



ACN 104 028 542

For the quarter ending 30 June 2022

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A-Cap Energy (ASX: ACB) is a minerals exploration and development company focused on the development of “new energy” projects including the company’s flagship Letlhakane Uranium Project in Botswana, host to one of the world’s top 10 uranium deposits.

Highlights

- Dr Andrew Tunks appointed Chief Executive Officer (CEO)
- Botswana Project Manager appointed to drive the project’s revitalisation and manage government and stakeholder relations.
- Drilling at Letlhakane Uranium Project for metallurgical samples to start in September/October.
- Beneficiation test work program at Letlhakane Uranium Project including ore sorting and gravity separation designed to improve the feed grade to the mill and reduce operating costs will be managed by Trinol Pty Ltd – experts in ore sorting.
- A review of hydrometallurgy and potential redesign of the process circuit for Letlhakane to be led by MinAssist Melbourne - experts in uranium extraction.
- New round of resource infill drilling (12,000m) at the Wilconi Ni-Co Project expected to commence in July.
- Metallurgical testwork on drill cores from Wilconi being conducted by Simulus Laboratories (Perth).
- Hydrogeological, biological and geotechnical studies are on-going as part of the Wilconi pre-feasibility study.

Lethakane Uranium Project

Botswana, Africa

Located in Botswana, the Lethakane Uranium Project, is host to one of the world's largest undeveloped uranium deposits. The project has a total JORC resource of 365.7 million pounds (822.1Mt @ 202ppm U₃O₈ using a 100ppm cut-off grade).¹

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 project's Environmental Impact Statement on 13 May 2016. Provisional surface rights were granted on 6 June 2016.

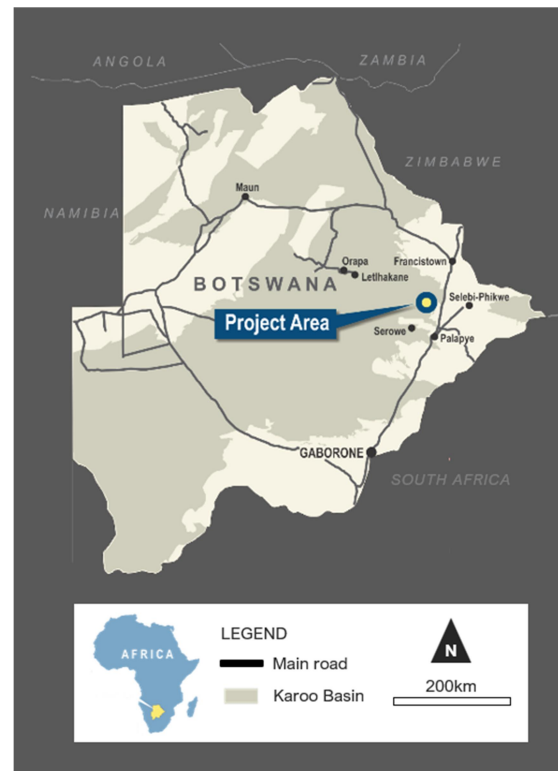
The Company's Lethakane Uranium Project remains an important project asset within the diversified minerals strategy.

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 U₃O₈ per lb price increased from a range between US\$40-50 during the quarter to over US\$60 by mid-April. The price rise is the catalyst for restarting work which will consist of improving the project outcomes by revisiting opportunities found subsequent to the 2015 Feasibility Study.

Planning for drilling and metallurgical testwork that were suspended back in 2018 are now progressing to further the positive project value-adding results through understanding of the processing acid consumption of different mineralised lenses. These opportunities will focus on new technologies to optimise acid consumption and beneficiation with the aim to reduce projected capital and operational costs.

New strategic plan to revitalise Lethakane Project

A significant rise in the uranium price and nuclear energy's increasing role in decarbonising the world's power systems underpins a new strategic plan to revitalise Lethakane.



Through May and June the company reached out to experienced mining executives and potential technical partners with a view to restart activities at Lethakane and move the project forward. A primary focus is to update the project's 2016 Feasibility Study to accommodate higher current and projected uranium prices and improved ore sorting technologies.

Preliminary radiometric sorting test work in 2010 showed an average upgrade in uranium grade of 1.5 times and a reduction of greater than 45% of material to the leaching plant. This work was not included in the 2016 Feasibility but the Company is confident that if previous results can be repeated or improved upon, project economics will significantly improve.

A-Cap's new strategic plan is to commence diamond drilling in September-October 2022 to generate sufficient fresh sample material to complete additional sorting test work, utilising advances in sorting technology. The company has engaged experienced multi-commodity process metallurgist, Mr Noel O'Brien, to supervise the test work. Mr O'Brien has significant uranium experience and was involved in the commissioning of one of the world's first radiometric sorters in South Africa in the 1970's. The testing will look at sorting techniques using radiometric, XRT and hyperspectral sensors, as well as beneficiation techniques by gravity separation using spirals and dense media separation.

¹ Refer to Resource Statement and disclaimer on page 11.

Running in parallel with the beneficiation work, A-Cap has engaged MinAssist, experts in uranium processing, to review and build on historical work on the process route used in the 2016 Letlhakane feasibility study.

This work will incorporate the results from the ongoing beneficiation test work where appropriate and will look at strategies to mitigate acid consumption during leaching, which was one of the biggest contributors to OPEX in the 2016 feasibility study.

Wilconi Nickel-Cobalt Project

Western Australia, Australia

A-Cap Energy earns 55% of the Wilconi Nickel Cobalt project.

The Wilconi Project hosts a JORC total mineral resource of 660,000 tonnes of nickel and 46,400t of cobalt and is being developed to serve the escalating global electric vehicle (EV) market.

Acap Energy has increased its interest in the Wilconi Nickel Cobalt Project in Western Australia from 20% to 55% after fulfilling phase 2 of its second earn-in milestone as part of its Joint Venture with Wiluna Mining (ASX: WMC) (Refer ASX announcement dated 28 June 2022).

As per the terms of the JV agreement signed in 2018, the second milestone was achieved after investing a total of \$5 million in the project (follows a phase 1 \$500,000 cash payment to JV partner Wiluna Mining in 2021. A-Cap is meeting all Joint Venture project and tenement expenditure during the earn-in period. Completion of the earn-in period, including completion of a DFS, is expected in April 2024.

Wilconi Diamond Core Drilling Results

Assay results for the 31 hole (1490.7m) diamond core drill programme completed in January were reported in April (Refer ASX announcement dated 1st April 2022). Significant intercepts are listed in Table 1. The diamond drilling formed part of the 2021 infill drill programme that targeted the near surface higher grade portions of the deposit aimed at converting resources from inferred to indicated.

Large diameter cores (90mm) were drilled to ensure good recoveries were obtained in the soft lateritic ores to permit bulk density determinations and to provide sufficient sample for metallurgical testwork and engineering studies. Metallurgical testwork is underway to determine the best methods of nickel and cobalt extraction and optimise metal recoveries for the various ore types. Results from the latest testwork are expected in August.

Table 1: Diamond Drilling Significant Results

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Ni %	Co %
WCN21DDH001	26	45	19	1.11	0.08
WCN21DDH005	57	66	9	1.17	0.06
WCN21DDH006	39	49	10	1.53	0.05
WCN21DDH008	39	50	11	1.25	0.14
WCN21DDH011	31	41	10	1.16	0.13
WCN21DDH015	22	36	14	1.33	0.07
WCN21DDH019	13	22	9	1.18	0.07
WCN21DDH023	14	23	9	1.14	0.03
WCN21DDH024	26	42	16	1.19	0.08
WCN21DDH025A	25	41	16	1.14	0.08
WCN21DDH026	22	35	13	1.27	0.1
WCN21DDH028	18	28	10	1.13	0.08

* Intercepts calculated using a 0.7% nickel cut-off, minimum 2m intercept and maximum 1m internal dilution

** The zone of mineralisation is generally flat-lying and all drill holes intersect the mineralisation at approximately 60° to the mineralisation orientation.

***Full drilling results are listed in the ASX announcement dated 28 January 2022

A-Cap's 2021 RC drill program 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, and the unit is approximately 250m wide, and lies within the total ultramafic package. Drilling the laterite above this unit mostly intersected >1% nickel with associated Co. Zones of thicker (+30m) mineralisation identified in the RC drilling that represent "keels" in the lateritic profile.

Cores from the diamond drilling were delivered to Simulus Laboratories to be used in ongoing metallurgical studies aimed at identifying the best process method and refining the process conditions. More details on the results of this testwork will be announced next quarter. Results from this latest round of testwork will be announced A-Cap Chairman Mr Jiandong He said “Our earlier metallurgical studies demonstrated that the project can deliver high recoveries of both nickel and cobalt, and we look forward to more good news from this upcoming work”.

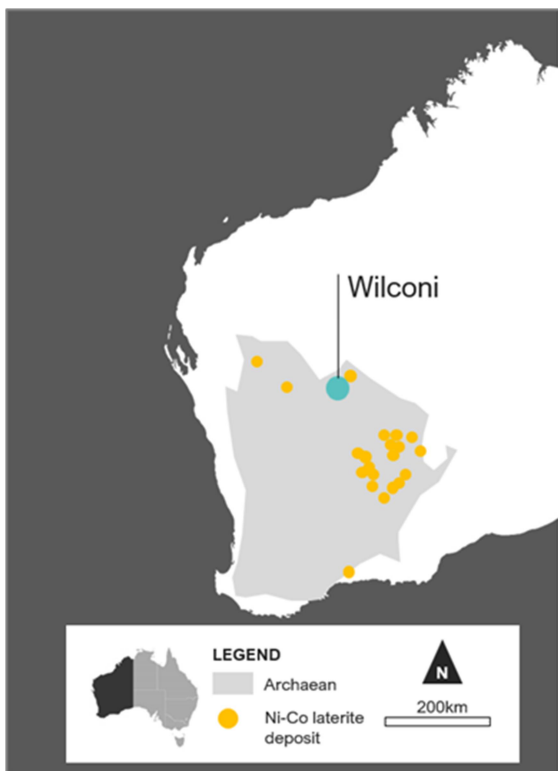
Mr He said “Wilconi would seek to serve the supply of critical materials to the global electric vehicle market which was experiencing accelerating sales led by China and Europe. The primary batteries of choice for Western manufacturers are nickel manganese cobalt due to their high energy density.” “Continuing drilling work at Wilconi is vital for the completion of the PFS study currently underway. A new 12,000m combined RC and diamond infill drill program has commenced at Wilconi to convert resources to indicated and measured categories,” he said (Refer ASX announcement dated 28th January 2022).

Other PFS work that has been completed includes:

- An updated mineral resource estimate to JORC standards by Miningplus. Recently completed (Refer ASX announcement dated 18th March 2022).
- Animal Plant Mineral Pty Ltd (APM) completed a fauna and flora study over the entire resource area in December 2021.
- Peter O’Byrne & Associates supervised engineering and geotechnical testwork on selected core samples.
- A desktop hydrogeological study of the Wilconi project area was completed by Rockwater Hydrogeological and Environmental Consultants. As recommended by Rockwater, six water monitoring wells were established across the Wilconi resource area.

On-going PFS work and additional studies include:

- Hydrogeological studies including Baseline surface and ground water studies
- Subterranean fauna studies
- Design and geotechnical assessment of constructed landforms including waste dumps, open cuts and tailings storage facilities
- Soil, waste rock and tailings characterisation studies
- Noise and greenhouse gases assessment



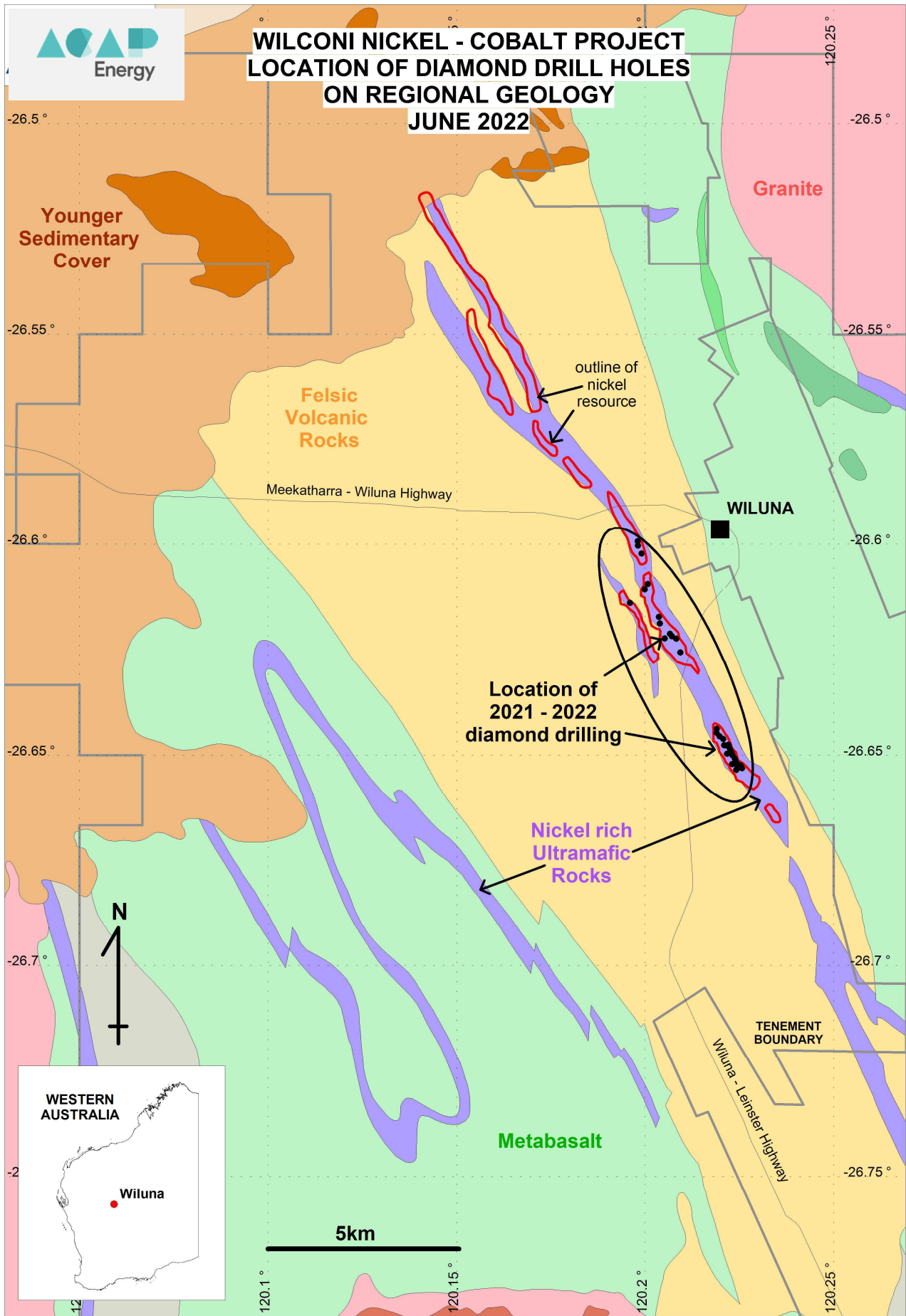


Figure 1: Regional geological setting of the Wilconi Nickel-Cobalt Project showing extent of nickel bearing ultramafic rocks, outline of the Wilconi nickel resource and location of recent diamond drilling.

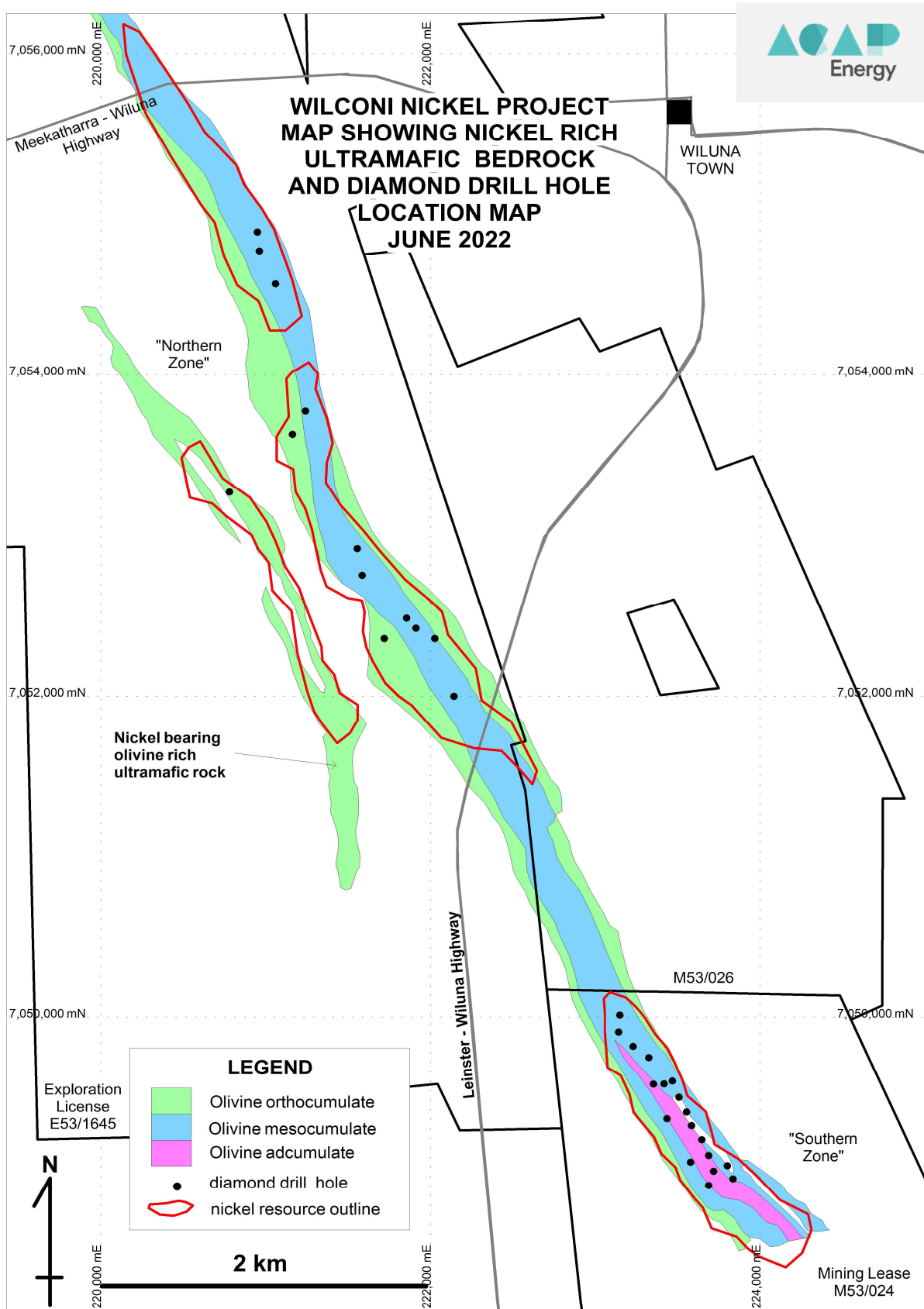


Figure 2: Detail of the diamond drill holes referred to in this release showing location of drill holes and underlying nickel rich ultramafic bedrock.

Corporate

During the Quarter the Company appointed Dr Andrew Tunks as Chief Executive Officer to direct the Company's upcoming feasibility studies on its two core projects: Letlhakane Uranium (Botswana) and Wilconi Ni-Co (Western Australia).

Dr Tunks has held numerous management and exploration positions in his 30+ year career, with various ASX-listed companies. Most notably, he was Managing Director of A-Cap Resources from 2006 – 2012 where he led the discovery of the Letlhakane uranium deposit, drilling the first RC hole and managing the exploration and resource development

through to one of the world's largest uranium deposits.

Dr Tunks is a seasoned mining professional with experience spanning multiple facets of the resources industry, most notably in Botswana and Australia where A-Cap's projects are located. The Board feel that given his track record and A-Cap experience he is the perfect person to lead the company through its next growth phase to production.

Directors:

Jiandong He

Zhenwei Li

Michael Liu

Paul Ingram

Jijing Niu

Mark Syropoulo

Chief Executive Officer:

Andrew Tunks

Capital Structure as at 26 July 2022.

ACB - 1,232,435,060 – Fully Paid Ordinary Shares

ACBO – 46,039,445 Listed Options Expiring 25 Mar 24 Strike 20 cents

ACBAU – 3,500,000 Options Expiring 31 May 24 Strike 22 cents

ACBAC – 8,000,000 Options Expiring 31 Oct 24 Strike 10 cents

ACBAB – 22,000,000 Options Expiring 31 Oct 21 Strike 11 cents

ACBAS – 24,000,000 Options expiring 31 Oct 24 Strike 11 cents

ACBAT - 30,000,000 Performance Rights

ACBAV - 5,000,000 Performance Rights

Market Capitalisation as at 25 July 2022

\$98.6 million (last quarter end \$185 million)

Shareholder Information:

2,579 shareholders with Top 20 holding 84.02% (Last quarter end 84.23%)

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

Director fees of \$71,250 and Consulting fees of \$63,459. (As per App 5B Para 6.1.)

Details of Expenditure incurred during Quarter

Details of expenditure during the quarter are shown in the Appendix 5B released this day.

This Quarterly Report has been authorised the Board.

Disclaimers

Competent Person Statement

Information in this report relating to Wilconi Mineral Resources is based on information compiled by Dr Andrew Richmond, a full-time employee of Martlet Consultants Pty Ltd. Dr Richmond is a Member of the AusIMM (#111459) and a Fellow of the AIG (#4840). Dr Richmond 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. Dr Richmond consents to the inclusion of the data related to Mineral Resources in the form and context in which it appears.

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.

Cautionary Note Regarding Forward-Looking Statements

This quarterly report contains forward looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. The forward-looking statements are made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results or otherwise.

Resource Statement

Lethakane Uranium Project JORC 2012 Resource Estimate

Cut-off	Total Indicated			Total Inferred			Global Total		
	Mt	Grade U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (MIbs)	Mt	Grade U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (MIbs)	Lbs U ₃ O ₈ (000)	Grade U ₃ O ₈ (ppm)	Contained U ₃ O ₈ (MIbs)
100	197.1	197	85.5	625	203	280.1	822.1	202	365.7
200	59.2	323	42.2	209.7	321	148.1	268.9	321	190.4
300	22.2	463	22.7	81.6	446	80.3	103.8	450	103.1

The 2015 global resource estimate using LUC best reflects the mining methodology envisaged, taking into account the surface miners' selective mining capability, combined with the proposed grade control methodology.

A drill spacing study comparison completed by Perth-based resource specialists Optiro on the Kraken deposit confirmed that at a starting drill spacing of 200m by 200m, the change of contained metal is within +/-10% when drilled down to 100m by 50m drill spacing. The current criteria for inferred resources is nominally greater than 100m by 100m drill spacing. A-Cap has confidence that the deposit will retain its mineralisation continuity when it is further drilled out.

A-Cap continues to assess the LUC resource in terms of mining optimisations. Optimisations of the LUC resource model has been completed to assess the different mining techniques and also to determine the optimal areas for conversion from inferred to indicated resources. The mine scheduling and optimisation work going forward will be undertaken internally, which will allow for considerable savings in external resource modelling and optimisation costs going forward. Furthermore, in-house optimisation and scheduling capabilities will allow the complex nature of the Project to be examined in more detail and continuously.

Wilconi Nickel-Cobalt Project JORC 2012 Resource Estimate

Rounding may cause minor inconsistencies

Category	Cut-Off (Ni %)	Mt	Ni %	Co %	Ni Metal (t)	Co Metal (t)
Indicated	0.5	29	0.80	0.063	230,000	17,900
Inferred	0.5	62	0.70	0.046	430,000	28,500
Total	0.5	90	0.73	0.051	660,000	46,400

Cut-Off (Ni %)	Mt	Ni %	Co %	Ni Metal (t)	Co Metal (t)
0.5	90	0.73	0.051	660,000	46,400
0.6	70	0.78	0.055	540,000	38,200
0.7	44	0.86	0.061	380,000	27,100
0.8	25	0.94	0.069	240,000	17,400
0.9	13	1.02	0.078	130,000	10,300

Tenement Information

Held as at the end of the June 22 Quarter

Tenement Id	Location	Project	Status	Interest at Start of Quarter	Interest at End of Quarter
E53/2076	Wiluna	Wilconi	Granted	20%	55%
E53/1645	Wiluna	Wilconi	Granted	20%	55%
E53/1791	Wiluna	Wilconi	Granted	20%	55%
E53/1794	Wiluna	Wilconi	Granted	20%	55%
E53/1803	Wiluna	Wilconi	Application	20%	55%
E53/1852	Wiluna	Wilconi	Granted	20%	55%
E53/1853	Wiluna	Wilconi	Granted	20%	55%
E53/1864	Wiluna	Wilconi	Application	20%	55%
E53/1908	Wiluna	Wilconi	Granted	20%	55%
E53/1912	Wiluna	Wilconi	Granted	20%	55%
E53/1908	Wiluna	Wilconi	Granted	20%	55%
E53/1912	Wiluna	Wilconi	Granted	20%	55%
E53/2048	Wiluna	Wilconi	Granted	20%	55%
E53/2050	Wiluna	Wilconi	Granted	20%	55%
M53/0024	Wiluna	Wilconi	Granted	20%	55%
M53/0026	Wiluna	Wilconi	Granted	20%	55%
M53/0034	Wiluna	Wilconi	Granted	20%	55%
M53/0041	Wiluna	Wilconi	Granted	20%	55%
M53/0052	Wiluna	Wilconi	Granted	20%	55%
M53/0071	Wiluna	Wilconi	Granted	20%	55%
M53/0092	Wiluna	Wilconi	Granted	20%	55%
M53/0139	Wiluna	Wilconi	Granted	20%	55%
M53/0188	Wiluna	Wilconi	Granted	20%	55%
M53/1098	Wiluna	Wilconi	Granted	20%	55%
P53/1560	Wiluna	Wilconi	Granted	20%	55%
R53/0001	Wikuna	Wilconi	Granted	20%	55%
ML 2016/16L	Botswana	Botswana	Granted	100%	100%