock chip samples.
- Best results of 444ppm, 499ppm and 575ppm U3O8 were returned from rockchips containing visible secondary uranium minerals.
- Of the 50 preliminary samples 14 have values over 100ppm and 27 samples over 50ppm.
- Follow up work including further sampling, trenching and drilling is now being planned.
- New discovery zone is in addition to the Lethlakane Uranium Project where A-Cap has established a Global Mineral Resource of 463 Mt @ 154ppm U3O8 for 157M lbs of uranium.
- A resource update for the Lethlakane Mineral Resource is planned early in 2011.
- A-Cap is well-funded to continue its exploration and development plans due to a recently completed Institutional placement of $9.5 million.
- A shareholder Share Purchase Plan (SPP) has been announced at the same price offered to institutional investors in the capital raising.

Managing Director Andrew Tunks said, “Whilst the results of the recent exploration are very early stage, this is an important discovery for A-Cap of the potential for a second mineralised system located within our key tenement area. The Board is extremely encouraged by this as this new area could add future exploration upside whilst we continue to progress the development of Lethlakane to production. A-Cap fully intends to continue to explore its tenure in Botswana in the same aggressive manner that resulted in the definition of the Lethlakane Deposit.

“Given we have recently secured a $9million institutional fundraising we are well position to be able to drive forward with a two pronged approach in terms of our development of the Lethlakane Project and exploration of the Southern Pans area.

“With the SPP sent to shareholders last week, it is an excellent opportunity for those shareholders who have supported us in our growth phase to top up on their investment as the Company moves towards a new era of development and production.”
Location
The Mea Prospect is located in the southern half of the Mea tenement PL134/2005, within the Southern Pans Project area, and is situated 5km north of the A30 highway that links Francistown to Orapa (Figure 1). Access to the area is good, with well-maintained gravel roads turning off the A30 approximately 130km from Francistown. A high-tension power line traverses the area approximately 3km from the prospect.

Work Completed
In 2008, A-Cap completed a detailed airborne magnetic and radiometrics survey over a portion of the Southern Pans Project area which delineated several large radiometric anomalies, one of which was located within the southern portion of the Mea Tenement. Processing of the data led to the identification of several uranium-anomalous areas for follow up ground investigations. Each of the anomalous areas has now been visited by A-Cap’s exploration teams with a view to further understand the geological setting and source of the anomalous uranium response. A preliminary batch of 50 rock chip samples from five separate areas were collected and submitted for geochemical assay.
Results

Very encouraging assay results were returned from the rockchip samples of outcropping Karoo Supergroup sedimentary rocks. Of the 50 samples submitted, a total of 27 have returned values over 50 ppm U$_3$O$_8$ and, of these, 14 returned values in excess of 100 ppm U$_3$O$_8$ (Figure 3). The best results of 444ppm, 499ppm and 575ppm U$_3$O$_8$ were returned from fault related quartz veins containing secondary uranium mineralisation (Table 1, Figure 2).

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Table 1: Significant uranium assay results from the reconnaissance rockchip sampling program conducted on PL134/2005

Figure 2: Bucky quartz vein fill from fault in the Mea South area, with amorphous secondary uranium mineralisation coating fractures and vugs. Samples from this material returned results greater than 50ppm U3O8.
Figure 3: uranium channel radiometric for the Mea prospect, the bright red/white areas are zones of high background radiation while the blue areas are low in radioactivity. Also shown are general location of the significantly anomalous (>50ppm U3O8) assay results for the rockchip samples collected in the reconnaissance program. Note the large scale of the anomalism over 14km EW and 6km NS. Of significance is the very large size of these anomalies; from Mea South to Mea North is 10km and Mea North to Mea West is 14km.

Discussion

The A-Cap exploration team consider the results from the reconnaissance work completed at Mea as extremely encouraging. Not only is the anomalism observed over a large area (14km x 8km) but the regional geology is considered to be prospective for “Karoo” hosted mineralisation. There is a clear relationship between the distribution of surfical anomalism and mapped faults in the project area that suggests the uranium has been remobilised from a proximal source.

The original source of the uranium in the Mea area is not clearly understood as yet, but the regional geology is analogous to that observed at A-Cap’s Letlhakane Uranium Project.
Follow up exploration will be designed to build and confirm a credible geological model. Immediate work, aimed at generating suitable drill targets, will include:

- Geophysical data reprocessing
- Detailed geological mapping
- 3D modelling
- Drill testing

Information in this report that relates to exploration results, data and cut off grades is based on information compiled by Dr Andrew Tunks, Penny Large & Steve Groves who are members of the Australian Institute of Geoscientists. Dr Tunks, P. Large & S. Groves are fulltime employees 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.

***Ends***

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Background of A-Cap Resources

A-Cap Resources Ltd is an Australian Stock Exchange Listed exploration company that focuses its efforts in the investment friendly country of Botswana in Southern Africa. Where it has over 5000km² of exploration licences.

The 100% owned Lethakane Uranium Project is in northeast Botswana and has a JORC compliant resource of 158 Mtbs U₃O₈. Currently the Company is completing a Bankable Feasibility Study on the project and the metallurgical testwork forms a crucial aspect of that study.

There are three significant ore types that occur in the deposit:

**Secondary Ore** typically occurs within 15m of the surface and is characterised by carnotite as the main ore mineral. Secondary ore occurring close to the surface often contains significant amounts of carbonate which gradually decrease with depth.

**Oxide Ore** has been variously affected by weathering and oxidation, some examples are strongly oxidised and some are only weakly oxidised and are termed **transitional** ores that are mineralogically similar to primary ore. Oxide ores occur between 10m to 25m below the surface.

**Primary Ores** represent the uranium ores as they originally formed and are unaffected by weathering and oxidation from the earth’s surface, primary ore types occur below 25m depth. Primary ore represents 67% of the total ore resource.