ASX Release

Wednesday 7 November 2012

ASX : ACB

INFRASTRUCTURE UPDATE – LETLHAKANE URANIUM PROJECT

A-Cap Resources Limited (“A-Cap” or “the Company”) is pleased to provide shareholders with an update on infrastructure developments at its Letlhakane Uranium Project (“Letlhakane”, “the Project”) in Botswana.

HIGHLIGHTS:

- The Company’s applications for Water Rights have been granted by Botswana’s Water Apportionment Board
- A Water Exploration Programme undertaken by the Company has confirmed the wellfield’s ability to supply water of sufficient quality and quantity at Letlhakane
- A-Caps Letlhakane project now has all the major infrastructure components available with Road, Rail, Power and now Water confirmed
- Letlhakane is one of very few projects capable of being in production in the next five years with a low CAPEX
- Botswana to be self-sufficient in power following the commissioning of new 600 MW power station by the Botswana Government expected to be complete early next year

WATER EXPLORATION

In 2010, A-Cap commenced a detailed water exploration programme some 30km west of the project site in an effort to discover aquifers sufficient to meet the Letlhakane Uranium Project’s estimated water requirements (Figure 1). A total of 17 exploration boreholes were drilled and pump tested and the results used to derive a hydrogeological model. The program was highly successful and confirmed that the wellfield, once established, would be able to supply water of sufficient quantity and quality for the anticipated project requirements.

A-Cap applied to the Water Apportionment Board to register water rights for each of the boreholes in June, 2012 and have received confirmation that the applications were approved in October 2012.
EXISTING PROJECT INFRASTRUCTURE: ROAD, RAIL, POWER

The Letlhakane Uranium Project lies adjacent to Botswana’s main North-South infrastructure corridor that includes:

i) A sealed, all-weather highway that runs up from South Africa through the capital Gaborone, passes through the Letlhakane Project and then connects through to Zambia and the DRC. It also connects to the ports in Namibia

ii) The main rail line in Botswana passes through the Letlhakane Project, and also serves Botswana’s Northern neighbours from the industrial centres and ports in South Africa

iii) An existing 220 kV switching station located at Serule Village which is approximately 8km from the Project plant site and is connected to the national power grid

With the approval of the water rights, A-Cap now has all the major infrastructure components in place, all of which will make significant contributions to keeping the capital cost of future developments low. Along with securing the vital water supply, A-Cap has confirmed that power is readily available, with Botswana Power Corporation confirming that electricity can be delivered to the Project from the Serule switching station located approximately 8km to the southeast.
CEO Paul Thomson stated: “Over the last few years, there has been some concern over the erratic power supply from South Africa, so the Government of Botswana has built a new 600 MW coal fired power station next to its existing 100 MW Morupule power station. This is expected to be fully commissioned in early 2013 and will make Botswana self-sufficient in power, which is very comforting from A-Cap’s perspective.” He stated “The approval of our application for the Water rights has marked a significant milestone in the development of the Lethakane Project and as it stands, the Company now has all major infrastructure components in place.

On 6th June 2012, A-Cap announced a major JORC Mineral Resource Upgrade of 35% increase at the Lethakane Uranium Project. The updated Global Mineral Resource, completed by an independent expert and reported in compliance with the JORC code, currently stands at 1,041 million tonnes at 153ppm U3O8 for a contained 352 Mlbs of U3O8 (100ppm cut-off), having grown from 261Mlbs to 352Mlbs. This upgrade maintains A-Cap’s Lethakane Uranium Deposit as one of the top ten largest undeveloped uranium deposits worldwide. The Project has the distinct advantage of being located in a politically stable and permitting friendly environment with all of the major infrastructure required situated on the Project’s doorstep (shown in Figure 2).

Figure 2: Infrastructure on the doorstep of the Lethakane Uranium Project
For further information contact:

Paul Thomson, CEO, A-Cap Resources + 61 8 9220 9850
Victoria Thomas, Six Degrees Investor Relations + 61 3 9645 7567

Information in this report is based on data compiled by Mr Randall Pyper of Kappes, Cassiday & Associates Australia Pty Ltd who is a consultant to A-Cap Resources Limited. Mr Pyper, who is a Fellow of the Australasian Institute of Mining and Metallurgy, has sufficient experience in heap leach technology and consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Background of A-Cap Resource’s Letlhakane Uranium Project
A-Cap Resources Ltd is an ASX listed exploration company that focuses its efforts towards the investment-friendly country of Botswana in Southern Africa, where it has over 4000km² of exploration licences. The 100% owned Letlhakane Uranium Project in northeast Botswana has a JORC compliant resource of 1,041 Mt for 352 Mlb U₃O₈ at a grade of 153ppm based on a cut off grade of 100ppm. Currently the Company is completing a Feasibility Study on the Project and the metallurgical testwork forms a crucial aspect of that study.