

23 March 2018

A-Cap Resources Limited enters into a binding Term Sheet with ARC Marlborough Pty Ltd which provides for an option to purchase a Nickel - Cobalt Project in North Queensland, Australia.

A-Cap Resources Limited (ACN 104 028 542) (A-Cap) has entered into a binding term sheet with ARC Marlborough Pty Ltd (ACN 127 139 780) (**ARC**) which provides for the entry into a twelve (12) month option agreement, under which A-Cap will have a right to acquire a nickel – cobalt project the subject of Mining Lease 80098 in Queensland, Australia (**Project**).

The Project represents a strategic opportunity for A-Cap to diversify its mineral portfolio into cathode materials production and supply to the battery industry. A-Cap's current Letlhakane uranium project located in Botswana, continues as a core strategy to ultimately supply uranium U308 product to a nuclear facility as prime fuel for base load power generation and its service to the battery industry markets and its consumers.

Key Terms of the Term Sheet

The terms of the arrangement will be implemented to minimise risk to A-Cap in respect of the potential acquisition of the Project and allow A-Cap to complete a work programme and project feasibility study. The work programme expenditure will focus on additional exploration work over the ML 80098 tenements.

The key terms of the term sheet are summarised as follows:

1. The parties will enter into an option agreement (Option Agreement) under which ARC grants A-Cap an option (Option), exercisable within 12 months of the date of the Option Agreement to enter into a purchase agreement to acquire ML 80098 and all project technical data, tenement registrations, approvals, ML particulars and surface agreements (Purchase Agreement).
2. A-Cap will pay a non-refundable option fee of \$300,000 upon entry into the Option Agreement.

3. Following entry into the Option Agreement, A-Cap will undertake due diligence on the Project and complete a work programme and project feasibility study.
4. The Option may be exercised by A-Cap within 12 months of the date of entry into the Option Agreement. Upon exercise of the Option, the parties will enter into the Purchase Agreement and A-Cap will make the following cash payments and share issues to ARC:
 - i. on the date of entry into the Purchase Agreement, A-Cap will pay ARC an immediate cash payment of AUD1 million and A-Cap will issue shares in A-Cap to the value of AUD3 million;
 - ii. twelve (12) months after the date of entry into the Purchase Agreement, A-Cap will pay ARC a cash payment of AUD1 million and will issue shares in A-Cap to the value of AUD3 million;
 - iii. In twenty four (24) months after the date of entry into the Purchase Agreement, A-Cap will pay ARC a final cash payment of AUD2 million.
5. Shares issued by A-Cap to ARC will be subject to a six (6) months escrow period.
6. Shares issued by A-Cap to ARC will be subject to shareholder approval.
7. The number of shares issued by A-Cap to ARC referenced in points 4 i. and ii. above, will be established by dividing the AUD3 million share value by the stock price at the close of trading on the share issue date.
8. Title to ML 80098 and associated rights will pass from ARC to A-Cap on the date of entry into the Purchase Agreement, following payment of the cash amount and issue of shares outlined in paragraph 4i above. A-Cap shall provide a corporate guarantee to ARC in respect to its financial obligations under the Purchase Agreement.

ML 80098 is 1028 ha in size, and lies 120kms NNE of Rockhampton in Central Queensland (Fig 1).

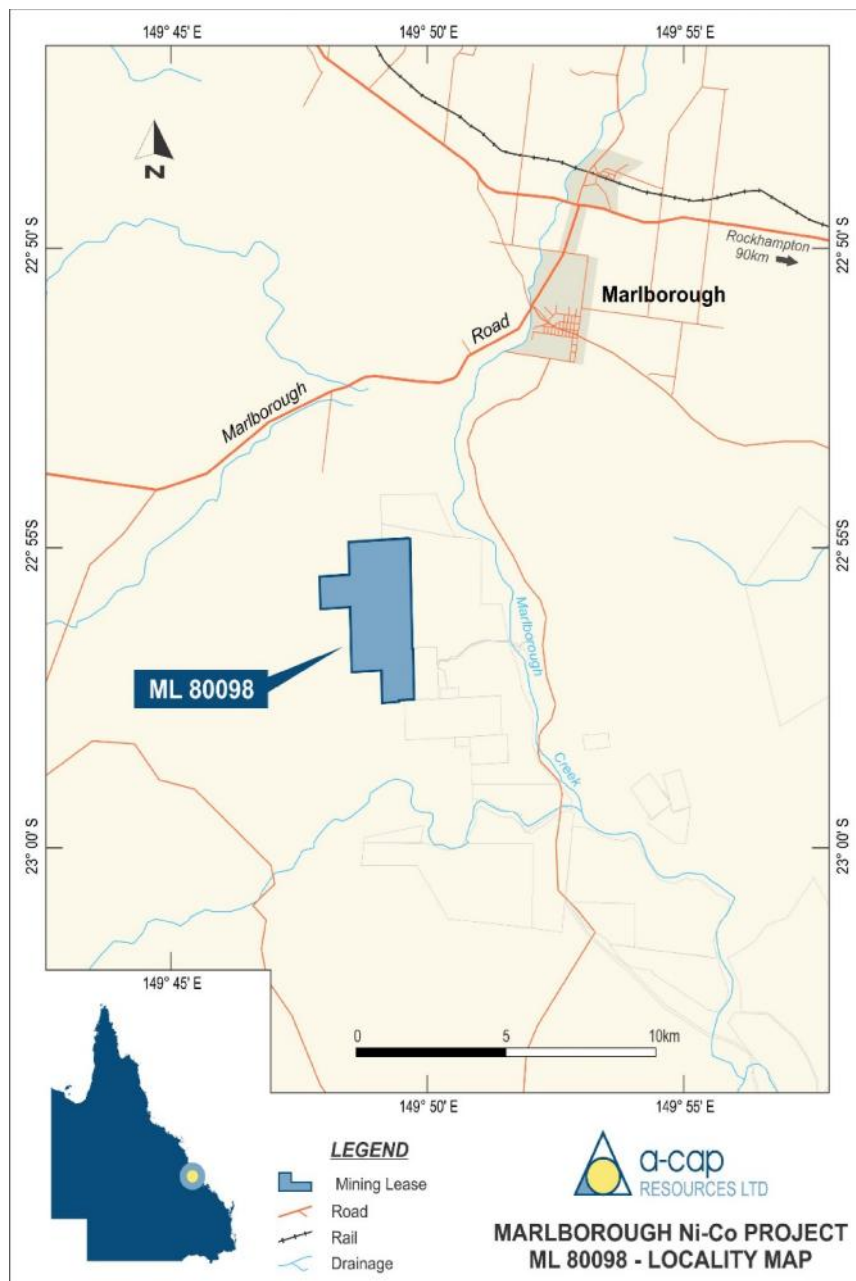


Figure 1 Locality Map of ML 80098 Ni-Co Project, Queensland.

The Project was extensively drilled by BHP-INCO in the late 1960's, and again in the late 1990's by Preston Nickel. Queensland Pacific Nickel also worked in the area again in the early 2000's. This historical work was aimed at defining an economic Nickel-Cobalt resource hosted in laterite. ARC is the current holder of ML 80098.

Throughout the past exploration programmes, the various companies have conducted extensive metallurgical and other technical studies to define an economic nickel resource. It is A-Cap's intention to revisit the past exploration work and conduct additional drilling and metallurgy with the focus on cobalt mineralisation.

The Chairman of A-Cap, Mr Shen Angang commented: “The option to purchase ML 80098 is part of A-Cap’s intention to extend its clean energy related strategy from uranium focussed to include minerals related to energy storage materials. As nickel and cobalt are integral to battery cathode production, this agreement marks the beginning of a targeted resource approach for A-Cap.”

The trading halt in the Company’s shares can now be lifted.

For and on behalf of the Board of
A-Cap Resources Limited



John Fisher-Stamp
Finance Director