A-CAP RESOURCES LIMITED

AND ITS CONTROLLED ENTITIES

ACN 104 028 542

ANNUAL FINANCIAL REPORT

30 JUNE 2017

CONTENTS

The Directors present their report on the Consolidated Group consisting of A-Cap Resources Limited ("A-Cap") and the entities it controlled ("the Consolidated Group") at the end of, or during the financial year ended 30 June 2017.

DIRECTORS

Directors of A-Cap Resources Limited during and since the end of the financial year are listed below. Directors were in office for the entire period unless otherwise stated.

Angang Shen	(appointed 6 November 2013)
Paul Anthony Ingram	(appointed 1 June 2009)
Paul Thomson	(appointed 24 October 2013, retired 31 August 2017)
John Fisher-Stamp	(appointed 18 June 2015)
Michael Muhan Liu	(appointed 2 July 2015)
Jijing Niu	(appointed 19 September 2016)
Chenghu Zhu	(appointed 19 September 2016)
Henry James Stacpoole	(appointed 30 March 2005, retired 19 September 2016)
Paul Woolrich	(appointed 18 December 2007, retired 19 September 2016)

DIRECTORS INFORMATION

Angang Shen
Chairman

Mr Angang Shen joined the Board of A-Cap in November 2013, bringing with him years of expertise and success in the areas of finance, investment, real estate and mining resources. Mr Shen is the Chairman of China Growth Minerals Ltd and Ansheng Investment Co, Ltd.

Mr Shen has not served as a director of any other ASX listed companies over the past three years.

Paul A. Ingram
Deputy Chairman, Member of Audit Committee
B. Applied Sc. (Geology), MAusIMM

Mr Ingram is a geologist with extensive experience in corporate and technical management of exploration and mining companies for over 30 years. He has held senior management positions in a number of successful resource companies in the precious metals sector and energy sector, and has managed projects in countries throughout East Asia and in Australia.

During the past 3 years, Mr Ingram has also served as Director of the following ASX listed companies:
- Impact Minerals Limited (since July 2009)
- Australian Pacific Coal Limited (since March 2011)
- Consolidated Global Investments Limited (since September 2006)

Paul Thomson
Managing Director (retired 31 August 2017)
Chief Executive Officer (from 1 September 2017)
HND (Electrical Engineering)

Mr Thomson is an engineer with over 35 years of experience in mining and project development in Africa. Mr Thomson joined A-Cap in 2009 as Project Manager for the Letlhakane Uranium Project and was appointed CEO in February 2012. Prior to joining A-Cap, Mr Thomson held senior management positions within the mining industry including Managing Director of African Copper Mining and Exploration Botswana, Director and Country Manager

DIRECTORS INFORMATION (CONTINUED)

of Corridor Sands in Mozambique and Construction Manager of the Golden Pride Gold Project in Tanzania. He held various engineering and operational positions with JCI in South Africa.

He has been responsible for many projects, both surface and underground and has led greenfield exploration teams through subsequent progression to building and operational stages of successful mines. Mr Thomson has extensive project development experience and depth of knowledge of the African operating environment. He holds a South African Government Certificate of Competency Mines and Works (Electrical).

During the past three years Mr Thomson has not served as Director for any other ASX listed companies.

John Fisher-Stamp
Independent Non-Executive Director, Chairman of the Audit Committee
FCA, FTIA, GAICD, MIMC

Mr Fisher-Stamp is a Chartered Accountant and has worked in the resources sector for the past 10 years. John has held executive and consulting positions in corporate finance and as CFO. These roles covered compliance with corporate regulations and reporting in Australia, USA, UK and Asia. Mr Fisher-Stamp is a director of USA based mining developer Ouro Mining, Inc and is Deputy Chair of QT Mutual Bank Limited, an Australian APRA regulated ADI. John currently serves with QT Mutual Bank Limited as a member of the Risk and Remuneration Committees and is Chair of the bank's Audit Committee. Mr Fisher-Stamp's experience extends to Public Practice as a Chartered Accountant and Principal with DKM Group, Brisbane for 8 years and a Partner with Deloitte, Brisbane, Australia for 10 years providing business advisory, corporate taxation and support services.

During the past three years Mr Fisher-Stamp has not served as Director for any other ASX listed companies.

Michael Liu
Independent Non-Executive Director
MA, MBA

Mr Liu is the current Chairman of East China Capital Investments Ltd and has over 20 years' experience in public company management, corporate investment and finance, and international M&A. In the past 10 years, Mr Liu has overseen several successful acquisitions and divestitures of mining assets including gold, copper, and coal in China and overseas. Mr Liu holds a Master of Arts from the University of New Brunswick and an MBA from The University of British Columbia in Canada and holds Directorships in a number of public companies listed in Canada, UK, and USA.

During the past three years Mr Liu has not served as Director for any other ASX listed companies.

Mr Jijing Niu
Non-Executive Director
MBA

Mr Niu graduated from Hunan University majoring in Economics and Information Management and holds an MBA from Fudan University and an EMBA from Cheung Kong School of Business. Mr Niu brings to the Board a wealth of corporate and investment banking experience, having commenced his investment banking career at United Securities Co., Ltd in 1998. From 2005 Mr Niu joined the Investment Banking Division of Guosen Securities Ltd and was promoted to be the Managing Director of the division until 2015. He was appointed as Chairman of Jiangsu Shengan Resources Group Co Ltd on 8 July 2016.

During the past three years Mr Niu has not served as Director for any other ASX listed companies.

DIRECTORS INFORMATION (CONTINUED)

Mr Chenghu Zhu
Non-Executive Director

Mr Zhu is an economist having held senior positions across a successful career in Industry & Commerce. Mr Zhu commenced his career as the manager of Yancheng Longgang Supply and Marketing Corporation from 1980 to 1992 and the General Manager of Yancheng Huaxin Industrial General Corporation from 1992 to 1995. Mr Zhu held a Directorship at Yancheng Suburban Government Corporation from 1995 to 1998. Mr Zhu currently holds the following senior positions:

Chairman of Jiangsu Huaxing Investment Group (since 1998)
Deputy President of Jiangsu Federation of Industry and Commerce (since 2012)
Deputy Chairman of Yancheng Federation of Industry and Commerce (since 2012)
President of Yandu Association of Enterprises (since 2012)
Director of Jiangsu Shengan Resources Group Co Ltd

During the past three years Mr Zhu has not served as Director for any other ASX listed companies.

Henry J. Stacpoole
Independent Non-Executive Director, Member of Audit Committee

Mr Stacpoole is a Director of Stacpoole Enterprises Pty Ltd, a civil contracting, drilling and mining exploration company based in Launceston in Tasmania. He was a founding Director of Beaconsfield Gold Mines Ltd in 1987 and was closely involved in the development of that company's mine in Tasmania becoming Chairman of the restructured Beaconsfield Gold N.L. in 1992. He resigned as a Director in 2001. He is a Life Member of the Tasmanian Minerals Council.

During the past three years Mr Stacpoole has not served as Director for any other ASX listed companies.

Paul Woolrich
Executive Director
B. Sc. (Hons), M.Sc., Ph.D.

Dr Woolrich has over 40 years' experience in the international exploration and mining industry focussed on gold, base metals and PGEs, with the last 20 years spent in senior management positions with Western Mining Corporation, Ranger Minerals Ltd, Orion Resources, Gallery Gold and Platmin Ltd. He was Project Manager in charge of the feasibility study of Platmin's Pilanesberg PGE Project in South Africa in 2004-2006. Dr Woolrich is managing the metallurgical aspect of A-Cap's Bankable Feasibility Study into the viability of the Letlhakane Uranium Project. He holds degrees in geology (BSc honours), geochemistry (MSc) and metallurgy (PhD).

During the past 3 years, Dr Woolrich has also served as a director of the following ASX listed companies:
- Botswana Metals Limited (ASX) (since January 2008)

DIRECTORS INFORMATION (CONTINUED)

Interest in the shares and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of the Company were:

	A Shen	P Ingram	J Fisher-Stamp	M Liu	JJ Niu	CH Zhu
Ordinary Shares						
Ordinary shares, fully paid	173,341,278	7,849,234	6,367,868	11,362,900	-	-
Unlisted Options						
Exercisable at 9c, expiring 31 Oct-17	-	-	-	-	-	-

COMPANY SECRETARY

Nicholas Yeak
BCom, CPA, AGIA, ACIS

Mr Yeak has managed A-Cap's financial affairs over the past seven years and is responsible for the legal and corporate management of the Consolidated Group. Mr Yeak is a Certified Practicing Accountant and Chartered Company Secretary with over 14 years' postgraduate experience in senior finance positions.

PRINCIPAL ACTIVITIES

The Consolidated Group's principal activities during the year have been the ongoing feasibility studies into the Letlhakane Uranium Project, continuing exploration of its tenement portfolio in Botswana and the evaluation of our coal discoveries.

There were no significant changes in the nature of the Consolidated Group's principal activities during the financial year.

REVIEW OF OPERATIONS

During the year the Company has prioritised its efforts towards finalising important permitting and licencing requirements for the Letlhakane Uranium Project (the Project), optimising Project parameters to improve project economics and assessing options to monetise our coal and base metal assets.

- On 12 September 2016 A-Cap was granted a Mining Licence designated ML 2016/16L over a portion of PL 45/2004 (Letlhakane) by the Botswana Department of Mines. The Mining Licence is valid for a period of 22 years. The mining licence was granted based on the results of an Environmental Impact Statement and technical study.

- Following the grant of the Mining Licence, an internal acid consumption desktop review with the aim of reduction acid consumption was completed. The review focused on possible spatial relationships with higher acid consuming mineralisations and the impact that identifying these areas, combined with selective mining, would decrease overall acid consumption. Initial observations indicated correlations both spatially within mineral lenses and with certain elements which relate to mineralogy. These correlations will be assessed in the context of the Project's Localised Uniform Conditioning (LUC) resource schedule in terms of reduced OPEX.

REVIEW OF OPERATIONS (CONTINUED)

- In January 2017, 296 samples were collected from pulps and sent to ANSTO laboratories at Lucas Heights NSW for Acid Soluble Uranium testwork. The test design was aimed at addressing possible correlations with acid consumption and hence the samples were carefully selected to represent lithological, spatial and mineralogical parameters. The results from the ASU analysis showed spatial, lithological and mineralogical relationships with higher acid consumption. As the results are only relative, further leach testing will be required simulating process conditions of the heap leach. To ensure future test work is optimal and focused, A-Cap will undertake additional ASU test work in 2018 financial year to further refine the correlations.
- A Scope of Work (SOW) for the Pilot plant test programme has been completed and several proposals from laboratories have been evaluated. The SOW is required for the proposed pilot plant test programme, which will be undertaken once the Project has been de-risked and feasibility work recommences.
- The Company has been attending to the requirements of our Project's Mining Licence obligations, including demarcation of the licence area. Concrete beacons have been constructed and surveyed to mark the extent of the mining licence area in compliance with the Botswana Mines and Minerals Act 1999.
- The Company has continued to engage with stakeholders within the Mining Licence area, including the community Kgotlas at Serule and Gojwane regarding the Relocation Action Plan for affected landowners.
- Applications were submitted to the Department of Mines for renewal of prospecting licenses PL002/2014, 003/2014, 004/2014, 005/2014, 006/2014, 007/2014, 008/2014, 012/2014, 013/2014 and extension of prospecting licenses PL134/2005, PL138/2005 and PL125/2009.
- The Company continues to engage with interested parties regarding options to monetise our coal and base metal assets.

FINANCIAL PERFORMANCE AND POSITION

The consolidated loss for the year attributable to the members of the Consolidated Group was $2,762,418 (2016: $1,307,836).

The net assets of the Consolidated Group for the financial year ended 30 June 2017 was $54,567,621
(2016: $53,822,313).

The Directors believe the Consolidated Group is in a strong and stable financial position and able to expand and grow its current operations.

COMPANY STRATEGY

A-Cap's objective is to develop the Letlhakane Uranium Project in Botswana, one of the largest uranium deposits in the world with distinct comparative advantages in terms of process design and infrastructure towards early production. Having secured a mining licence in September 2016, our strategy is to carry out staged Project optimisation work prior to recommencing feasibility work required to take the project into development. This work is focussed on de-risking the Project and driving down operating costs (OPEX) which were included in our technical study and form the basis of our Project economics. Reducing acid costs and consumption, in conjunction with increasing grade recovery cost will deliver the platform for a robust, economic Project ready for the next phase of

COMPANY STRATEGY (CONTINUED)

feasibility work, including trial mining, pilot plant test work and future drill programmes. This optimisation work is staged with predefined deliverables within a tight budget, given current capital market conditions. A-Cap is currently considering options to release value and monetise coal and base metal tenements through corporate re-organisation and assets sale.

CORPORATE ACTIVITY

- Following an announcement on 21 June 2016 of a planned A$5 million proposed convertible note agreement between A-Cap Resources Limited and Jiangsu Shengan Resources Group Co Ltd, on 6 July 2016 A-Cap advised that the settlement of the convertible note was not approved by the State Administration of Foreign Exchange, Yancheng Branch, China. This resulted in the convertible note agreement being terminated on 4 July 2016.
- On 12 July 2016, A-Cap announced a non-renounceable entitlement offer to raise A$4 million by way of a non-renounceable entitlement offer to shareholders of approximately 113,636,364 new ordinary shares on a 1 for every 6.48 ordinary shares held, at an issue price of 3.52 cents per share, fully underwritten.
- On 28 July 2016, A-Cap issued 1,718,456 ordinary fully paid shares to directors and consultants in lieu of fee reductions.
- On 12 August 2016, A-Cap issued 3,685,210 ordinary fully paid shares to consultants pursuant to director service agreements.
- On 25 August 2016, the non-renounceable entitlement offer to shareholders closed, with A-Cap receiving applications for 10,658,884 ordinary shares, raising $373,061, and resulting in a shortfall of 102,977,480 ordinary shares. New shares were allotted on 31 August 2016.
- On 1 September 2016, 102,977,480 ordinary shares were allotted to Jiangsu Shengan following settlement of $3,604,212 for shortfall shares under the non-renounceable entitlement offer pursuant to an Underwriting Agreement.
- On 7 September 2016, 3,409,091 ordinary shares were allotted to Jiangsu Shengan as settlement for the underwriting fee of $119,318 for the non-renounceable entitlement offer. The shares were allotted pursuant to the prospectus dated 26 July 2016 and an underwriting agreement between A-Cap and Jiangsu Shengan.
- On 7 September 2016, the Company received a notice from Jiangsu Shengan advising of a change of its relevant interests in the Company from 34.34% to 41.67%.
- On 19 September 2016:
  - Mr Harry Stacpoole retired as Independent Non-Executive Director of A-Cap;
  - Dr Paul Woolrich retired as Executive Director of A-Cap;
  - Mr Jijing Niu was appointed as Non-Executive Director of A-Cap;
  - Mr Chenghu Zhu was appointed as Non-Executive Director of A-Cap.

CORPORATE ACTIVITY (CONTINUED)

- From 1 October 2016, a new service agreement and revised service agreements were entered into with Directors and their related entities (refer Remuneration Report).
- On 5 October 2016, 682,878 ordinary shares were issued in lieu of director fees pursuant to the Shareholder-approved Director Share Plan and in lieu of consulting fees pursuant to the Company's Cash Retention Plan.
- On 1 December 2016, 12,350,349 ordinary shares were issued pursuant to a resolution of shareholders at the 2016 Annual General Meeting.
- On 15 February 2017, an appendix 3Y was released to disclose A-Cap shares sold on-market (38,000 shares) by Mr John Fisher-Stamp, a director of the Company.
- On 19 April 2017, 316,375 ordinary shares in the Company were issued in lieu of consulting fees and in consideration of consulting fees.
- On 30 June 2017, the Company announced material variations to the terms of director service agreements effective 1 July 2017 (refer Remuneration Report).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no other significant changes in the state of affairs during this financial year.

DIVIDENDS

As the Company's principal activities are minerals exploration it has not as yet paid any dividends and does not see any short–term return to shareholders via dividend payments.

COMPANY PROJECTS

A-Cap currently holds 1 Mining Licence (ML) and 12 Prospecting Licenses (PL) across Botswana, covering over 8,499 sq. km's.

SCHEDULE OF INTERESTS IN MINING TENEMENTS

Tenement	Expiry Date	% Holding	Title Holder
Letlhakane 2016/16L	11/09/2038	100	A-Cap Resources Botswana (Pty) Ltd
Mea PL 134/2005	31/12/2016*	100	A-Cap Resources Botswana (Pty) Ltd
Bolau PL 138/2005	31/03/2017*	100	A-Cap Resources Botswana (Pty) Ltd
Foley PL 125/ 2009	31/03/2017*	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi PL 002/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi PL 003/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi PL 004/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Werda PL 005/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Kokong PL 006/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Kokong PL 007/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Kokong PL 008/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng PL 012/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng PL 013/2014	31/03/2017**	100	A-Cap Resources Botswana (Pty) Ltd

* The Company have submitted applications for extension of the above prospecting licences to the Botswana Department of Mines.

** The Company have submitted applications for renewal for the above prospecting licences to the Botswana Department of Mines.

ENVIRONMENTAL ISSUES

The Consolidated Group's exploration activities are governed by the Botswana Mines and Mineral Act 1999 and the Botswana Environmental Assessment Act 2011. The Department of Environmental Affairs formally approved A-Cap's Environmental Impact Statement for the Letlhakane Uranium Project on 13 May 2016 in accordance with Section 12 (1a) of the Botswana Environmental Assessment Act, No.10, of 2011.

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

AFTER BALANCE DATE EVENTS

- On 13 July 2017, the Company changed its principal place of business to Level 1, 136 Stirling Hwy, Nedlands WA 6009, PO Box 291, Nedlands WA 6909, Phone: +61 8 9467 2612, Fax: +61 8 7200 7612.
- On 25 July 2017 the Australian Taxation Office refunded A-Cap $157,470 including interest in relation to the Company's 2016 Income Tax Return R&D credit.

AFTER BALANCE DATE EVENTS (CONTINUED)

- On 31 August 2017, Mr Paul Thomson retired as Managing Director of the Company and from 1 September 2017 transitioned to a CEO role (refer Remuneration Report).
- On 20 September 2017, the Company were advised that the Minister of Mineral Resources, Green Technology and Energy Security had approved an amendment to the programme of works of the Letlhakane Uranium Project's Mining Licence 2016/16L. The amendment was in relation to a two-year delay in the pre-construction and construction period set out in the Company's mining licence application submitted in August 2015.

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect the operations of the Consolidated Group, the results of these operations or the state of affairs of the Consolidated Group in subsequent years.

LIKELY DEVELOPMENTS

Following the grant of the mining licence for the Letlhakane Uranium Project, A-Cap will continue staged project optimisation activities prior to commencing the next phase of feasibility work to take the project into development. The Company is assessing options to divest and monetise our coal projects and base metals tenements.

REMUNERATION REPORT - AUDITED

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2017, and the numbers of meetings attended by each Director were:

Director	Board of Directors		Audit Committee	
	Held	Attended	Held	Attended
A Shen	3	3	-	-
P Ingram	3	3	2	1
P Thomson	3	3	2	2
J Fisher-Stamp	3	3	2	2
M Liu	3	3	-	-
JJ Niu	3	3	-	-
CH Zhu	3	3	1	-
H Stacpoole	-	-	1	1
P Woolrich	-	-	-	-

Remuneration Policy

Executive Director Remuneration
The remuneration policy of A-Cap Resources Limited has been designed to align Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of A-Cap Resources Limited believes the remuneration policy to be appropriate and

REMUNERATION REPORT – AUDITED (CONTINUED)

effective in its ability to attract and retain the best executives and Directors to run and manage the Consolidated Group, as well as create goal congruence between Directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for Board members and senior executives of the Consolidated Group is as follows:

- The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives was developed internally based on industry-wide benchmarks, and approved by the Board based on the research and information provided.
- All executives receive a base salary (which is based on factors such as length of service and experience).
- The Board reviews executive packages annually by reference to executive performance and remuneration packages for similar positions in comparable companies.

The Directors and executives receive a superannuation guarantee contribution in compliance with government requirements.

All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

Non-executive Director Remuneration
The Board's policy is to remunerate non-executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. The maximum aggregate directors' fees (currently set at $400,000 p.a. as of the 2016 Annual General Meeting) that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Consolidated Group. The maximum aggregate fees exclude consulting fees paid to Non-Executive Director's for work outside the scope of their role as Non-Executive Directors.

To align Directors' interests with shareholder interest, the Directors are encouraged to hold shares in the Company. Director options are issued in accordance with resolution passed at the Company's Annual General Meeting.

Company Performance, Shareholders Wealth and Directors' and Executives Remuneration

Remuneration of Directors is not impacted by the following

(i) dividends paid by the Company to its shareholders during the year;
(ii) changes in share price at which shares in the Company are traded between the beginning and the end of the year;
(iii) any return of capital by the Company to its shareholders during the year that involves cancellation of shares in the Company and payments to shareholders that exceeds the price at which shares in that class are being traded at the time when the shares are cancelled; and
(iv) any other relevant matter.

Key Management Personnel (other than Directors) Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management (other than directors) for the group follows.

REMUNERATION REPORT – AUDITED (CONTINUED)

The remuneration structure for key management personnel (other than directors) is based on a number of factors, including length of service and particular experience of the individual concerned. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement, key management personnel are paid employee benefit entitlements accrued at the date of retirement.

For the reporting year, the Company currently has no performance based remuneration component built into director and executive remuneration packages. Options issued are commensurate with the level of responsibility held by the director or executive, and aligns the long-term goals and objectives between shareholders, directors and executives.

Service Agreements

As at the date of this report, the Company has the following service agreements with Directors:

Paul Thomson

Term:	Three years commencing 1 September 2014
Base salary:	USD $320,000 per annum
Notice period:	Three months' written notice
Redundancy:	12 months' service fee
Bonus:	US$50,000 payment on issue of mining licence for the Letlhakane Uranium Project

Mr Thomson's service agreement effective to 31 August 2017 relates to his position as Managing Director of A-Cap. On 31 August 2017, Mr Thomson signed a new service agreement effective from 1 September 2017 on the following terms:

Position:	Chief Executive Officer
Term:	Commencing 1 September 2017
Fee:	US$13,333 per month for 10 working days per month
Notice period:	One month's written notice
Review date:	31 December 2017
Terms of payment:	Monthly invoice issued at the start of each month, 100% settled in cash within 14 days of issue of tax invoice.

Paul Anthony Ingram

Entity:	Fabian Entertainment Pty Ltd
Related party:	Mr Ingram is a director and major shareholder of Fabian Entertainment Pty Ltd and a beneficiary of the Paul Ingram Family Trust.

Service Period	Monthly Service Fee US$	Notice Period	Terms of payment
1 Sep 15 – 30 Sep-16	$12,500	30 days	* refer below
1 Oct 16 – 30 Jun-17	$12,500	30 days	** refer below
1 Jul-17 – 31 Dec-17	$5,000	30 days	** refer below

* Monthly invoice issued at the start of each month, 50% settled in cash within 14 days of issue of tax invoice, 50% settled in A-Cap ordinary shares subject to shareholder approval. Issued shares calculated based on the Australian equivalent monthly service fee divided by the listed share price at the start of the invoice period.

** Monthly invoice issued at the start of each month, 100% settled in cash within 14 days of issue of tax invoice.

Mr Ingram's service agreement is for the provision of corporate advisory services to A-Cap including capital markets, business development, project technical support and market making.

REMUNERATION REPORT - AUDITED (CONTINUED)

John Fisher-Stamp

Entity: Catus Pty Ltd

Related party: Mr Fisher-Stamp is a director and major shareholder of Catus Pty Ltd and a beneficiary of the Innovation Trust

Service Period	Monthly Service Fee US$	Notice Period	Terms of payment
1 Sep 15 – 30 Sep-16	$12,500	30 days	* refer below
1 Oct 16 – 30 Jun-17	$12,500	30 days	** refer below
1 Jul-17 – 31 Dec-17	$5,000	30 days	** refer below

* Monthly invoice issued at the start of each month, 50% settled in cash within 14 days of issue of tax invoice, 50% settled in A-Cap ordinary shares subject to shareholder approval. Issued shares calculated based on the Australian equivalent monthly service fee divided by the listed share price at the start of the invoice period.

** Monthly invoice issued at the start of each month, 100% settled in cash within 14 days of issue of tax invoice.

Mr Fisher-Stamp's service agreement is for the provision of corporate advisory services to A-Cap including capital markets, finance, disclosure documents, commercial and contractual advice, key functional responsibilities commensurate with a CFO.

Michael Liu

Entity: V & D Investments

Related party: Mr Liu is a director and major shareholder of V & D Investments.

Service Period	Monthly Service Fee US$	Notice Period	Terms of payment
1 Sep 15 – 30 Sep-16	$12,500	30 days	* refer below
1 Oct 16 – 30 Jun-17	$12,500	30 days	** refer below
1 Jul-17 – 31 Dec-17	$5,000	30 days	** refer below

* Monthly invoice issued at the start of each month, 50% settled in cash within 14 days of issue of tax invoice, 50% settled in A-Cap ordinary shares subject to shareholder approval. Issued shares calculated based on the Australian equivalent monthly service fee divided by the listed share price at the start of the invoice period.

** Monthly invoice issued at the start of each month, 100% settled in cash within 14 days of issue of tax invoice.

Mr Liu's service agreement is for the provision of corporate advisory services to A-Cap including capital markets, investor liaison and market making.

Angang Shen

Service Period	Service Fee US$	Notice Period	Terms of payment
1 Oct 16 – 30 Jun-17	$25,000	30 days	* refer below
1 Jul-17 – 31 Dec-17	$5,000	30 days	* refer below

* Monthly invoice issued at the start of each month, 100% settled in cash within 14 days of issue of tax invoice.

Mr Shen's service agreement is for the provision of capital markets advisory and support services to be performed in China and Hong Kong.

No executive is entitled to any termination benefits as defined under the Corporations Act 2001.

REMUNERATION REPORT - AUDITED (CONTINUED)

Use of Remuneration Consultants

Due to the size and nature of the organisation, the Company has not engaged remuneration consultants to review and measure its policy and strategy. The Board reviews remuneration strategy periodically and may engage remuneration consultants in future to assist with this process.

Voting and comments made at the company's 2016 Annual General Meeting ('AGM')

At the 2016 AGM, 99.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2016. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors

Name	Short-term Benefits				Long-term benefits	Post-employment benefits	Share-based payments	
	Salary & Fees $	Consulting Fees $ Cash-settled	Consulting Fees $ Share-settled (accrued)	Bonus $	Long service leave $	Superannuation $	Shares $	Total $
30 June 2017								
A Shen	**43,753**	**299,236**	-	-	-	-	**16,357**	**359,346**
P Ingram	**39,954**	**174,499**	-	-	-	**3,796**	**207,785**	**426,034**
P Thomson	**421,948**	-	-	**64,894**	-	-	-	**486,842**
H Stacpoole [A]	**5,708**	-	-	-	-	**542**	**16,357**	**22,607**
P Woolrich [A]	**5,708**	**7,619**	-	-	-	**542**	**16,357**	**30,226**
J Fisher-Stamp	**39,954**	**174,499**	-	-	-	**3,796**	**201,810**	**420,059**
M Liu	**43,753**	**174,564**	-	-	-	-	**198,570**	**416,887**
JJ Niu [B]	**39,397**	-	-	-	-	-	-	**39,397**
CH Zhu [B]	**39,397**	-	-	-	-	-	-	**39,397**
Total	**679,572**	**830,417**	-	**64,894**	-	**8,676**	**657,236 [E]**	**2,240,795**
30 June 2016								
A Shen	25,000	-	-	-	-	-	20,740	45,740
P Ingram	23,192	103,949	102,366	-	-	2,203	20,740	252,450
P Thomson	436,416	-	-	-	-	-	-	436,416
H Stacpoole	23,192	-	-	-	-	2,203	20,740	46,135
P Woolrich	23,192	73,136	-	-	-	2,203	20,740	119,271
J Fisher-Stamp	23,192	90,517	88,934	-	-	2,203	13,707	218,553
M Liu	24,775	86,478	86,243	-	-	-	13,343	210,839
R Pett [C]	-	-	-	-	-	-	24,318	24,318
R Lockwood [D]	-	-	-	-	-	-	7,848	7,848
Total	578,959	354,080	277,543	-	-	8,812	142,176	1,361,570

A Mr Stacpoole and Dr Woolrich retired from the board of A-Cap on 19 September 2016.
B Mr Niu and Mr Zhu were appointed to the board of A-Cap on 19 September 2016.
C Mr Pett resigned from the board of A-Cap on 11 June 2015.
D Mr Lockwood resigned from the board of A-Cap on 22 June 2015.
E Refer pages 16 & 17 of the Directors' Report and Note 5: Share-Based Payment for further information.

REMUNERATION REPORT - AUDITED (CONTINUED)

Executives

Name	Short-term Benefits			Long-term Benefits	Post-employment benefits		Share-based payments		
	Salary & Fees $	Non-monetary $	Annual leave $	Long service leave $	Superannuation $	Termination benefits $	Options $	Shares $	Total $
30 June 2017									
A Jones *	**258,794**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**258,794**
N Yeak	**164,999**	**-**	**-**	**-**	**15,674**	**-**	**-**	**-**	**180,673**
Total	**423,793**	**-**	**-**	**-**	**15,674**	**-**	**-**	**-**	**439,467**
30 June 2016									
N Yeak	165,738	-	-	-	15,475	-	-	-	181,483
D Rakich **	9,846	-	23,662	20,690	985	72,342	-	8,106	135,631
Total	175,584	-	23,662	20,690	16,730	72,342	-	8,106	317,114

* Mr Ashley Jones is the Operations Manager of the Consolidated Group and is based in Francistown, Botswana. The board has determined that Mr Jones is an executive of the Company for the reporting period.

** Mr Rakich resigned as Company Secretary of A-Cap on 3 July 2015.

Transactions with Key Management Personnel

	Consolidated Group	
	2017	2016
	$	**$**
Geological and metallurgical consulting fees paid to Woolrich & Associates, a company in which Dr Paul Woolrich is a Director and shareholder, up until Dr Woolrich retired from the Board on 19 September 2016	**7,619**	73,136
Consulting fees paid to Raba-Rax Solutions, a company in which Mr Paul Thomson is a Director. Raba-Rax also provides consulting on health & radiation safety to A-Cap.	**498,409**	475,502
Consulting fees paid to Fabian Entertainment Pty Ltd, a company in which Mr Paul Ingram is a Director.	**174,499**	103,949
Consulting fees paid to Catus Pty Ltd, a company in which Mr John Fisher-Stamp is a Director.	**174,499**	90,518
Consulting fees paid to V&D Investments Ltd, a company in which Mr Michael Liu is a Director.	**174,564**	16,883
	1,029,590	759,988

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No amounts were due to key management personnel as at the reporting date.

REMUNERATION REPORT – AUDITED (CONTINUED)

Options Issued as part of remuneration of Key Management Personnel

No options were issued during the year and up to the date of this report (2016: None).

Number of Shares held by Key Management Personnel

2017	Balance 1.7.2016	Remuneration	Net Change Other	Balance 30.6.2017
Directors				
A Shen	172,988,706	352,572	-	173,341,278
P Ingram	1,737,177	6,112,057	-	7,849,234
P Thomson	-	-	-	-
H Stacpoole	3,870,124	238,759	(4,108,883) *	-
P Woolrich	4,101,764	435,967	(4,537,731) *	-
J Fisher-Stamp	832,878	5,572,990	(38,000) **	6,367,868
M Liu	5,954,672	5,408,228	-	11,362,900
Executives				
A Jones	-	-	-	-
N Yeak	-	-	-	-
Total	**189,485,321**	**18,120,573**	**(8,684,614)**	**198,921,280**

* Net change other represents Board retirements of the above key management personnel
** On-market sale of shares

- On 28 July 2016, 1,629,762 shares were issued to key management personnel pursuant to terms of the Company's Director Share Plan. Shares vested at the time of issue.

KMP	Shares	Issue price	Fair value at grant	Terms
A Shen	238,759	2.618c	3.8c	In lieu of director fees, calculated based on average VWAP for the period 1 April 2016 to 30 June 2016 pursuant to Director Share Plan
P Ingram	238,759	2.618c	3.8c	
H Stacpoole	238,759	2.618c	3.8c	
P Woolrich	238,759	2.618c	3.8c	
J Fisher-Stamp	238,759	2.618c	3.8c	
M Liu	238,759	2.618c	3.8c	
Woolrich & Associates	197,208	1.142c	3.8c	In lieu of reduced consulting fees pursuant to cost reduction plan calculated based on average VWAP for the reduction period 1 Mar-16 to 31 May-16

REMUNERATION REPORT – AUDITED (CONTINUED)

- On 12 August 2016, 3,685,210 shares were issued to key management personnel following a resolution of members at the 2015 annual general meeting. Share vested at the time of issue.

KMP	Shares	Issue price	Fair Value at grant	Terms
P Ingram (Fabian Entertainment Pty Ltd)	1,103,635	Refer Terms	3.6c	Pursuant to terms of Director service agreements, whereby 50% of consulting fees are to be settled 50% in A-Cap shares. The following A-Cap share prices were used to calculate the issue price of shares relating to Director service agreements: 17 Aug-15 2.4c, 28 Aug-15 2.1c, 1 Sep-15 2.1c, 1 Oct-15 1.7c.
J Fisher-Stamp (Catus Pty Ltd)	1,642,702	Refer Terms	3.6c	
M Liu	938,873	Refer Terms	3.6c	

- On 5 October 2016, 455,252 shares were issued to key management personnel pursuant to terms of the Company's Director Share Plan. Shares vested at the time of issue.

KMP	Shares	Issue price	Fair value at grant	Terms
A Shen	113,813	3.661c	6.4c	In lieu of director fees, calculated based on average VWAP for the period 1 July 2016 to 31 August 2016 pursuant to Director Share Plan
P Ingram	113,813	3.661c	6.4c	
J Fisher-Stamp	113,813	3.661c	6.4c	
M Liu	113,813	3.661c	6.4c	

- On 1 December 2016, 12,350,349 shares were issued to key management personnel following a resolution of members at the 2016 annual general meeting. Share vested at the time of issue.

KMP	Shares	Issue price	Fair value at grant	Terms
P Ingram (Fabian Entertainment Pty Ltd)	4,116,783	Refer Terms	5.7c	Pursuant to terms of Director service agreements, whereby 50% of consulting fees are to be settled 50% in A-Cap shares. The following A-Cap share prices were used to calculate the issue price of shares relating to Director service agreements: 30 Nov-15 2.1c, 31 Dec-15 1.6c, 31 Jan-16 1.8c, 29 Feb-16 1.5c, 31 Mar-16 1.7c, 30 Apr-16 1.7c, 31 May-16 2.7c, 30 Jun-16 3.9c, 31 Jul-16 3.6c, 31 Aug-16 3.9c, 30 Sep-16 6.5c.
J Fisher-Stamp (Catus Pty Ltd)	4,116,783	Refer Terms	5.7c	
M Liu (V & D Investments)	4,116,783	Refer Terms	5.7c	

Director Share Plan

A resolution to establish a Director Share Plan (DSP) was approved by Shareholders at the 2015 AGM held on 30 November 2015. The purpose of the Director Share Plan is to provide Directors of the Company with the ability to sacrifice their Director fees to acquire ordinary fully paid shares in the capital of the Company. In the current economic climate, the salary sacrifice serves as an effective cash preservation mechanism, whilst aligning the interests of directors with those of shareholders. The DSP in summary operates as follows:

- Shares issued under the DSP are an exception to ASX Listing Rule 7.1 (ASX Listing Rule 7.2, exception 9);
- All directors are eligible to participate in the DSP;
- At the Company's discretion, it may either issue new shares to Directors or acquire shares on the ASX for the benefit of directors under the plan;
- Shares due under the DSP are calculated based on a volume weighted average price (VWAP) for the salary sacrifice period multiplied by the sacrificed amount;

REMUNERATION REPORT – AUDITED (CONTINUED)

- The maximum number of shares that may be issued under the DSP, together with the number of shares issued or issuable under any other employee incentive scheme of the Company, within the previous 3 years, may not exceed 5% of the issued and outstanding shares from time to time. The maximum number of shares that may be acquired under the DSP is 22,500,000 shares (ASX Listing Rule 10.14);
- Shares issued to Directors under the DSP are restricted from dealing before the earlier of:
  - one year from acquisition;
  - the time the Directors ceases to be a Director of the Company;
  - the time when a takeover bid is made for the Company or a merger transaction is announced or entered into by the Company that will result in a person having a relevant interest in 50% of more of the Shares; and
  - any time that the Board gives notice that the Shares have ceased to be subject to any restrictions on disposal, which notice can be given at the discretion of the Board.

Cost Reduction Plan

The Board of Directors implemented a Cost Reduction Plan (CRP) in May 2013 to preserve cash in light of the economic climate. Directors had agreed to have 50% of their director fees paid in shares, whereas executives and consultants were offered to have 20% of their wages & salaries and consulting fees paid in shares. The Cost Reduction Plan was terminated by resolution of the Board of Directors effective 1 October 2016.

Number of Options Held by Key Management Personnel

2017	Balance 1.7.2016	Remuneration	Options Exercised	Options Expired During the Year	Net Change Other	Balance 30.6.2017	Vested and exercisable 30.6.2017	Unvested and unexercisable 30.6.2017
Directors								
A Shen	-	-	-	-	-	-	-	-
P Ingram	-	-	-	-	-	-	-	-
P Thomson	2,500,000	-	-	-	-	2,500,000	2,500,000	-
J Fisher-Stamp	-	-	-	-	-	-	-	-
M Liu	-	-	-	-	-	-	-	-
JJ Niu	-	-	-	-	-	-	-	-
CH Zhu	-	-	-	-	-	-	-	-
P Woolrich	-	-	-	-	-	-	-	-
H Stacpoole	-	-	-	-	-	-	-	-
Executives								
A Jones	1,000,000	-	-	-	-	1,000,000	1,000,000	-
N Yeak	700,000	-	-	-	-	700,000	700,000	-
Total	**4,200,000**	**-**	**-**		**-**	**4,200,000**	**4,200,000**	**-**

There have been no other transactions involving equity instruments other than those described above. For details of other Key Management Personnel transactions, refer to Note 23: Related Party Information.

This concludes the remuneration report which has been audited.

OPTIONS ISSUED DURING THE YEAR

No options were issued as part of remuneration during the year and up to the date of this report (2016: Nil).

At the date of this Report, the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number of Options	Fair Value of Options at Grant Date $
15/08/2007	-	Exercisable at eighty percent (80%) of market price on exercise date with the grantee required to be in the employ of the Company or subsidiary thereof, at the time of exercise.	10,000	-
31/10/2014	15/12/2016	$0.09	5,700,000	48,304
Total			**5,710,000**	

- The options are unlisted but upon exercise will rank equally in all respects with the fully paid ordinary shares in the Company
- The options tabled above are not performance related
- The options tabled above are vested immediately and entitles the option holder to one ordinary share for each option exercised
- No option holder has the right under the options to participate in any other share issue of the Company or any other entity
- No options were exercised during the financial year to 30 June 2017 and subsequent to the reporting date.

INDEMNIFICATION AND INSURANCE OF DIRECTORS, OFFICERS AND AUDITORS

The Company has agreed to indemnify the current directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their designated position of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the directors of the Company, the company secretary, and all executives of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

There were no fees for non-audit services paid to the external auditors during the year ended 30 June 2017.

AUDITOR'S INDEPENDENCE DECLARATION

The lead Auditor's Independence Declaration for the year ended 30 June 2017 has been received and can be found on page 21 of this Report.

This report is made in accordance with a resolution of the Directors.

Paul Ingram
Deputy Chairman
Dated this 28th day of September 2017
Perth, Western Australia

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF A-CAP RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief during the year ended 30 June 2017 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director

Dated this 28th day of September, 2017

CHARTERED ACCOUNTANTS & ADVISORS

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CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement is set out on our website www.a-cap.com.au.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 $	2016 $
Revenue	2	**52,151**	30,455
R&D tax credits received		**157,151**	962,605
Other income	2	**4,869**	-
Administration expenses		**(117,912)**	(208,766)
Corporate expenses		**(1,646,766)**	(913,807)
Employment entitlements		**(844,800)**	(938,825)
Impairment of capitalised exploration and evaluation		**(56,576)**	-
Loss on financial assets at fair value through profit and loss		**(25,592)**	(34,213)
Occupancy		**(69,325)**	(84,919)
Travel		**(215,618)**	(120,366)
Loss from ordinary activities before income tax expense		**(2,762,418)**	(1,307,836)
Income tax expense	3	-	-
Loss from ordinary activities after income tax expense attributable to the parent		**(2,762,418)**	(1,307,836)
Other Comprehensive Income			
Items that may be reclassified to profit & loss			
Gains / (losses) arising from translation of foreign controlled operation		**(1,381,665)**	963,230
Total comprehensive loss attributable to the parent		**(4,144,083)**	(344,606)
Basic loss per Share (cents per share)	7	**(0.33)**	(0.23)
Diluted loss per Share (cents per share)	7	**(0.33)**	(0.23)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Notes	2017	2016
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	8	**3,933,829**	4,090,542
Financial assets	9	**127,119**	152,711
Trade and other receivables	10	**321,884**	215,332
Total current assets		**4,382,832**	4,458,585
Non-current assets			
Plant and equipment	13	**97,286**	152,920
Capitalised exploration and evaluation	14	**50,580,159**	49,983,564
Total non-current assets		**50,677,445**	50,136,484
TOTAL ASSETS		**55,060,277**	54,595,069
LIABILITIES			
Current liabilities			
Trade & other payables	15	**492,656**	772,756
Total current liabilities		**492,656**	772,756
TOTAL LIABILITIES		**492,656**	772,756
NET ASSETS		**54,567,621**	53,822,313
EQUITY			
Contributed equity	16	**71,684,318**	66,794,927
Reserves	17	**5,596,640**	6,978,305
Accumulated losses		**(22,713,337)**	(19,950,919)
TOTAL EQUITY		**54,567,621**	53,822,313

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Ordinary shares	Options reserve	Accumulated losses	Foreign currency translation reserve	Total
	$		$	$	$
At 1 July 2016	**66,662,928**	**131,999**	**(19,950,919)**	**6,978,305**	**53,822,313**
Loss for the period	-	-	(2,762,418)	-	(2,762,418)
Other comprehensive income	-	-	-	(1,381,665)	(1,381,665)
Total comprehensive income for the year	**-**	**-**	**(2,762,418)**	**(1,381,665)**	**(4,144,083)**
Transactions with owners in their capacity as owners:					
Issued capital	5,056,779	-	-	-	5,056,779
Share issue costs – net of tax	(167,388)	-	-	-	(167,388)
At 30 June 2017	**71,552,319**	**131,999**	**(22,713,337)**	**5,596,640**	**54,567,621**

	Ordinary shares	Options reserve	Accumulated losses	Foreign currency translation reserve	Total
	$		$	$	$
At 1 July 2015	**61,702,559**	**1,116,166**	**(19,627,250)**	**6,015,075**	**49,206,550**
Loss for the period	-	-	(1,307,836)	-	(1,307,836)
Other comprehensive income	-	-	-	963,230	963,230
Total comprehensive income for the year	**-**	**-**	**(1,307,836)**	**963,230**	**(344,606)**
Transactions with owners in their capacity as owners:					
Issued capital	5,207,679	-	-	-	5,207,679
Issued unlisted options	-	-	-	-	-
Expired unlisted options	-	(984,167)	984,167	-	-
Share issue costs – net of tax	(247,310)	-	-	-	(247,310)
At 30 June 2016	**66,662,928**	**131,999**	**(19,950,919)**	**6,978,305**	**53,822,313**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017	2016
		$	$
Cash Flows from Operating Activities			
Payments to suppliers and employees (inclusive of goods and services tax)		**(2,125,445)**	(1,838,217)
R&D Tax Credit		**-**	962,605
Interest received		**62,127**	20,479
Net Cash (Outflow) from Operating Activities	21	**(2,063,318)**	(855,133)
Cash Flows from Investing Activities			
Payments for exploration expenditure		**(2,012,239)**	(1,845,938)
Purchase of property, plant and equipment		**(10,359)**	(10,516)
Proceeds from sale of property, plant and equipment		**-**	1,226
Net Cash (Outflow) from Investing Activities		**(2,022,598)**	(1,855,228)
Cash Flows from Financing Activities			
Proceeds from issues of ordinary shares		**3,977,273**	5,000,592
Payments of share issue costs		**(48,070)**	(407,326)
Net Cash Inflow from Financing Activities		**3,929,203**	4,593,266
(Decrease) / Increase in Cash and Cash Equivalents Held		**(156,713)**	1,882,905
Cash and cash equivalents at the Beginning of the Financial Year		**4,090,542**	2,207,637
Cash and cash equivalents at the End of the Financial Year	8	**3,933,829**	4,090,542

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements include the consolidated financial statements and notes of A-Cap Resources Limited and controlled entities (‘Consolidated Group’). A-Cap Resources Limited is a for-profit company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange.

Supplementary information about the parent entity is disclosed in Note 12: Parent Entity Information.

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, ('AASB') and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of A-Cap Resources Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. A-Cap Resources Limited and its subsidiary together are referred to in these financial statements as the ‘Consolidated Group’. Subsidiaries are all those entities over which the Consolidated Group has control. The Consolidated Group controls an entity when the Consolidated Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Principles of Consolidation (continued)

Where the Consolidated Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Income Tax

The income tax expense (benefit) for the year comprises current income tax expense (income) and deferred tax expense (income). Current income tax expense charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses. Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits will be available against which the benefits of deferred tax assets can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Plant and Equipment

Plant and equipment are measured on a cost basis less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on a cost basis. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment – vehicles	25%
Plant and equipment – computer hardware & software	20%
Plant and equipment – furniture and fittings	15%
Plant and equipment – geophysical equipment	20%
Plant and equipment – containers and sheds	15%
Plant and equipment – camp & field establishment	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Exploration, Evaluation and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a present value basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(f) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments (continued)

The Effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Refer to Note 1 (o) for further information.

Impairment of financial assets

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Financial Instruments (continued)

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(g) Impairment of Assets

At the end of each reporting period, the Consolidated Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency
The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The Directors have determined that an Australian dollar presentation currency will continue to deliver Shareholders with more relevant and reliable information, on the basis that users of A-Cap Resources Limited's financial statements are currently predominantly Australian investors, with the majority of funds raised to date being in line with the presentation currency of the parent entity.

Transaction and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss and other comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange difference arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Foreign Currency Transactions and Balances (continued)

Group companies

The financial results and position of foreign operations whose functional currency is different from the Consolidated Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the end of the reporting period.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Consolidated Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(i) Employee Benefits

Provision is made for the Consolidated Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be wholly settled later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those benefits are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows.

(j) Trade & Other Payables

Trade and other payables represent liabilities outstanding at the end of the reporting period for goods and services received by the Consolidated Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of liability.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(l) Revenue

All revenue is stated net of the amount of goods and services tax (GST) & Value Added Tax (VAT).

Interest revenue is recognised as interest accrues using the effective interest method.

Revenue from R&D credits paid by the Australian Taxation Office are either recognised at the time the payment is received or accrued on the basis that the R&D credit has been paid to A-Cap following the end of the financial year and recognised as an after-balance date event.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Goods and Services Tax (GST) & Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the Australian Tax Office and Botswana Unified Revenue Services. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST/VAT component of investing and financing activities, which are disclosed as operating cash flows.

(n) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(o) Fair Value Measurement

The fair value of financial instruments traded in active markets (such as publicly traded securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1 of the Fair Value Hierarchy as defined in AASB13 *Fair Value Measurement.*

(p) Earnings per Share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of A-Cap Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(r) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Consolidated Group.

Key judgement – Exploration and Evaluation Expenditure
The Consolidated Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. For further details refer to note 14. The Department of Mines have confirmed that all our other prospecting licences are in good standing and all annual rental payments due have been paid. On this basis, exploration and evaluation costs relating to tenements which have expired and renewal and extension applications have been lodged with the Department of Mines are not considered impaired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Critical Accounting Estimates and Judgements (continued)

Key estimates – Withholding Tax
Withholding tax is applicable to all management and consultancy fees paid by the Consolidated Group to non-residents of Botswana. On an annual basis, any withholding tax liability estimates are reviewed and where a more appropriate and correct amount is calculated, the re-estimated balance is adjusted against the statement of profit or loss and other comprehensive income.

Deferred tax assets
The Directors have determined that currently the Consolidated Group will not be able to offset its tax losses and temporary tax differences against future taxable income, and on this basis has not recognised a net deferred tax asset in the financial statements.

(t) New Revised or Amending Accounting Standards and Interpretations Adopted

The Consolidated Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have and significant impact on the financial performance or position of the Consolidated Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2017 are outlined in the table below.

Standard	Mandatory date for annual reporting periods beginning on or after)	Reporting period standard adopted by the company
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	1 July 2017
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	1 July 2017
AASB 2017-2 Amendments to Australian Accounting Standards - Further Annual Improvements 2014-2016 Cycle	1 January 2017	1 July 2017
AASB 9 Financial Instruments and related standards	1 January 2018	1 July 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian. Accounting Standards arising from AASB 15	1 January 2018	1 July 2018
AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	1 July 2018
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	1 July 2018
Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019	1 July 2019
AASB 16 - Leases	1 January 2019	1 July 2019

As the Consolidated Group does not generate revenue there will be no impact in respect of AASB 15 – Revenue. In addition given the nature of the Consolidated Groups' operations the impact of AASB 16 – Leases will not be material.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 REVENUE

	2017	2016
	$	$
Revenue from ordinary activities		
Interest - received	**52,151**	30,455
Other income		
Sale of assets	**1,000**	-
Gain on foreign exchange	**3,869**	-
Total other income	**4,869**	-

NOTE 3 INCOME TAX EXPENSE

	2017	2016
	$	$
The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	**(2,762,418)**	(1,307,836)
Prima facie tax payable on loss from ordinary activities before income tax at the Australian tax rate of 30% (2016: 30%):	**(828,725)**	(392,351)
Difference in overseas tax rates (Botswana tax rate: 22% (2016: 22%)	**19,331**	20,713
Add:		
Tax effect of:		
- Non-assessable income	**(47,145)**	-
- Non- deductible expenses	**391,945**	96,609
Income Tax benefit not recognised	**(464,594)**	(275,029)

There was no current income tax expense for the year ended 30 June 2017 (2016: $nil) due to the loss from operations.

At 30 June 2017, the Consolidated Group reviewed the quantum of its unrecognised carry forward tax losses and timing differences. As at that date management has assessed that its carry forward tax losses and timing differences of $4,223,391 (2016: $3,758,797) potentially available to offset against future years' taxable income.

These tax losses have not been brought to account as utilisation of these losses is not probable. Income tax losses can only be recovered by the company deriving future assessable income, conditions for deductibility imposed by law being complied with and no changes in tax legislation adversely affecting the realisation of the benefit from the deductions. Therefore, carry forward losses may not be available to offset future assessable income.

Due to the inherent uncertainty whether or not the Consolidated Group's existing losses can be used going forward, which will be dependent upon satisfaction of the "same business test" as required by the Australian Tax Office, the directors have not estimated the potential carry-forward loss tax credits available to the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 KEY MANAGEMENT PERSONNEL

Details of key management personnel
The Directors and key management personnel of the Company during the financial year were:

A Shen	(Chairman)	P A Ingram	(Deputy Chairman, Independent Non-Executive Director)
P Thomson	(Managing Director)	H J Stacpoole	(Independent Non-Executive Director, retired 19 Sep-16)
P Woolrich	(Executive Director, retired 19 Sep-16)	J Fisher-Stamp	(Independent Non-Executive Director)
M Liu	(Independent Non-Executive Director)	N Yeak	(Company Secretary)
JJ Niu	(Non-Executive Director, appointed 19 Sep-16)	A Jones	Operations Manager
CH Zhu	(Non-Executive Director, appointed 19 Sep-16)		

Key management personnel compensation

	2017 ($)	2016 ($)
Short-term employee benefits	**1,998,676**	1,679,775
Post-employment benefits	**24,350**	25,542
Other long-term benefits	**-**	20,690
Termination benefits	**-**	72,342
Share-based payment	**657,236**	150,282
Total compensation	**2,680,262**	1,948,631

Refer Note 5: Share-based payments for further information relating to the Company's Executive & Employee option plan.

NOTE 5 SHARE-BASED PAYMENTS

- On 28 July 2016, A-Cap issued 1,718,456 ordinary fully paid shares to directors and consultants in lieu of fee reductions of $15,762.
- On 12 August 2016, 3,685,210 ordinary fully paid shares to consultants were issued pursuant to a resolution of shareholders at the 2015 Annual General Meeting for consulting fees of $73,212.
- On 7 September 2016, 3,409,091 ordinary fully paid shares were allotted to Jiangsu Shengan as settlement for the underwriting fee of $119,318 for the non-renounceable entitlement offer. The shares were allotted pursuant to the prospectus dated 26 July 2016 and an underwriting agreement between A-Cap and Jiangsu Shengan.
- On 5 October 2016, 682,878 ordinary fully paid shares were issued in lieu of director fees totaling $12,498 pursuant to the Shareholder-approved Director Share Plan.
- On 1 December 2016, 12,350,349 ordinary fully paid shares were issued pursuant to a resolution of shareholders at the 2016 Annual General Meeting for consulting fees of $280,661.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 SHARE-BASED PAYMENTS (CONTINUED)

- On 19 April 2017, 316,375 ordinary fully paid shares in the Company were issued in lieu of consulting fees and in consideration of consulting fees of $9,213.
- The total expense at fair value recognised for the period arising from share based payment transactions in which the transactions did not qualify for recognition as assets and hence were recognised immediately as an expense for the year is $945,981.

	2017		2016	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	**5,710,000**	0.09	**12,210,000**	0.28
Granted	**-**	-	**-**	-
Forfeited	**-**	-	**-**	-
Exercised	**-**	-	**-**	-
Expired	**-**	-	**(6,500,000)**	0.45
Outstanding at year-end	**5,710,000**	0.09	**5,710,000**	0.09
Exercisable at year-end	**5,710,000**	0.09	**5,710,000**	0.09

At 30 June 2017 there were 5,710,000 unissued ordinary shares of the Company for which the majority of options were outstanding as follows:

Grant date	Date of expiry	Exercise price	No. of options (i)	Fair value per option
31 Oct-14	31 Oct-17	9 cents	5,700,000	1.9c

(i) All options on issue are vested and exercisable and are valued using the Black & Scholes model.

(ii) 10,000 options exercisable at 80% of market value were issued to an employee which expires on the day the employee ceases to be in the employ of the Company of subsidiary thereof.

Historical volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future movements. The weighted average remaining contractual life of share options outstanding at year end was 0.34 years (2016: 1.34 years).

The Consolidated Group has an Executive and Employee Option Plan. Options granted under the plan carry no dividend or voting rights. All employees except Directors are entitled to participate in the scheme at the discretion of the Directors and upon terms stipulated by the Directors. Director options are issued in accordance with a resolution passed at the Company's annual general meeting. All options granted to key management personnel are for ordinary shares in A-Cap Resources Limited, which confer a right of one ordinary share for every option held.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 6 REMUNERATION OF AUDITORS

	2017	2016
	$	$
Remuneration of the auditors of the Consolidated Group for:		
Audit and review of the financial report – William Buck Audit (Vic) Pty Ltd	**34,000**	37,500
Audit and review of the financial report of subsidiary entity – Non William Buck audit firm	**13,230**	14,483
	47,230	51,983

NOTE 7 EARNINGS PER SHARE

	2017	2016
	$	$
a) Reconciliation of losses to profit or loss		
Loss used to calculate basic EPS	**(2,762,418)**	(1,307,836)
Loss used to calculate diluted EPS	**(2,762,418)**	(1,307,836)
	No.	No.
b) Weighted average number of ordinary shares used in the calculation of basic earnings per share	**845,618,626**	563,088,980
c) Weighted average number of ordinary shares used in the calculation of dilutive earnings per share	**845,628,626**	563,088,980

NOTE 8 CASH AND CASH EQUIVALENTS

	2017	2016
	$	$
Cash at bank and on hand	**2,102,889**	1,515,481
Call deposit	**1,080,940**	325,061
Term deposits	**750,000**	2,250,000
	3,933,829	4,090,542

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement financial position as follows:

Cash and cash equivalents	**3,933,829**	4,090,542
	3,933,829	4,090,542

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 FINANCIAL ASSETS

Financial assets at fair value through profit or loss are:

	2017 $	2016 $
Current assets		
London Stock Exchange listed equity securities *	**127,119**	152,711

Movement for the year	2017 $	2016 $
Opening balance	**152,711**	186,924
Acquisition of financial assets	**-**	-
Foreign exchange gain / (loss)	**(9,141)**	(23,077)
Loss in market value of securities	**(16,451)**	(11,136)
Closing balance	**127,119**	152,711

***The securities consist of:**

	No. of securities	Unit price as at 30th June 2017
Duke Royalty Limited (Ordinary fully paid shares)	176,837	£0.425

NOTE 10 TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Current		
Prepayments / Deposits paid	**116,349**	135,158
Other receivables	**48,384**	80,174
R&D refund	**157,151**	-
	321,884	215,332

There were no impaired receivables for the financial year 30 June 2017.

There were no receivables past due but not impaired for the financial years ended 30th June 2017 and 30th June 2016.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 CONTROLLED ENTITIES

	Country of Incorporation	Class of Share	Equity Holding	
			2017	2016
			%	%
A-Cap Resources Botswana (Pty) Ltd	Botswana	Ordinary	**100**	100

The controlled entity holds 100% of the prospecting licences of the Consolidated Group's tenements in Botswana. The controlled entity's principal activities during the year were in line with the Company Strategy (please refer to the Directors' Report for further information).

On 15 August 2016, A-Cap Resources Botswana (Pty) Ltd registered the following wholly-owned subsidiaries:

	Country of Incorporation	Class of Share	Equity Holding	
			2017	2016
			%	%
Foley Coal (Pty) Ltd	Botswana	Ordinary	**100**	-
Pulse Resources Botswana (Pty) Ltd	Botswana	Ordinary	**100**	-

NOTE 12 PARENT ENTITY INFORMATION

Information relating to the parent entity, A-Cap Resources Limited	**2017**	2016
	$	**$**
ASSETS		
Current assets	**4,265,779**	4,363,881
Total assets	**46,636,171**	44,304,563
LIABILITIES		
Current liabilities	**198,536**	477,410
Total liabilities	**198,536**	477,410
EQUITY		
Issued capital	**71,552,319**	66,662,928
Reserves	**97,220**	97,220
Accumulated losses	**(25,211,904)**	(22,932,995)
Total shareholders' equity	**46,437,635**	43,827,153
Loss of the parent entity	**(2,278,909)**	(888,204)
Total comprehensive loss of the parent entity	**(2,278,909)**	(888,204)

A-Cap Resources Limited holds as security the Consolidated Group's exploration assets in Botswana for financial support provided to the Subsidiary. The parent entity does not have any contingent liabilities or contractual commitments for the acquisition of property, plant or equipment (2016: Nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 13 PLANT AND EQUIPMENT

Cost

	Motor Vehicles	IT hardware & software	Geophysical equipment	Other plant & equipment	Total
Balance as at 30 June 2015	884,231	483,219	375,558	175,762	1,980,555
Additions	-	7,754	-	2,762	10,516
Disposals	-	(1,635)	-	-	(1,635)
FX gains / losses	25,527	11,430	10,845	4,992	52,794
Balance as at 30 June 2016	**909,758**	**500,768**	**386,513**	**183,516**	**1,980,555**
Additions	-	9,109	-	1,250	10,359
Disposals	-	(17,285)	-	-	(17,285)
FX gains / losses	(28,902)	(13,365)	(12,279)	(5,757)	(60,303)
Balance as at 30 June 2017	**880,856**	**479,227**	**374,234**	**179,009**	**1,913,326**

Accumulated Depreciation

	Motor Vehicles	IT hardware & software	Geophysical equipment	Other plant & equipment	Total
Balance as at 30 June 2015	(810,580)	(449,712)	(292,947)	(126,157)	(1,679,396)
Disposals	-	409	-	-	409
Depreciation	(31,248)	(16,325)	(37,131)	(20,033)	(104,737)
FX gains / losses	(22,725)	(10,347)	(7,651)	(3,188)	(43,911)
Balance as at 30 June 2016	**(864,553)**	**(475,975)**	**(337,729)**	**(149,378)**	**(1,827,635)**
Disposals	-	17,285	-		17,285
Depreciation	(18,802)	(9,550)	(17,843)	(16,071)	(62,266)
FX gains / losses	27,827	12,663	11,072	5,014	56,576
Balance as at 30 June 2017	**(855,528)**	**(455,577)**	**(344,500)**	**(160,435)**	**(1,816,040)**
Carrying amount as at 30 June 2016	**45,205**	**24,793**	**48,784**	**34,138**	**152,920**
Carrying amount as at 30 June 2017	**25,328**	**23,650**	**29,734**	**18,574**	**97,286**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 14 CAPITALISED EXPLORATION AND EVALUATION

	2017 $	2016 $
At cost	**50,580,159**	49,983,564
Movements in carrying values		
Balance at beginning of year	**49,983,564**	47,335,421
Expenditure during the year	**2,337,665**	2,066,675
Expenditure written-off during the year	**(56,576)**	-
Foreign currency translation	**(1,684,494)**	581,468
Balance at end of year	**50,580,159**	49,983,564

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of Uranium and Coal. Included in the expenditure during the year is depreciation of plant and equipment for the exploration activities amounting to $40,527 (2016: $83,239).

The foreign currency translation movement of ($1,684,494) reflects exchange differences between the Australian dollar and the US dollar during the financial year. The functional currency of the Consolidated Group's Controlled Entity, A-Cap Resources Botswana (Pty) Ltd is US dollars. Exchange rates fluctuate from time to time and there is no impact on shareholders as the Financial Statements have been prepared on a going concern basis, with the Parent Entity holding 100% control of the Controlled Entity.

NOTE 15 TRADE AND OTHER PAYABLES

	2017 $	2016 $
Current *(unsecured liabilities)*		
Trade and Sundry Payables	**181,262**	481,054
Provision for employee benefits *	**311,393**	291,702
	492,656	772,756

**** Amounts not expected to be settled within the next 12 months***

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Consolidated Group does not have an unconditional right to defer settlement. However, based on past experience, the Consolidated Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The employee leave benefit obligation not expected to be taken within the next 12 months is $124,204 (2016: $147,234)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 16 ISSUED CAPITAL

		2017 $	2016 $
871,884,866 (2016: 736,086,143) fully paid ordinary shares	(a)	**71,552,319**	66,662,928
5,710,000 (2016: 5,710,000) options	(b)	**131,999**	131,999
		71,684,318	66,794,927

(a) Ordinary Shares

2017		Number of Shares	Fair Value at Grant $	$
At the beginning of the reporting period		**736,086,143**		**66,662,928**
28 July 2016	Shares Issued to Directors & consultants	1,718,456	3.6c	61,864
12 August 2016	Shares Issued to Consultants	3,685,210	3.6c	132,668
31 August 2016	Ordinary Shares	10,658,884	3.5c	373,061
1 September 2016	Ordinary Shares	102,977,480	3.5c	3,604,212
7 September 2016	Shares Issued In lieu of Underwriting Fee	3,409,091	3.5c	119,318
5 October 2016	Shares Issued to Directors & consultants	682,878	6.3c	43,021
1 December 2016	Shares Issued to Consultants	12,350,349	5.7c	703,970
19 April 2017	Shares Issued to Consultants	316,375	5.9c	18,665
	Share issue costs			(167,388)
At the end of the reporting period		**871,884,866**		**71,552,319**

2016		Number of Shares	Fair Value at Grant $	$
At the beginning of the reporting period		**475,056,253**		**61,702,559**
10 December 2015	Shares Issued to Directors	7,013,749	2.1c	147,289
26 February 2016	Shares Issued to Employees	3,379,404	2.0c	67,588
3 March 2016	Ordinary shares	246,650,203	2.0c	4,933,004
20 April 2016	Ordinary shares	3,986,534	1.5c	59,798
	Share issue costs			(247,310)
At the end of the reporting period		**736,086,143**		**66,662,928**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 16 ISSUED CAPITAL (CONTINUED)

The Company's ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

(b) Options

No options were issued during the year.

(c) Capital Management

Management controls the capital of the Consolidated Group in order to maintain a good debt to equity ratio and ensure that the Consolidated Group can fund its operations and continue as a going concern.

The Consolidated Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

Currently the Group's borrowing activity is limited to its trade & sundry payables and that it has no material commercial borrowings.

There are no externally imposed capital requirements.

Management effectively manages the Consolidated Group's capital by assessing the Consolidated Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Consolidated Group since the prior year.

NOTE 17 RESERVES

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled operations as described in Note 1(h).

Options Reserve

The options reserve records the value of unlisted options issued by the Company and unexercised options lapsed during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 18 CAPITAL AND LEASING COMMITMENTS

	2017 $	2016 $
Planned exploration expenditure		
- not later than 12 months	-	3,353,354
- between 12 months and 5 years	-	-
Lease commitments	-	7,915
	-	3,361,269

Estimated figures as at the reporting date do not include amounts submitted to the Department of Geological Survey in Botswana in order to maintain the Group's current rights of tenure to exploration tenements and mining licenses. Exploration tenements are currently being assessed by the Department of Mines for renewal / extension, therefore no commitment has been established. No capital commitment is applicable for mining licences.

NOTE 19 CONTINGENT LIABILITIES

There are no outstanding contingent liabilities as at 30 June 2017 (2016: Nil).

NOTE 20 SEGMENT INFORMATION

Identification of reportable segments

The Consolidated Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources.

The Consolidated Group only operates within one business segment being that of minerals exploration.

The Chief Operating Decision Makers review the Monthly Directors Report on at least a monthly basis. The accounting policies adopted for internal reporting to the Chief Operating Decision Makers are consistent with those adopted in the financial statements.

The reportable segment is represented by the primary statements forming this financial report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 21 CASH FLOW INFORMATION

	2017	2016
	$	$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Operating Loss after income tax	**(2,762,418)**	(1,307,836)
Non –Cash flows in profit		
- Depreciation / impairment of assets	**74,921**	21,499
- Share-based remuneration	**945,980**	158,547
- Loss on investments held at fair value	**25,592**	34,213
Changes in assets and liabilities net of the effects of purchase and disposal of subsidiaries		
- (Increase)/decrease in trade and other receivables	**(106,552)**	(4,067)
- Increase/(decrease) in trade and other payables	**(240,841)**	242,511
Net cash (outflow) from operating activities	**(2,063,318)**	(855,133)

	2017	2016
	$	$
Non-Cash Financing and Investing Activities		
Capitalised depreciation of plant & equipment for the year	**40,527**	83,239
Share-based remuneration	**1,079,507**	207,087
	1,120,034	290,326

NOTE 22 EVENTS OCCURRING AFTER THE REPORTING PERIOD

- On 13 July 2017, the Company changed its principal place of business to Level 1, 136 Stirling Hwy, Nedlands WA 6009, PO Box 291, Nedlands WA 6909, Phone: +61 8 9467 2612, Fax: +61 8 7200 7612.
- On 25 July 2017 the Australian Taxation Office refunded A-Cap $157,470 including interest in relation to the Company's 2016 Income Tax Return R&D credit.
- On 31 August 2017, Mr Paul Thomson retired as Managing Director of the Company and from 1 September 2017 transitioned to a CEO role (refer Remuneration Report). On 20 September 2017, the Company were advised that the Minister of Mineral Resources, Green Technology and Energy Security had approved an amendment to the programme of works of the Letlhakane Uranium Project's Mining Licence 2016/16L. The amendment was in relation to a two-year delay in the pre-construction and construction period set out in the Company's mining licence application submitted in August 2015.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 22 EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect the operations of the Consolidated Group, the results of these operations or the state of affairs of the Consolidated Group in subsequent years.

NOTE 23 RELATED PARTY INFORMATION

	Consolidated Group	
	2017	2016
Transactions with Key Management Personnel	**$**	**$**
Geological and metallurgical consulting fees paid to Woolrich & Associates, a company in which Dr Paul Woolrich is a Director and shareholder, up until Dr Woolrich retired on 19 September 2016	**7,619**	73,136
Consulting fees paid to Raba-Rax Solutions, a company in which Mr Paul Thomson is a Director. Raba-Rax also provides consulting on health & radiation safety to A-Cap.	**498,409**	475,502
Consulting fees paid to Fabian Entertainment Pty Ltd, a company in which Mr Paul Ingram is a Director.	**174,499**	103,949
Consulting fees paid to Catus Pty Ltd, a company in which Mr John Fisher-Stamp is a Director.	**174,499**	90,518
Consulting fees paid to V&D Investments Ltd, a company in which Mr Michael Liu is a Director.	**174,564**	16,883
	1,029,590	759,988

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

No amounts were due to key management personnel as at the reporting date.

Payments made to Raba-Rax Solutions include remuneration paid to Paul Thomson under his service agreement with A-Cap.

Ownership Interests in Related Parties

Interests held in the following classes of related parties are set out in the following notes:
(a) Controlled Entities Note 11

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24 FINANCIAL RISK MANAGEMENT

(A) Financial Risk Management Policies

The Consolidated Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to subsidiaries.

(i) Treasury Risk Management

The Board of Directors meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

(ii) Financial Risk Exposures and Management

The main risks the Consolidated Group is exposed to through its financial instruments are foreign currency risk, liquidity risk and price risk.

Foreign Currency Risk
The Consolidated Group is exposed to foreign currency risk arising from equity investments (specifically A-Cap's investment in Duke Royalty, a London Stock Exchange listed company) and USD currency cash at bank. These are subject to fluctuations in exchanges rates between the Australian dollar and the pound sterling and the Australian dollar and US dollar. Relevant consensus currency rate forecasts are continuously reviewed and analysed by management, and appropriate measures are put in place where necessary to protect the Group's cash from significant fluctuations in foreign currency exchange rates.

Liquidity Risk
Liquidity risk arises from the possibility that the Consolidated Group might encounter difficulty in settling its debts or otherwise meeting its non-cancellable obligations related to financial liabilities and leases. The Consolidated Group manages liquidity risk by:

- Preparing forward-looking cash flow analyses in relation to its exploration & evaluation, investing and financing activities,
- Obtaining funding from capital markets rather than debt,
- Maintaining credit risk related to financial assets,
- Only investing surplus cash with major financial institutions,
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets, and
- Cash flows realised from financial assets reflect management's expectation as to the timing of realisation.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(A) Financial Risk Management Policies (continued)

Price Risk
The Consolidated Group is exposed to equity price risk arising from equity investments, specifically A-Cap's investment in Duke Royalty, a London Stock Exchange listed company. These shares and options are marketable securities held for the purpose of trading on the open market to gain access to cash when needed. This investment is subject to movements in the market value of Duke's shares and options. Management will assess the industry and market data and forecasts to ensure that the market price for our equity investment represents best value to the Consolidated Group before making any decision to sell the investment for cash.

(B) Financial liability and maturity analysis

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the statement of financial position.

	Within 1 Year		Total	
	2017	2016	2017	2016
Consolidated Group	$	$	$	$
Financial liabilities due for payment				
Trade and other payables	**492,656**	772,756	**492,656**	772,756
Amounts payable to related parties	-	283,746	-	283,746
Total contractual outflows	**492,656**	1,056,502	**492,656**	1,056,502
Financial assets – cash flows realisable				
Trade and other receivables	**272,924**	85,685	**272,924**	85,685
Total anticipated inflows	**272,924**	85,685	**272,924**	85,685
Net inflow on financial instruments	**(219,732)**	(970,817)	**(219,732)**	(970,817)

* Note that planned expenditures on tenements are excluded. For further detail refer to note 18.

(C) Net Fair Values

With the exception of financial assets at fair value through the profit & loss, the net fair values of financial assets and liabilities approximate their carrying value due to its short-term nature.

The fair values of the financial assets traded on active liquid markets are determined with reference to quoted market prices (level 1 of the Fair Value hierarchy based on the definition in AASB 13).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(D) Sensitivity Analysis

The following table illustrates sensitivities to the Consolidated Group's exposures to changes in the value of securities and exchange rates. The table indicates the impact on how profit and asset values reported as at the end of the reporting period would have been affected by changes in relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group 2017	
	Profit	**Liabilities**
	$	**$**
Increase in AUD to GBP by 10%	**15,271**	**-**
Decrease in AUD to GBP by 10%	**(13,883)**	**-**
Increase in AUD to USD by 10%	**207,243**	**-**
Decrease in AUD to USD by 10%	**(188,403)**	**-**

DIRECTORS' DECLARATION

The Directors declare that:

(a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

(b) In the Directors' opinion, the attached financial statements are compliant with International Financial Reporting Standards, as stated in note 1 to the financial statements

(c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and the *Corporations Regulations 2001*, giving a true and fair view of the financial position and performance of the Consolidated Group, and

(d) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Board of Directors

Paul Ingram.

Paul Ingram
Deputy Chairman
Dated this 28th day of September 2017
Perth, Western Australia

William Buck

A-Cap Resources Limited and its controlled entities

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of A-Cap Resources Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:
(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CHARTERED ACCOUNTANTS & ADVISORS

Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

CARRYING VALUE OF EXPLORATION COSTS	
Area of focus **Refer also to notes 1 and 14**	**How our audit addressed it**
The Group have incurred exploration costs for Uranium and Coal projects in Botswana over a number of years. There is a risk that accounting criteria associated with the capitalisation of exploration and evaluation expenditure may no longer be appropriate and that capitalised costs exceed the value in use. An impairment review is only required if an impairment trigger is identified. Due to the nature of the mining industry, indicators of impairment applying the value in use model could include: — Significant decrease seen in global uranium and coal prices; — Changes to exploration plans; — Loss of rights to tenements; — Changes to reserve estimates; — Costs of extraction and production; — Exchange rate factors; and — The changing political environment of Botswana	Our audit procedures included: — A review of the directors' assessment of the criteria for the capitalisation of exploration expenditure and evaluation of whether there are any indicators of impairment to capitalised costs; — Performing an assessment of whether any indicators of impairment existed in line with requirements of *AASB6 - Exploration for and Evaluation of Mineral Resources*; and — We assessed the adequacy of the Group's disclosures in respect of the carrying value of exploration costs.

RELATED PARTY TRANSACTIONS	
Area of focus **Refer also to notes 1, 5, 23 and the Remuneration Report**	**How our audit addressed it**
There have been numerous related party transactions with companies where the Group or key management personnel of the Group have interests and/or are Directors. As, such, there is a risk that not all related party transactions are disclosed in the financial report or that related party transactions have been made on non-arm's length basis.	Our audit procedures included: — Assessment of the Group's controls to identify and disclose related party transactions and transactions in accordance with the relevant accounting standards and the *Corporations Act 2001*; — Comparing the list of related parties provided by the Directors with internal sources;

RELATED PARTY TRANSACTIONS (CONTINUED)	
This could result in insufficient information being provided in order to enable the user of the financial report to understand the nature and effect of the various related party relationships and transactions.	— Conducting an ASIC search for external directorships held by the Board members to evaluate whether all related party relationships and transactions had been appropriately identified and disclosed; — Assessing whether related party transactions were conducted at arms-length by comparing the basis of the transactions to external sources; and — For each class of related party transaction we compared the financial statement disclosures against the underlying transactions and the accounting and *Corporations Act 2001* requirements

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

— Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

— Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

— Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

— Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of A-Cap Resources Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

J. C. Luckins
Director

Melbourne, 28 September 2017

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 11 September 2017.

(A) DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

	Ordinary Shares	Unlisted Options
1 – 1,000	202	-
1,001 – 5,000	485	-
5,001 – 10,000	303	1
10,001 – 100,000	836	8
100,001 and over	226	4
	2,052	**13**

There were 896 holders of less than a marketable parcel of ordinary shares.

(B) EQUITY SECURITY HOLDERS

The names of the twenty largest holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number Held	Percentage of Issued Shares
JIANGSU SHENGAN RESOURCES GROUP CO LTD	357,786,934	41.04%
ANSHENG INVESTMENT CO LTD	172,491,060	19.78%
BNP PARIBAS NOMINEES PTY LTD	104,474,732	11.98%
JP MORGAN NOMINEES AUSTRALIA LIMITED	35,600,073	4.08%
VERMAR PTY LTD	29,828,544	3.42%
CITICORP NOMINEES PTY LIMITED	9,358,552	1.07%
FABIN ENTERTAINMENT PTY LTD	7,849,234	0.90%
CATUS PTY LTD	6,367,868	0.73%
MR MICHAEL LIU	6,185,790	0.71%
MS XUPING SONG	6,000,000	0.69%
MR MARK ANTHONY O’SULLIVAN & MRS JAMIE JANE O’SULLIVAN	5,993,270	0.69%
CS THIRD NOMINEES PTY LIMITED	4,315,871	0.50%
WOOLRICH & ASSOCIATES	4,298,420	0.49%
MR HENRY JAMES STACPOOLE	4,222,696	0.48%
BERNE NO 132 NOMINEES PTY LTD	3,926,667	0.45%
HSBC CUSTODY NOMINEES (AUSTRALIA) LTD	3,796,248	0.44%
PERSHING AUSTRALIA NOMINEES PTY LTD	3,269,889	0.38%
METHUSELAH CAPITAL MANAGEMENT PTY LIMITED	2,879,522	0.33%
MR JOHN FREDERICK PARKER	2,050,000	0.24%
MR STEPHEN LOOM & MRS PHYLLIS MAREE LOOM	1,977,856	0.23%
	772,673,226	**88.63%**

SHAREHOLDER INFORMATION (CONTINUED)

(C) SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are:

	Ordinary Shares	
	Number Held	**Percentage of Issued Shares**
Jiangsu Shengan Resources Group Co Ltd	357,786,934	41.04%
Ansheng Investment Co Ltd	172,491,060	19.78%

(D) VOTING RIGHTS

The voting rights attaching to each class of equity security are set out below:

Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

(E) UNQUOTED SECURITIES

5,710,000 unlisted options are on issue to 13 holders.

A-Cap Resources Limited and Its Controlled Entities

Principal Place of Business:	Level 1, 136 Stirling Hwy Nedlands WA 6009	
Registered Office:	Level 38/123 Eagle St Brisbane QLD 4000	
Contact Details:	Telephone (08) 9467 2612 Facsimile (08) 7200 7612 Email: info@a-cap.com.au Website: www.a-cap.com.au	
Directors:	Angang Shen	(Chairman)
	Paul Anthony Ingram	(Deputy Chairman, Independent Non-Executive Director)
	John Fisher-Stamp	(Independent Non-Executive Director)
	Michael Liu	(Independent Non-Executive Director)
	Jijing Niu	(Non-Executive Director)
	Chenghu Zhu	(Non-Executive Director)
Chief Executive Officer:	Paul Thomson	
Company Secretary:	Nicholas Yeak	
Share Registry:	Advanced Share Registry Services Limited 150 Stirling Highway Nedlands WA 6009 Telephone (08) 9389 8033 Facsimile (08) 9389 7871	
Bankers:	Westpac Banking Corporation 109 St Georges Terrace Perth WA 6000	
Auditors:	William Buck Level 20, 181 William St Melbourne VIC 3000	
Solicitors:	Ashurst Level 38/123 Eagle St Brisbane QLD 4000	
Stock Exchange:	A-Cap Resources is listed on the Australian Securities Exchange (ASX code: ACB) and the Botswana Stock Exchange (BSE code: A-CAP).	