A-CAP RESOURCES LIMITED
ACN 104 028 542

CIRCULAR TO SHAREHOLDERS

Including

NOTICE OF MEETING
EXPLANATORY MEMORANDUM
PROXY FORM

DATE
Wednesday, 9 March 2011

TIME
10.00am

VENUE
Level 8 Conference Room, Exchange Plaza, 2 The Esplanade, Perth, WA 6000
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Section 1 .......................................................................................................................... Notice of Meeting

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Proxy Form....................................................................................................................... Separate Insert

These documents should be read in their entirety.

If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that a general meeting of A-Cap Resources Limited will be held at Level 8 Conference Room, Exchange Plaza, 2 The Esplanade, Perth, WA 6000 on Wednesday, 9 March 2011 at 10.00am.

AGENDA

To consider, and if thought fit to pass, the resolutions set out below as an ordinary resolution and a special resolution respectively.

Information on the proposals to which those resolutions relate is contained in the explanatory memorandum which accompanies and forms part of this Notice of Meeting (the “Explanatory Memorandum”). Words and expressions defined in the Explanatory Memorandum have the same meanings where used in this Notice of Meeting.

RESOLUTION 1 – RATIFY ALLOTMENT OF SHARES

“That for the purpose of ASX Listing Rule 7.4 and all other purposes, the issue on 1 December 2010 of 22,860,000 fully paid ordinary shares in the Company at a price of 42 cents per share on the terms described in the explanatory memorandum which accompanied the notice convening this meeting be and is hereby ratified.”

Note:
In accordance with Listing Rule, 7.5.6, any votes cast on resolution 1 (other than as proxy for a member who is entitled to vote where the instrument of proxy specifies how the proxy is to vote on the resolution) by or on behalf of any person who participated in the issue the subject of that resolution, or any of that person’s associates, will be disregarded.

RESOLUTION 2 – ADOPTION OF NEW CONSTITUTION

“That pursuant to section 136 of the Corporations Act, the constitution contained in the draft produced to this meeting and signed by the Chairman for identification be approved and adopted as the constitution of the Company in substitution for, and to the exclusion of, the existing constitution of the Company.”

PROXIES

In accordance with section 249L of the Corporations Act 2001, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act 2001, each proxy may exercise one-half of the votes.
Notice of General Meeting
9 March 2011

In accordance with section 250BA of the Corporations Act 2001, the Company specifies the following information for the purposes of receipt of proxy appointments:

Registered Office: Level 36, Exchange Plaza
2 The Esplanade
Perth WA 6000

Facsimile Number: (08) 9220 9820

Postal Address: PO Box 7654
Cloisters Square
Perth WA 6850

Each member entitled to vote at the general meeting has the right to appoint a proxy to attend and vote at the meeting on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile).

In accordance with regulation 7.11.38 of the Corporations Regulations 2001, the Company determines that ordinary shares held as at 10.00am on Monday 7 March 2011 will be taken, for the purposes of the general meeting, to be held by the persons who held them at that time.

By Order of the Board

DENIS RAKICH
Company Secretary
4 February 2011
EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of A-Cap Resources Limited in connection with the business to be transacted at the general meeting of the Company to be held on Wednesday 9 March 2011.

At that meeting, shareholders will be asked to pass resolutions:

- ratifying the allotment of shares to clients of BGF Equities Pty Ltd; and
- adopting a new constitution.

Details of these proposals are set out in this Explanatory Memorandum, which shareholders are urged to read carefully.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to shareholders in deciding whether or not to pass these resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board’s reasons for putting them to shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

2. GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

- Act or Corporations Act: Corporations Act 2001 (Cth.)
- ASIC: Australian Securities and Investments Commission
- ASX: ASX Limited (ACN 008 624 691)
- ASX Listing Rules or Listing Rules: The Official Listing Rules of the ASX, as amended from time to time
- Board: The board of directors of the Company
- Company or A-Cap: A-Cap Resources Limited (A.C.N 104 028 542)
- General Meeting: The general meeting of the Company to be held on Wednesday 9 March 2011
- Notice of Meeting: The notice convening the General Meeting which accompanies this Explanatory Memorandum
- Shares or A-Cap Shares: Fully paid ordinary shares in the Company

3. RESOLUTION 1 – RATIFY ALLOTMENT OF SHARES

On 1 December 2010 the Company issued 22,860,000 shares at 42 cents per Share to clients of BGF Equities Pty Ltd.

The issue raised $9.6 million (before expenses). These funds will be used primarily to advance the Company’s exploration activities, to fund the completion of a Bankable Feasibility Study at the Company’s Letlhakane Uranium Project in Botswana, and to provide general working capital.

Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its expanded capital in any 12 month period without first obtaining shareholder approval.
Listing Rule 7.4 allows a company to seek ratification by shareholders of an issue of shares which has been made without approval under Listing Rule 7.1 provided the issue did not breach Listing Rule 7.1.

As the issue the subject of resolution 1 was not in breach of Listing Rule 7.1 and was not previously approved by shareholders, the Board now seeks shareholder ratification of that issue pursuant to Listing Rule 7.4.

The effect of passing resolution 1 will be to refresh the Company’s 15% capacity under Listing Rule 7.1 to the extent of the 22,860,000 Shares issued on 1 December 2010.

The Board considers that this is a timely and cost effective opportunity to put resolution 1 to shareholders at the General Meeting.

For the purposes of Listing Rule 7.5, the following information is provided in relation to resolution 1:

(1) The total number of Shares issued was 22,860,000.
(2) The Shares were issued at a price of 42 cents each. The Shares rank equally in all respects with the Company’s existing Shares.
(3) The Shares were issued to clients of BGF Equities Pty Ltd, being parties unrelated to the Company.
(4) The funds raised will be used primarily to advance the Company’s exploration activities, to fund the completion of a Bankable Feasibility Study at the Company’s Letlhakane Uranium Project in Botswana, and to provide general working capital.

4. RESOLUTION 2 – ADOPTION OF NEW CONSTITUTION

The Directors are recommending that the Company adopts a new constitution, and this requires the approval of shareholders by a special resolution.

The constitution to be adopted by the Company reflects the substantial changes to the ASX Listing Rules and companies legislation which have occurred since the Company’s existing Constitution was adopted in March 2003. It also contains a number of provisions designed to promote the more efficient running of the Company, which should be of long-term benefit to the Company and its shareholders.

A copy of the proposed new constitution will be available for inspection by shareholders at the Company’s registered office during normal business hours until the General Meeting. In addition, any shareholder wishing to inspect the new constitution prior to the General Meeting will be sent a copy on request.

The Directors unanimously recommend shareholders to vote in favour of resolution 2.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the resolution set out in the Notice of Meeting.

Attached to the Notice of Meeting is a proxy form for use by shareholders. All shareholders are invited and encouraged to attend the General Meeting or, if they are unable to attend in
person, to complete, sign and return the proxy form to the Company in accordance with the instructions contained in the proxy form and the Notice of Meeting. Lodgement of a proxy form will not preclude a shareholder from attending and voting at the General Meeting in person.
PROXY FORM

The Secretary
A-Cap Resources Limited
Level 36, Exchange Plaza
2 The Esplanade
PERTH WA 6000

I/We …………………………………………………………………………………………………………………………………………………………………….
(Full Name – Block Letters)

of ………………………………………………………………………………………………………………………………………………………………………

being a member of A-Cap Resources Limited hereby appoint

……………………………………………………
(NAME OF 1ST PROXY)

……………………………………………………
(NAME OF 2ND PROXY - OPTIONAL)

or in his/her absence, the Chairman of the meeting as my/our proxy/proxies to vote on my/our behalf at the General Meeting of the Company to be held at 10.00am on Wednesday 9 March 2011 and at any adjournment thereof.

The chairman of the meeting will act as your proxy if you do not appoint someone. It is the chairman’s intention to exercise undirected proxies in favour of each resolution.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box: ☐

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolutions and that votes cast by the Chairman for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

I/We understand that if I/we have not directed my/our how to vote, my/our proxy may vote or abstain from voting as he or she thinks fit.

Voting directions to your proxy – please mark only one of the boxes with an “X” for each resolution to indicate your directions.

RESOLUTIONS

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<tr>
<th>Resolution</th>
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<th>AGAINST</th>
<th>ABSTAIN</th>
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<td>1. Ratify allotment of shares</td>
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<td>2. Adoption of New Constitution</td>
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Date this ______________________________ 2011.

……………………………………
Signature of Member

……………………………………
Signature of Joint Member

EXECUTED by [ ] in accordance with section 127 of the Corporations Act 2001

________________________
Signature of Director/Secretary

________________________
Signature of Director
INSTRUCTIONS FOR APPOINTMENT OF PROXY

(1) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.

(2) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member’s voting rights. If that proportion is not specified, each proxy may exercise one-half of the member’s voting rights.

(3) A proxy need not be a member of the Company.

Forms to appoint proxies and the Power of Attorney (if any) under which it is signed or an office copy or notarially certified copy thereof must be deposited with the Company at the registered office, Level 36, Exchange Plaza, 2 The Esplanade, Perth, WA 6000 or faxed to the Company (Fax No: (08) 9220 9801 and for overseas shareholders: (618) 9220 9801), not less than 48 hours before the time for holding the meeting. A proxy presented by a company should be under the common seal of that company.