

## ASX RELEASE

19 January 2022

## QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2021

### HIGHLIGHTS

- ▲ *Letlhakane Uranium Project – the project has been reviewed and a work programme and budget for work to be commenced in Q1 2022 was prepared.*
- ▲ *The Botswana Minister of Mineral Resources, Green Technology and Energy Security, has extended the start of construction to 30th September 2024, amending a condition of the granted Mining Licence.*
- ▲ *At the Wilconi Ni-Co Project, a 2000m, large diameter (PQ sized) diamond core drilling programme commenced during the quarter. Bulk density measurements were collected from the cores and samples prepared for metallurgical testwork.*
- ▲ *MiningPlus (Perth) are preparing an updated mineral resource estimate to include the results of the recently completed RC drill programme at Wilconi. The updated MRE is expected to be completed next quarter.*
- ▲ *Hydrogeological, biological and geotechnical studies are on-going as part of the Wilconi pre-feasibility study.*

### QUARTERLY ACTIVITIES

#### LETLHAKANE URANIUM PROJECT

- ▲ The Letlhakane Uranium Project, located in Botswana, is one of the world's largest undeveloped Uranium Deposits. A Mining Licence designated ML 2016/16L was granted on 12 September 2016 and is valid for 22 years. The Department of Environmental Affairs formally approved the Letlhakane Uranium Project's Environmental Impact Statement on 13 May 2016. Provisional surface rights were granted on 6 June 2016.
- ▲ The Company's Letlhakane Uranium Project remains an important project asset within the diversified minerals strategy. While the nuclear industry is confident in the long-term fundamentals of uranium and nuclear power it has not previously translated to an increased uranium price. The creation of two global uranium investment funds, Sprott and Kazatomprom are transforming the spot price market by buying physical uranium. This previously was the domain of utilities direct, which has been held low by long term pricing mechanisms. The fundamental shift in pricing due to these funds buying uranium, has seen the spot price of uranium rise over the six months.

- ⚠ The Minister of Mineral Resources, Green Technology and Energy Security, has extended the start of construction to 30th September 2024 and this is seen as positive as it enables the Company to align the Letlhakane project with the rising price of uranium. This approval is timely, amid an increased investor sentiment and a rising uranium price. A-Cap has kept the project on reduced expenditure and now can invest further in the project to update costs and optimise project parameters.
- ⚠ Increased investment sentiment and an increased uranium price has bought forward technical planning of further works. Planning for Drilling and metallurgical testwork that were suspended back in 2018 are underway to further the positive project value-adding results that sort to reduce capex and opex through understanding of the processing acid consumption of different mineralised lenses.

### Wilconi Drilling and Resource Modelling

During the quarter, 20 large diameter (PQ sized) diamond core holes totalling 998 metres were drilled at Wilconi. Another 11 holes are planned to be completed in January 2022. The location of the core holes was spread over the same area of the resource that was targeted during the 11,096 metre RC infill drill programme completed in late August 2021 (Figures 1 and 2) (Refer ASX announcement dated 24<sup>th</sup> September 2021). In addition to improving the confidence in the resource, the large diameter core hole programme was designed to collect representative samples for metallurgical testwork and conduct bulk density measurements on the nickel ore and overburden.

A breakthrough in the recent drilling was the recognition of a distinct source rock for the lateritic Ni-Co mineralisation. Earlier drilling had focussed on the entire ultramafic rock units lying below the laterite. The recent programme has clearly defined a particular rock unit (olivine rich ultramafic) that underlies the better grades in the laterite. This unit can be traced over much of the 20km of strike of the broad ultramafic package, is approximately 250m wide, and typically forms the core of the ultramafic package (Figure 2). Drilling the laterite away from this unit generally returned lower Ni-Co results, whilst holes above this unit mostly intersected >1% nickel with associated cobalt. In some cases e.g. WCN21RC088, drillholes intersected very thick (+30m) mineralisation that represent “keels” in the lateritic profile. Such zones will be followed up in detail in the next drill programme.

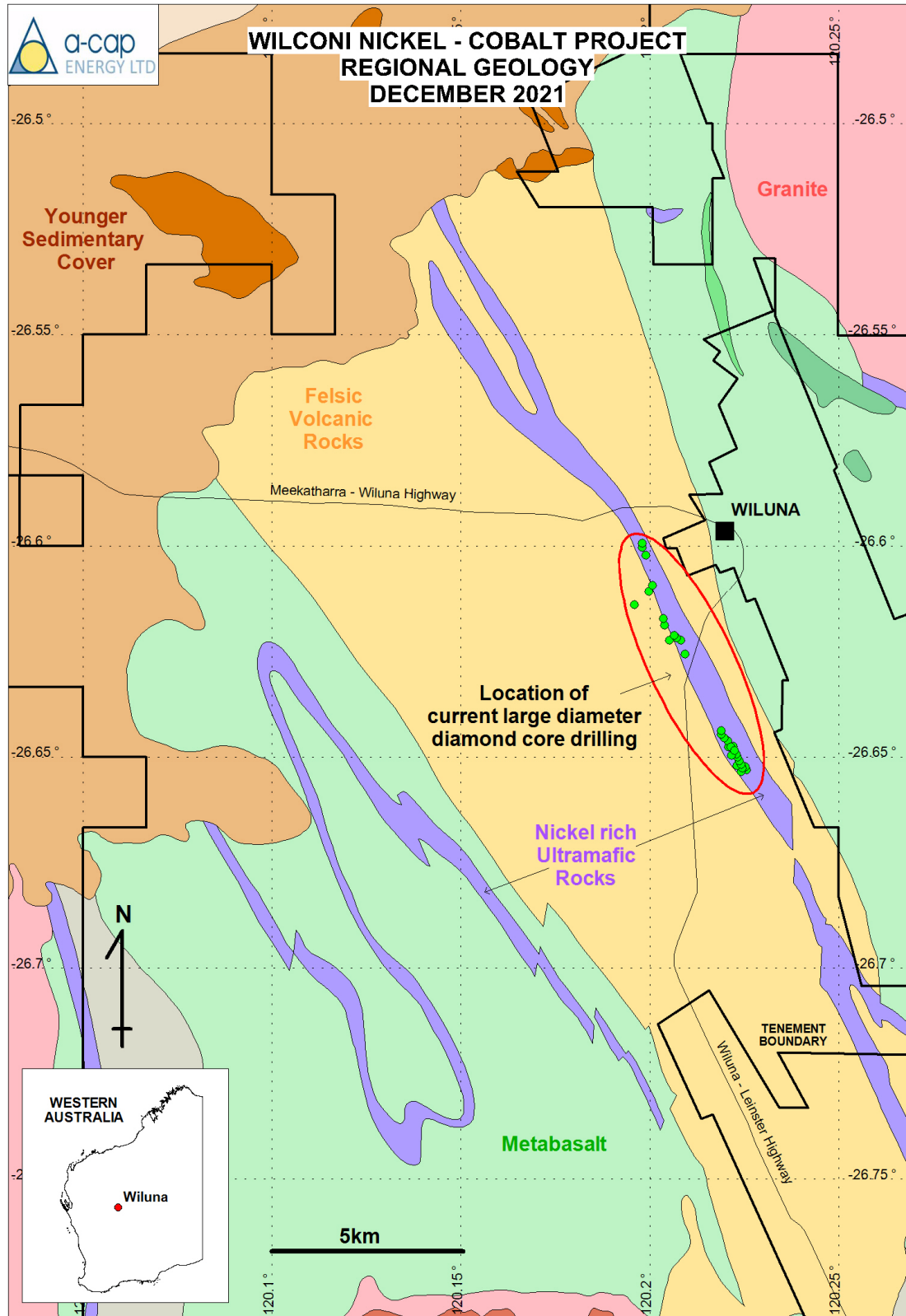


Figure 1: Regional geological setting of the Wilconi Nickel-Cobalt Project showing the location of the current large diameter diamond drilling programme.

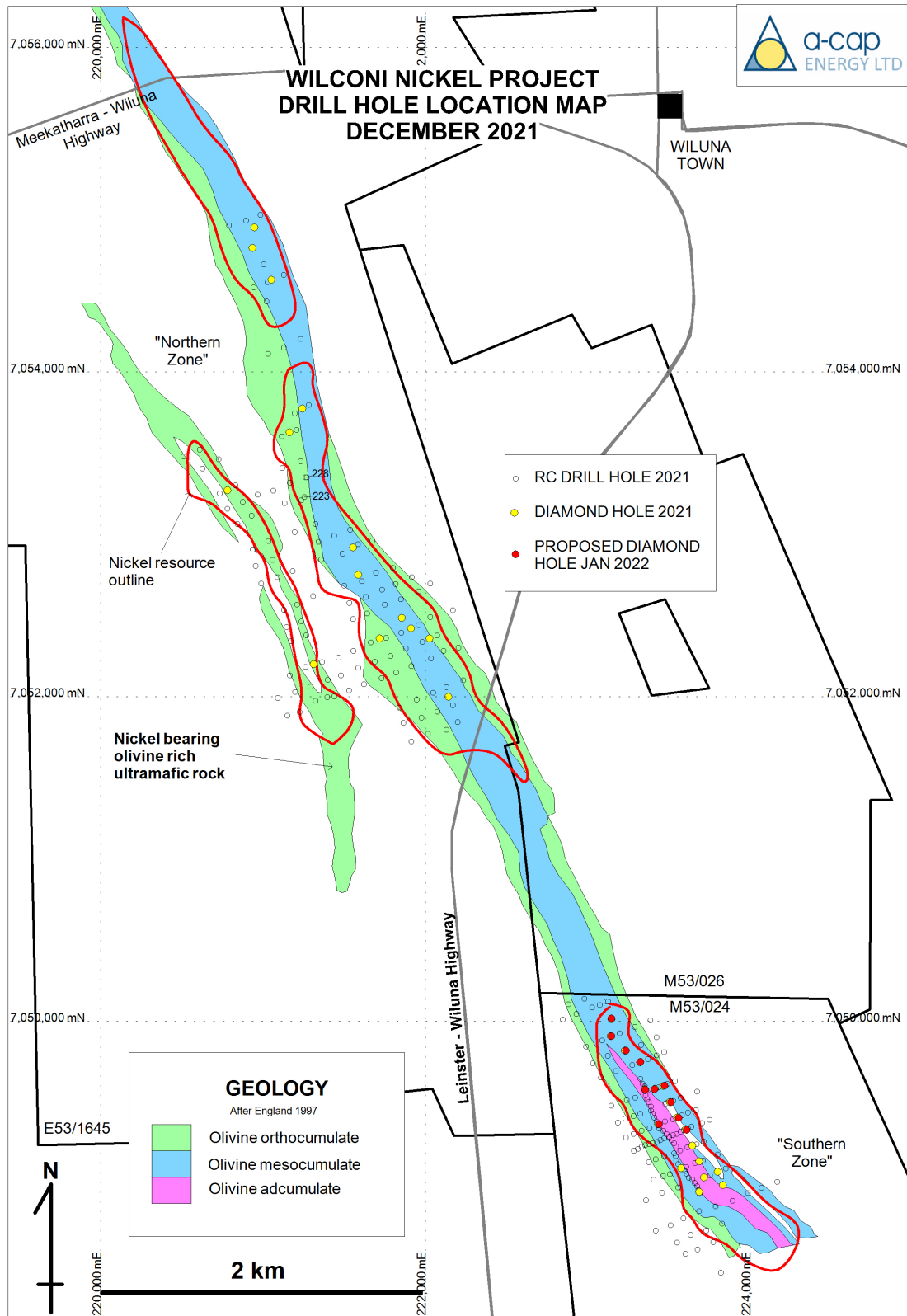
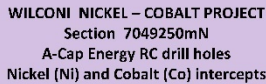


Figure 2: Map showing resource outline, underlying nickel bearing ultramafic unit and location of recent drilling referred to in this release.



MiningPlus are preparing an updated mineral resource estimate to include the results of the recently completed RC drill programme. The updated MRE is expected to be completed next quarter.

Simulus Engineers (Perth) have provided A-Cap with a proposal for a desktop study on producing a cobalt-nickel sulphate from Wilconi and made recommendations for the next phase of testing once suitable core samples have been collected in light of the positive results obtained in 2020. Refer ASX announcement dated 30<sup>th</sup> April 2020 for further information. To continue the metallurgical testing programme more sample representative of ores across the deposit are required. These samples are being collected as part of the current large diameter diamond coring programme and will be delivered to the metallurgical lab for testwork in February.

Independent experts have been engaged to conduct a variety of studies as part of the on-going PFS.

- BPL Environmental: Oversight of Environmental Studies and Water Management including Baseline surface and ground water studies, biological studies, soil, waste rock, tailings characterisation, etc.
- Animal Plant Mineral (APM): APM conducted a flora and fauna survey covering a 270 km<sup>2</sup> area over the Wilconi nickel resource. The study was completed in September 2021 and a final report is expected next quarter.
- Rockwater Hydrological and Environmental Consultants: Contracted to prepare a desk top hydrogeological study of the Wilconi project area and surrounds. As part of the study and recommended by Rockwater, Acap have established four water monitoring bores across the resource Wilconi area.

- Peter O'Bryan and Associates: Supervision of engineering and rock mechanic testwork on ore and overburden.

## **WILCONI PROJECT – JOINT VENTURE WITH WILUNA MINING CORPORATION LTD**

### **Project Overview**

- ▲ Project highlights (refer ASX announcement dated 21 Dec-18):
  - *The Wilconi project has significant past drilling to enable A-Cap to value its potential*
  - *The deposit lies in largely granted mining tenements*
  - *Infrastructure associated with Wiluna Mining's gold mining is in place*
  - *Environmentally safe with a long history of mining in the area*
  - *New and innovative geophysics and metallurgical technology will be utilised during the feasibility work*
  - *The Wilconi Project tenements list comprises twelve granted mining leases, eight granted exploration licences and one prospecting licence. The Project covers a total area of 800 square kilometres.*
- ▲ The Wilconi Project will focus on cobalt and nickel materials supply to the global electric vehicle (EV) market through the establishment of key strategic and commercial relationships to take advantage of new materials processing and refinery technologies, particularly in production of cobalt and nickel sulphates products used directly in battery manufacture.

### **During the quarter ended 31 December 2021:**

- ▲ During the quarter the Company became debt free due to an oversubscribed Rights Issue and a follow on placement.
- ▲ An Annual General Meeting was held on 17 January 2022 and Performance Rights and Options were approved to cover the lack of Directors fees for the last plus 3 years.

### **Directors:**

Jiandong He  
Zhenwei Li  
Michael Liu  
Paul Ingram  
Jijing Niu  
Mark Syropoulo

### **Capital Structure at xx January 2022.**

ACB - 1,149,106,080 – Fully Paid Ordinary Shares  
ACBAB – 14,500,000 Options Expiring 31 Oct 21 11 cents  
ACBAQ – 1,250,000 Options Expiring 30 Jun 22 11.5 cents  
ACBAS – 32,000,000 Options expiring 31 Oct 24 10 cents  
ACBAT - 30,000,000 Performance Rights  
Market Capitalisation at 19 January - \$189 million (last quarter end \$125 million)

**Shareholder Information:**

2,304 shareholders with Top 20 holding 86.69% (Last quarter end 85.39%)

**Payment of fees, salary and superannuation to directors for December 2022 Quarter:**

No Director fees, only Consulting fees of \$63,000. (As per App 5B Para 6.1.)

**Tenement Information:**

TENEMENT ID	LOCATION	PROJECT	STATUS	INTEREST AT START OF QUARTER	INTEREST AT END OF QUARTER
E53/2076	WILUNA	WILCONI	GRANTED	20%	20%
E53/1645	WILUNA	WILCONI	GRANTED	20%	20%
E53/1791	WILUNA	WILCONI	GRANTED	20%	20%
E53/1794	WILUNA	WILCONI	GRANTED	20%	20%
E53/1803	WILUNA	WILCONI	APPLICATION	20%	20%
E53/1852	WILUNA	WILCONI	GRANTED	20%	20%
E53/1853	WILUNA	WILCONI	GRANTED	20%	20%
E53/1864	WILUNA	WILCONI	APPLICATION	20%	20%
E53/1908	WILUNA	WILCONI	GRANTED	20%	20%
E53/1912	WILUNA	WILCONI	GRANTED	20%	20%
TENEMENT ID	LOCATION	PROJECT	STATUS	INTEREST AT START OF QUARTER	INTEREST AT END OF QUARTER
E53/2048	WILUNA	WILCONI	APPLICATION	20%	20%
E53/2050	WILUNA	WILCONI	APPLICATION	20%	20%
E53/2053	WILUNA	WILCONI	APPLICATION	20%	20%
E53/2054	WILUNA	WILCONI	APPLICATION	20%	20%
M53/0024	WILUNA	WILCONI	GRANTED	20%	20%
M53/0026	WILUNA	WILCONI	GRANTED	20%	20%
M53/0034	WILUNA	WILCONI	GRANTED	20%	20%
M53/0041	WILUNA	WILCONI	GRANTED	20%	20%
M53/0049	WILUNA	WILCONI	GRANTED	20%	20%
M53/0052	WILUNA	WILCONI	GRANTED	20%	20%
M53/0071	WILUNA	WILCONI	GRANTED	20%	20%
M53/0092	WILUNA	WILCONI	GRANTED	20%	20%
M53/0131	WILUNA	WILCONI	GRANTED	20%	20%
M53/0139	WILUNA	WILCONI	GRANTED	20%	20%
M53/0188	WILUNA	WILCONI	GRANTED	20%	20%
M53/1098	WILUNA	WILCONI	GRANTED	20%	20%
P53/1560	WILUNA	WILCONI	GRANTED	20%	20%
R53/0001	WILUNA	WILCONI	GRANTED	20%	20%



Paul Ingram  
DEPUTY CHAIRMAN

Competent person's statement

*Information in this report relating to Exploration drill results, is based on information compiled by Mr Harry Mustard, a full-time employee of A-Cap Energy Limited and a member of AusIMM. Mr Mustard 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 Mustard consents to the inclusion of the data in the form and context in which it appears.*

*Information in this report relating to cobalt, nickel and associated metals of the Wiluna Cobalt Nickel Project (Wilconi Project), is based on information compiled by Mr Paul Ingram, a director of A-Cap Energy Limited and a Member of AusIMM. Mr Ingram has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting Exploration Results Mineral Resources and Ore Reserves. Mr Ingram consents to the inclusion of the data in the form and context in which it appears.*

*Information in this report relating to Uranium Exploration results, is based on information compiled by Mr Ashley Jones a consultant of A-Cap Energy Limited and a member of AusIMM. 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.*

\*\*\* Ends\*\*\*