Developing Uranium in Botswana

AGM
November 2015
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A-Cap Overview

CORPORATE

WELL FUNDED - with strong shareholder support

BASED IN BOTSWANA – safe and stable jurisdiction

EXPERIENCED MANAGEMENT– and technical team
Letlhakane Uranium Project Overview

- **Advanced Uranium Project** – Recently applied for Mining Licence - August 2015
- **Recently submitted ESIA and EMP** - for approval-Q2, 2015
- **Low cost mining and processing operation**, 
- **Low CAPEX all infrastructure available** 
- **Initial production (3Mlbs pa U₃O₈)** - 18 year Mine Life 
- **Project planned for early development and production** - capitalising on recovery of uranium market 
- **A-Cap production timeline** - in line with uranium market demand and price increases
Corporate Overview

CAPITAL STRUCTURE

SHARE PRICE
2.0 Cents*

SHARES
475 million shares

OPTIONS
8.2 million options

Market cap $9.5M
Cash $1.1M*
Debt $1M
Investment held for trade $0.25M

* Fully underwritten non-renounceable $5M rights issue announced November 2015 to be completed January 2016
**Corporate Overview**

**Recent Share Price**

**Share Ownership**

- Ansheng Investment Group – 26%
- China Growth Minerals – 10%
- JP Morgan Nominees – 8%
- ABN Amro Nominees – 7%
- Other ACB Shareholders – 49%
Corporate Overview

BOARD & MANAGEMENT

Angang Shen
Chairman

Paul Ingram
Deputy Chairman, Director

Paul Thomson
CEO, Managing Director

Paul Woolrich
Executive Director

Harry Stacpoole
Non-Executive Director

Anthony Khama
Chairman, A-Cap Botswana Pty Ltd

Michael Liu
Business Development Manager

John Fisher-Stamp
Finance Director
Botswana

- Botswana ranks **FIRST** in Africa for political stability, democracy and rule of law
- Stable, multi-party democracy since 1966
  - Skilled mining work force
  - English speaking
  - Highest GDP per capita in Africa
- **Mining** accounts for 40% of current GDP and is critical for continued economic growth
- Botswana a safe and **secure place to invest** with an easy to understand mineral law and security of tenure
Uranium Market

437 reactors operational
66 under construction
488 planned and proposed

• Japan has commenced re-starting reactors

Source: WNA Aug-15
Uranium Market

**NUCLEAR ENERGY** is the fastest growing ENERGY source globally.
Uranium Market

- Prices must more than double to incentivise production and head off projected global uranium deficit

Source: Paladin
Letlhakane Uranium Project

- **Feasibility work** for Mining License application **complete**
- Mining License Application submitted
- ESIA and EMP submitted
- Shallow open pit mining operation with low cost acid heap leach to produce 3 Million pounds U₃O₈ per annum
- Initial construction **CAPEX of US$351 million**
- Targeting up to **3.75 million lb U₃O₈ p.a. over first 5 years**
- Pre-Tax **NPV of US$383 million** at a discount rate of 8% and IRR of 29%
- **Operating costs** of US$35/lb U₃O₈ over first 5 years and approximately **$41/lb U₃O₈ over 18 year process life**
Ore Body – Flat, shallow, easy to mine

- Shallow, Flat, Simple, Easy to mine, dips W at 1°
- Layer cake type deposit with series of upward fining sequences
Letlhakane - Resource

- **Global top ten** undeveloped uranium resource of 365.7Mlbs
- Re-assessment of **Total Resource was completed in September 2015** using Localised Uniform Conditioning (LUC)
- **LUC** method of resource calculation better reflects the mining method selectivity using continuous miners.

<table>
<thead>
<tr>
<th>Cut-off (U₃O₈ ppm)</th>
<th>Total Indicated</th>
<th>Total Inferred</th>
<th>Global Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mt U₃O₈ (ppm)</td>
<td>Contained U₃O₈ (Mlbs)</td>
<td>Mt U₃O₈ (ppm)</td>
</tr>
<tr>
<td>100</td>
<td>197.1</td>
<td>85.5</td>
<td>625</td>
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<tr>
<td>200</td>
<td>59.2</td>
<td>42.2</td>
<td>209.7</td>
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<tr>
<td>300</td>
<td>22.2</td>
<td>22.7</td>
<td>81.6</td>
</tr>
</tbody>
</table>
Major Infrastructure in Place

- Rail
- Road
- Power
- Water

Available

Legend:
- A-Cap Licence
- Road
- Rail & power line
- Villages

Botswana
Gaborone 350km
PL 138-2005
Gojwane Village
PL 125-2009
PL 045-2004
Gorgon
Mokobaesl
Gorgon South
Serule North West
Serule West
Kraken
Serule Village
Serule East
5km
Experienced Management & Technical Team

- Highly experienced technical and operational team
- World best expertise in geology, mining, metallurgy, process design and development engaged
- Team with project development, infrastructure & construction expertise
- Board and management with strong track record of taking projects from exploration to production
- Demonstrated ongoing continuous improvement in project economics
Mining

• Innovative mining using state of the art surface miners (below) in open pit operation
• Surface miners allow very selective mining, less expensive than conventional mining
• Optimal particle size of 19mm eliminating first stage crushing
• Falling contractors rates for contract mining

Wirtgen 4200 Direct Loading

Vermeer T1255DD
Uranium Market

Peer Group U₃O₈ Deposits: Grade U₃O₈ vs Contained lbs

- **Bannerman @ 201PPM**
  - 148.8 Mlbs
- **Letlhakane @ 450PPM**
  - 102.9 Mlbs
  - @ 321PPM
  - 190.4 Mlbs
  - @ 202PPM
  - 365.7 Mlbs
- **Forsys @ 200PPM**
  - 90.7 Mlbs
- **Deep Yellow @ 306PPM**
  - 93.8 Mlbs
- **Berkeley @ 470PPM**
  - 88.2 Mlbs
- **Toro @ 479PPM**
  - 76.5 Mlbs
- **Vimy @ 550PPM**
  - 73 Mlbs
- **Laramide @ 870PPM**
  - 51.9 Mlbs

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  - 73 Mlbs
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  - 51.9 Mlbs

**U₃O₈ PPM** vs **Contained lbs Increasing**
Uranium Market

Enterprise Value / lb U₃O₈ Mineral Resource

- Toro (Wiluna Area)
- Vimy Resources
- Berkeley Energy Ltd
- Laramide Resources Ltd
- Forsys Metals
- Bannerman Resources
- Deep Yellow
- Lethakane @ 300PPM
- Lethakane @ 200PPM
- Lethakane @ 100PPM
### Project Economics

<table>
<thead>
<tr>
<th></th>
<th>Pre-tax</th>
<th>Post-tax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NPV ($US)</strong></td>
<td>383M</td>
<td>240M</td>
</tr>
<tr>
<td><strong>IRR (%)</strong></td>
<td>29%</td>
<td>24%</td>
</tr>
<tr>
<td>Pay-back period from start of production (yrs)</td>
<td>3</td>
<td></td>
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<tr>
<td><strong>CAPITAL COSTS ($US)</strong></td>
<td></td>
<td></td>
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<tr>
<td>Construction</td>
<td>351M</td>
<td></td>
</tr>
<tr>
<td><strong>WORKING CAPITAL ($US)</strong></td>
<td>40M</td>
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<tr>
<td><strong>INPUTS &amp; ASSUMPTIONS</strong></td>
<td></td>
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<tr>
<td>Price of Uranium (flat price over LOM) (U₃O₈ $US/lb)</td>
<td>$81</td>
<td></td>
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<tr>
<td>Discount rate</td>
<td>8%</td>
<td></td>
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<tr>
<td>Life of Mine (LOM) (yrs)</td>
<td>18</td>
<td></td>
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<tr>
<td><strong>PROJECT SUMMARY</strong></td>
<td></td>
<td></td>
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<tr>
<td>Average Mining Cost ($US/lb)</td>
<td>$18</td>
<td></td>
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<tr>
<td>Average Processing Cost ($US/lb)</td>
<td>$23</td>
<td></td>
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<tr>
<td><strong>CASH FLOWS</strong></td>
<td></td>
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<tr>
<td>Total Revenue ($US)</td>
<td>$3,499M</td>
<td>$549M</td>
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<tr>
<td>Project Cash Flow ($US)</td>
<td>$841M</td>
<td></td>
</tr>
</tbody>
</table>
Metallurgy and Process Design

- 4m column leach tests completed at ANSTO & confirm good recoveries
- The PLS from these columns were closed with the SX/IX circuit & achieved excellent recoveries
- Uranium Oxide Concentrate product from the refinery circuit contained low contaminants & no penalty expected
- Low cost and innovative process route
- Acid approx. 50% of total processing costs
- Positive discussions on local acid supply with potential to significantly reduce operating cost per pound
Standard Heap Leach Process Plan

- Primary oxide and lower mudstone secondary ore
- Primary Ore
  - Primary Leach
    - Sulphuric Acid
    - Polymer
    - Primary Ripios to Barren Heap
  - Solvent Extraction
    - PLS Pond
  - ILS Pond
    - Sulphuric Acid
    - ION Exchange
    - Sodium Diuranate
    - Precipitation
    - Wash Water Filtration
    - Wash Water
    - Residue to Waste
    - Uranium Oxide Concentrate Precipitation
    - Sodium Hydroxide
    - Hydrogen Peroxide
    - Centrifuge
    - Dryer
    - Uranium Oxide Product
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Road to Production

- Letlhakane has all of the **key ingredients for a successful project** & is one of the largest undeveloped uranium deposits in the world

- The **mining lease application was submitted** in late August, 2015.

- Ongoing work through to end 2016 will be directed at **completing the Bankable Feasibility Study** suitable for financing requirements.

- **Low capital costs**, competitive operating costs, in a stable political and permitting friendly environment

- Project development will take full advantage of **expected uranium price recovery**
Planned Work

- Work planned for 2015-2016 is to finalise BFS studies.
- Pilot plant metallurgical work on bulk samples obtained from drilling will be undertaken.
- Trial mining in selected areas will be done to assess surface miners as well as obtain better lithological controls on the mineralisation and grade control drilling.
- In order for JORC reserves to be refined, further infill drilling is required.
- Complete mining studies and pit optimisation and finalise metallurgical and process design work
- Complete Bankable Feasibility Study
- Board decision point to list on HK Stock Exchange
Timeline

- ESIA Submitted May 2015
- Mining Licence Application Submitted August 2015
- Complete BFS, Board decision to list on HKEx Q1 2017
- Construction Commences Q1 2018
- Production Commences Q1 2019

- Production Commences Q1 2019
Summary

• **CREATE** – Serious value for shareholders

• **STRATEGY** – Prepare project for early production to capture upswing in the uranium market

• **SCALE** - Very large uranium deposit with significant high grade resource 103.8Mt at 450ppm $U_3O_8$

• **LOW CAPEX**– Low capital heap leach processing with all infrastructure in place

• **COMPARATIVE ADVANTAGE** - One of the few new sources of production with low Capex, competitive operating costs and low sovereign risk

• **STRATEGIC** - Discussions with strategic partners

• **BOTSWANA** - A safe and stable investment destination

• **STRONG REGISTER** – Strong on-going support from major shareholders
Uranium Investment Proposition

• **URANIUM** – Current price all-time low offering considerable upside

• **LONG LIFE** – The deposit style is perfectly suited to expansion with increasing uranium price. Perfectly suited to end user seeking a reliable long term U₃O₈ supply for nuclear builds.

• **WORLD CLASS** – Letlhakane ranks in the top ten undeveloped deposits in the world

• **SECURE JURISDICTION** – Botswana is a stable country with excellent infrastructure

• **CONTINUAL DE-RISKING** – Recent mining lease submission adds to the continual derisking of this project. Securing off-take and supply arrangements for heap leach processing

• **STRONG SHAREHOLDER BASE** – Well supported by major shareholder Ansheng Investments and China Growth Minerals