ASX RELEASE

Thursday, 30 July 2015

QUARTERLY REPORT AND APPENDIX 5B FOR THE QUARTER ENDED 30TH JUNE 2015

A-Cap Resources Limited ("A-Cap" or "the Company") (ASX: ACB) is pleased to provide its Quarterly Activities Report for the quarter ended 30th June 2015.

HIGHLIGHTS

- Ongoing feasibility work for the Mining Licence application is progressing well for submission;
- A three month extension on PL45-2004 has been granted by the Department of Mines for the Letlhakane Uranium Project;
- Final data for mining and process costs completed for use in a new mining optimisation schedule;
- Metallurgical and process design work has been completed;
- Environmental and Social Impact Assessment (ESIA) completed and submitted to The Department of Environmental Affairs.

QUARTERLY ACTIVITIES

A-Cap has continued to make progress in improving the outcomes of the feasibility studies for The Letlhakane Uranium Project's (The Project) Mining Licence Application. Reduced mining costs were achieved through further studies on the surface miners and improved processing strategies were attained through changes to the acid dosing regime. This has resulted in significant savings in the Project's capital and operating costs. Further mining optimisation runs to finalise the Project's mine schedule have been completed and included in the Project's economics.

Following the recommendation of the Botswana Department of Mines, an application was submitted for a six month extension of prospecting licence to allow the necessary time to optimise our feasibility studies. The Botswana Department of Mines has extended our licence for an additional three month period whilst they process the six month extension application. This three month extension provides A-Cap with sufficient time to submit our Mining Licence Application, which we aim to do in August.

The Project's Process Design, capital cost and operating cost estimations being undertaken by Lycopodium are now complete with these cost estimates currently being incorporated into a financial model.

The Environmental and Social Impact Study (ESIA) conducted by SLR Consulting has been completed and submitted to the Botswana Department of Environmental Affairs (DEA) in May.

The coal evaluation work at the Mea and Bolau Coal Projects with independent coal specialists Sedgman conducting scoping studies to evaluate the potential economic viability of the projects is ongoing, and discussions are underway with third parties to progress the projects.

LETLHAKANE URANIUM PROJECT

The Letlhakane Uranium Project is one of the world's largest undeveloped Uranium Deposits and is located in the safe and stable jurisdiction of Botswana. The Project lies adjacent to Botswana's main North-South infrastructure corridor that includes a sealed all-weather highway, railway line and the national power grid, all of which make significant contributions to keeping the capital cost of future developments low.

In July 2013, A-Cap announced a major JORC Mineral Resource Upgrade at Letlhakane completed by Optiro Pty Ltd, an independent expert. The updated Global Mineral Resource, reported in compliance with the JORC code, currently stands at 662 million tonnes at 211ppm U_3O_8 for a contained 308 Mlbs of U_3O_8 (100ppm cut-off). Importantly, within the Letlhakane Resource, a significant higher-grade component at a 300ppm U_3O_8 cut-off contains *83.7Mt at 447ppm U_3O_8 for 82.5 Mlbs of U_3O_8*.

Cut-off (U_3O_8 ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)	Mt	U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)	Mt	U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)
100	131.9	198	57.5	530.5	215	250.9	**662.4**	**211**	**308.1**
200	49.4	269	29.4	198.6	319	139.7	**248.1**	**309**	**168.9**
250	23.4	322	16.6	114.9	390	98.7	**138.3**	**378**	**115.2**
300	11.3	376	9.4	72.4	458	73.2	**83.7**	**447**	**82.5**

Table 1 - 2013 Mineral resource estimates for ALL DEPOSITS at various U_3O_8 cut-offs

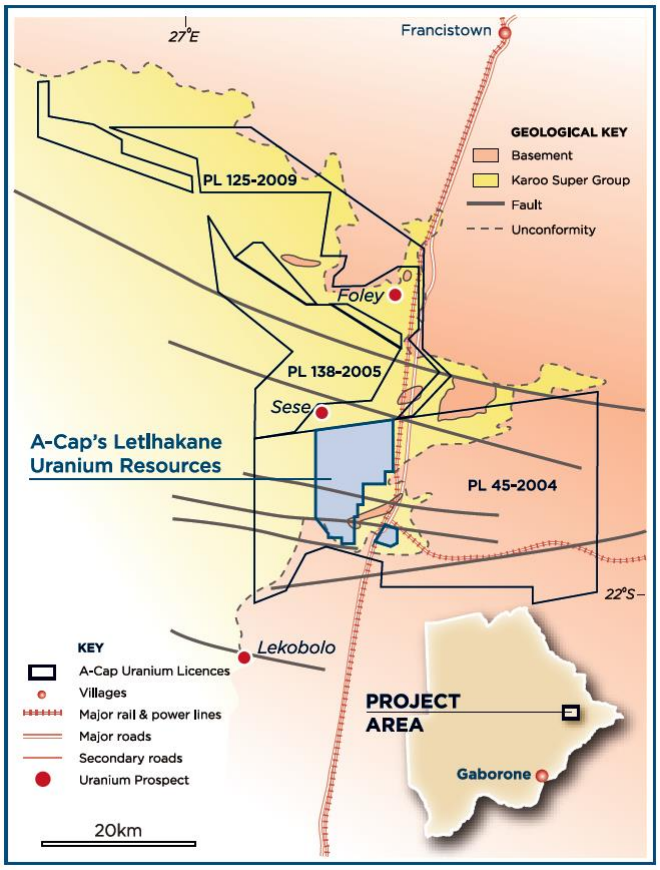


Figure 1: *Demonstrates the relative locations of the Letlhakane Uranium resources within PL45/2004. Also highlighted is the excellent infrastructure in the area, which includes a dual lane highway, railway and high tension power lines.*

The project has the distinct advantage of having all the major infrastructure in place and is one of the few major undeveloped uranium projects in the world capable of being in production in 3 years at a low capital cost and competitive operating costs in a safe and stable jurisdiction.

A programme of feasibility work necessary for a Mining Licence application is nearing completion. Our documentation and reports are being updated with optimised capital and operating costs. An application for extension of the prospecting licence was submitted to the Botswana Department of Mines last quarter. While the extension is still pending, The DOM has granted a three (3) months extension whilst the application is being processed. This will enable A-Cap sufficient time to finalise certain requirements of our feasibility work, which will materially strengthen A-Cap's Mining Licence application. The aim is to prepare the project for early development to enable the company to fully capitalise on an expected recovery in the uranium price.

Resources

An updated resource estimation utilising Uniform Conditioning (UC) and Localised Uniform Conditioning (LUC) resource modelling techniques is continuing. The new resource will include the mine variability and grade control drilling, which was completed in 2014. The LUC uses the proposed mining unit, which has been reduced in size due to the selectivity of the surface miners that will be utilised.

A series of comparison studies on drill spacing has also commenced, to understand the conversion rate of our inferred resources. This will be used in future planning of the resource definition programmes.

Metallurgy and Process Design

The Metallurgical testwork and Process Design is based on a 2 stage acid heap leach route for all the primary, oxide and lower mudstone secondary ores with a modified solvent extraction system being the principal uranium recovery method. The remaining calcrete and upper mudstone secondary ores will be treated using a separate alkali leach circuit once the main acid heap circuit is in operation.

The remaining metallurgical testwork to finalise our feasibility study is complete, with the recoveries, process costs and acid consumption data obtained from the ANSTO 4m columns leaches being incorporated into the financial assessment.

Process Design, capital cost and operating cost estimations being undertaken by Lycopodium are complete with these cost estimates currently being incorporated into a financial model.

The detailed engineering and environmental study of the heap leach facility being undertaken by SLR which includes an expanding (permanent) pad utilising grasshoppers to convey the agglomerated ore onto the pad is complete and aspects of this study have been incorporated into the ESIA.

Mining

A new set of mining optimisations were completed during the quarter. The size of the model requires that it is done in two sections, Gorgon West and the remaining pit locations at Letlhakane. The Letlhakane pits have an average strip ratio of 2.2:1 while at Gorgon West the strip ratio is 1.5:1. The Project total from these optimisations is 48Mlbs U_3O_8 recovered.

A series of mining schedules to optimise the extraction are to be prepared in the coming month to assess the potential sequence of pits and provide an estimate of potentially economic mineralisation.

Environmental and Social Impact Assessment (ESIA)

The Environmental and Social Impact Study (ESIA) conducted by SLR Consulting was submitted to the Botswana Department of Environmental Affairs (DEA) in May 2015. In late June a reference group feedback meeting was conducted by the DEA to discuss key elements of the Letlhakane project ESIA. Following that meeting written submissions from key groups are expected and will need to be incorporated into the ESIA documentation.

BOLAU COAL PROJECT

The Company discovered coal at the Bolau Coal Project (which comprises two PLs Foley PL125/2009 and Bolau PL138/2005) during its ongoing regional uranium exploration program. The Bolau Coal Project constitutes the up and down dip extension of African Energy's Sese Coal Project that extends into A-Cap's prospecting licences PL138/2005 and PL125/2009. The adjacent Sese thermal coal deposit contains a JORC compliant Mineral Resource of over 2.5 billion tonnes, comprising a Measured Resource of over 650 Mt coal, with an additional ~1,850 Mt in Indicated and Inferred Resource category.

A scoping study is being conducted on the project by Sedgman to determine the economic viability of the project. This study includes the maiden resource announcement in Dec 2014. Option of coal power generation is currently being considered. The deposit is near to surface and can be extracted at a low stripping ratio.

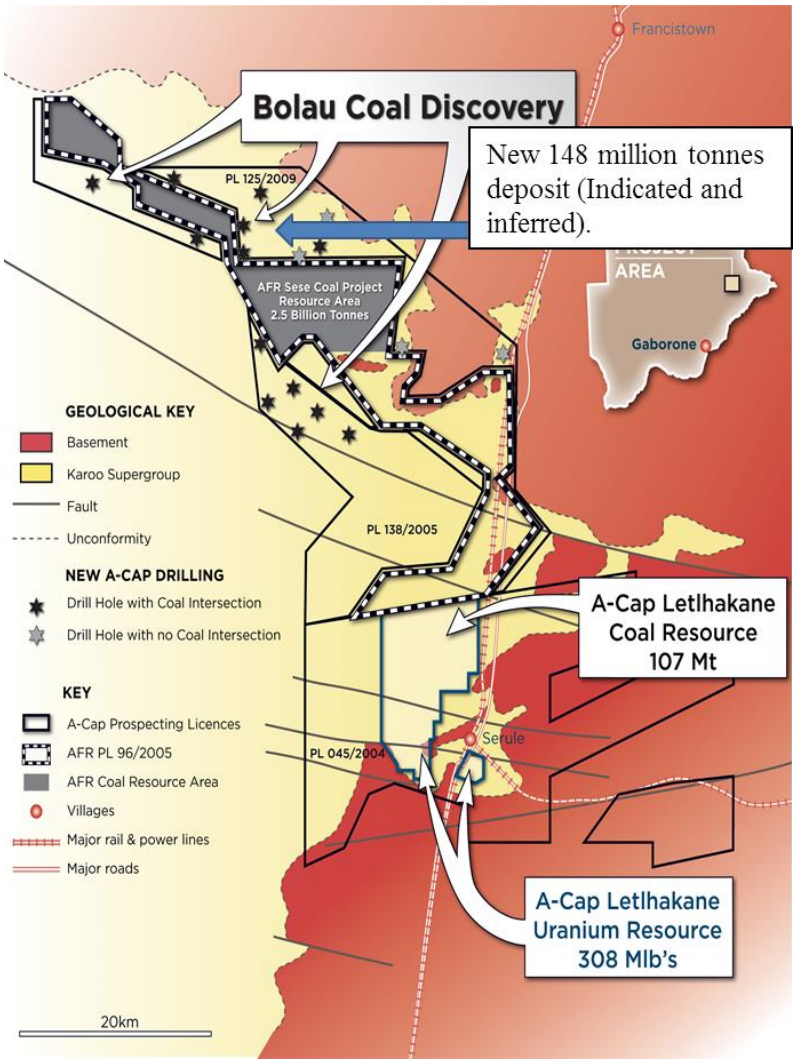


Figure 3: *Bolau Coal Study location map*

In Situ Coal Tonnes at Foley total 148 million tonnes, of which 71 million tonnes is classified as Indicated (Table 2). The resource drilling covers a small percentage of the tenement area allowing for potential upside to the current declared resource tonnage.

SEAM	THICKNESS (m)	VOLUME (m3)	GTIS (Gross Tonnes In-Situ)	RD (Relative Density)	GEOLOGICAL LOSS (%)	TTIS (Total Tonnes In-Situ)	CATEGORY
SS	6.84	21 970 000	35 246 000	1.60	15%	29 959 000	INDICATED
SST	7.45	20 291 000	36 123 000	1.78	15%	30 705 000	INDICATED
SSU	3.17	6 675 000	12 174 000	1.82	15%	10 348 000	INDICATED
TOTAL INDICATED			**83 543 000**			**71 012 000**	
SS	7.07	30 390 000	48 930 000	1.61	25%	36 700 000	INFERRED
SST	7.08	2 360 000	39 580 000	1.77	25%	29 690 000	INFERRED
SSU	3.02	7 820 000	14 230 000	1.82	25%	10 670 000	INFERRED
TOTAL INFERRED			**102 740 000**			**77 060 000**	
TOTAL FOLEY RESOURCES			**186 283 000**			**148 072 000**	

Table 2: *Foley Coal Resources*

Cut-offs applied: >1m seam thickness, <50% ash and >8MJ/Kg CV, High geological loss applied due to occurrence of dolerite intrusions.
Tonnes rounded according to resource confidence (Ind = 1000; Inf = 10,000).

Once beneficiated, the quality of the coal improves to coal suitable for power generation, with increased Calorific Value ('CV'), lower Total Sulphur ('TS') and a promising yield. The yields averaged in Table 3 for the SS seam from the individual drill holes range from 66.8% to 85.7% at a 1.70 float fraction.

SEAM	TTIS (Total Tonnes In-Situ)	IM (%) (Inherent Moisture)	AS (%) (Ash Content)	VM (%) (Volatile Matter)	FC (%) (Fixed Carbon)	CV (Calorific Value) (MJ/Kg)	TS (%) (Total Sulphur)	YIELD (%)	RESOURCE CATEGORY
SS	29 959 000	6.53	20.41	23.41	54.58	21.1	0.3	77.54	INDICATED
SST	30 705 000	5.65	26.86	21.17	46.32	19.3	0.2	39.10	INDICATED
SSU	10 348 000	5.89	23.83	25.25	45.03	20.1	0.5	26.36	INDICATED
ALL SEAMS	**71 012 000**	**6.06**	**23.70**	**22.71**	**49.62**	**20.2**	**0.3**	**53.46**	
SS	36 700 000	5.09	20.03	23.41	54.93	21.3	0.3	78.82	INFERRED
SST	29 690 000	5.09	27.00	19.60	47.47	19.5	0.2	41.34	INFERRED
SSU	10 670 000	5.72	24.90	24.75	44.59	20.0	0.4	29.06	INFERRED
ALL SEAMS	**77 060 000**	**5.18**	**23.39**	**22.13**	**50.62**	**20.4**	**0.3**	**57.49**	

Table 3: *Foley Coal Resource Washed Qualities*

Cut-offs applied are >1m seam thickness, <50% ash and >20MJ/Kg CV, Washed cumulative qualities reported for the 1.7 float fraction.
Tonnes rounded according to resource confidence (Ind = 1000; INF = 10,000).

The Foley JORC indicated resource announced in December 2014 brings this project to the stage where mining studies can rapidly define the economic potential. The resource of close to 30 million tonnes in the SS seam allows for a substantial mine life for power generation. A Cap is actively engaging third parties on potential development options to progress the project.

MEA COAL PROJECT

The Mea Coal deposit is located approximately 120km west of Francistown on PL134/2005. The project is situated 5km north of the A30 highway that links Francistown to Orapa with all-weather roads and grid power lines passing through the prospect area. The Mea Coal Project on PL134/2005 contains multiple coal seams within a thicker carbonaceous unit that extends to over 100m true thickness**.** Initial results indicate that Raw Coal Quality at Mea is potentially higher than the typical coal found elsewhere in Botswana. A JORC compliant inferred resource of 335 million tonnes of coal in multiple seams has been announced.

The Mea Coal Study completed by Sedgman South Africa in February 2014 led to further drilling which was completed in the December quarter 2014. The study assessed the potential underground extraction of the BC seam at that time. The 2014 drilling has assessed the open pitiable resource, however the extraction costs are increased due to a dolerite sill ranging from 5 to 38m thick overlying the seams. Other extraction options are being considered, but accessing the coal via open pits is currently not viable with respect to current coal prices. No further drilling is warranted at this stage.

During the first quarter 2015, A-Cap received confirmation that our second extension application for the Mea prospecting licence (PL134/2005) had been approved by the Botswana Department of Mines, and expires in December 2016.

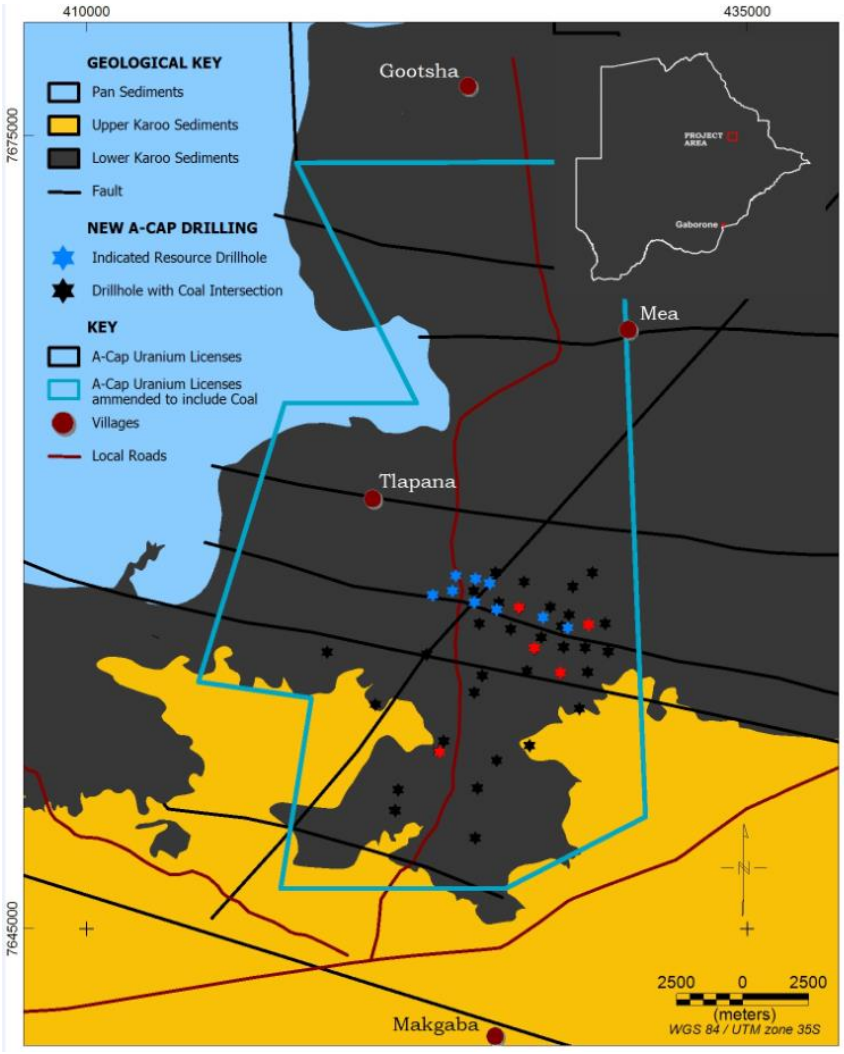


Figure 2: *Plan view of the Mea Coal Project showing the location of all drill holes to date. Black stars: percussion holes, red stars: diamond core holes.*

SCHEDULE OF INTEREST IN MINING TENEMENTS

Tenement	Location	Percentage Holding	Title Holder
Letlhakane PL 45/2004	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Mea PL 134/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Bolau PL 138/2005	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Foley PL 125/2009	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 002/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 003/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Hukuntsi 004/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Werda 005/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 006/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 007/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Kokong 008/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 009/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 010/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Salajwe 011/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 012/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Jwaneng 013/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 014/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd
Sojwe 015/2014	Botswana	100	A-Cap Resources Botswana (Pty) Ltd

BASE METALS

Following collation of historical reports and data from the government libraries for the 14 new tenements for base metal exploration, results are being assessed and desktop reviews are been completed for each area for initial prioritisation. The tenements overlay the inferred extents of the Kaapvaal Craton. The Kaapvaal Craton in South Africa is host to a number of platinum and PGEs, iron ore and manganese mines.

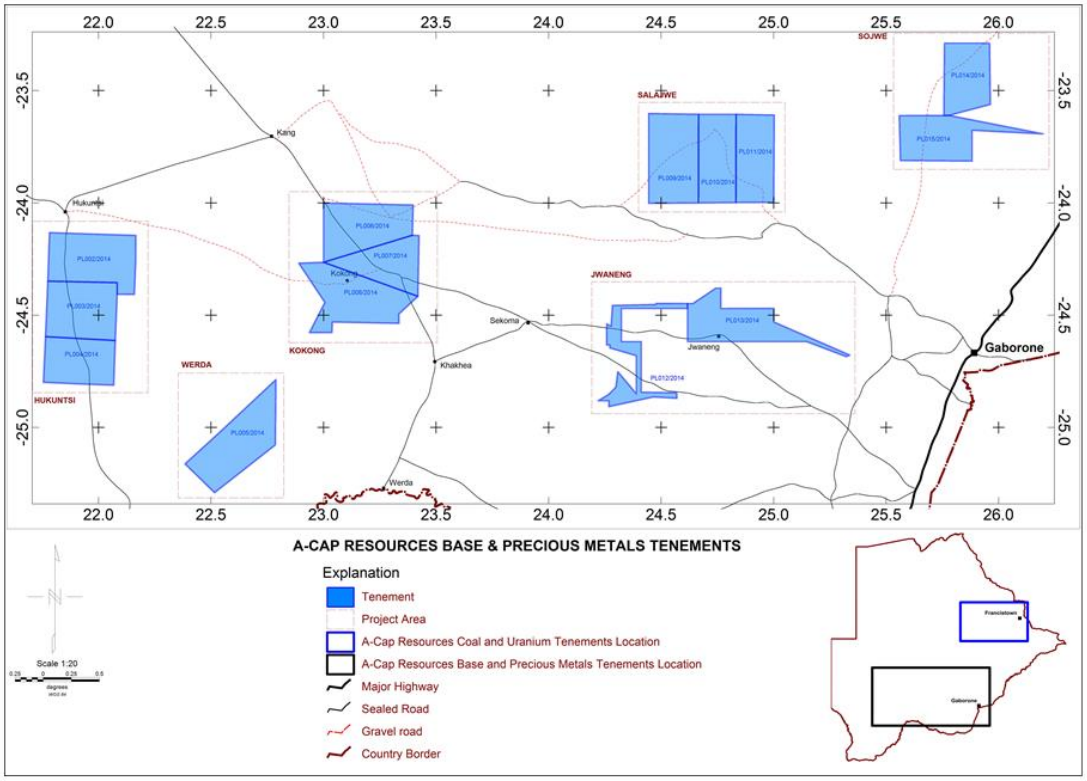


Figure 4: *Locality plan of A-Caps 2014 tenements*

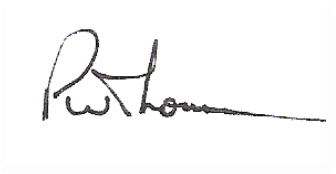
CORPORATE

During the quarter the Company successfully completed a fully underwritten non renounceable rights issue, raising AUD $4 million and issuing 100,001,842 New Shares.

In June 2015, Mr Robert Pett and Mr Richard Lockwood both resigned from A-Cap's Board of Directors. Mr John-Fisher Stamp and Mr Michael Liu were subsequently appointed to the Board of Directors.

Following the end of the June 2015 quarter, on the 3rd July Mr Nicholas Yeak was appointed to the position of Company Secretary, following the resignation of Mr Denis Rakich.

At quarter end, the Company held cash and marketable securities totalling $2.22 million.



Paul Thomson
CHIEF EXECUTIVE OFFICER

Competent person's statement

Information in this report relating to Exploration, is based on information compiled by Mr Ashley Jones a full-time employee of A-Cap Resources Limited and a member of MAusIMM. Mr Jones has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting of Exploration Results Mineral Resources and Ore Reserves. Mr Jones consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to deconvolved Gamma Results and equivalent U_3O_8 grades, is based on information supplied by Mr David Wilson BSc MSc who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of 3D Exploration Ltd, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Wilson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information presented in this report is based on a geological model that was produced in October 2014. Mrs L. de Klerk (BSc, MSc, Pr.Sci. Nat No. 400090/08, GSSA), Managing Director and Geologist with DK Exploration cc produced this model and has determined coal resource estimates for PL125/2009.Mrs de Klerk has over 12 years industry experience involving modelling and assessing coal resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs de Klerk consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The information presented in this report is based on a geological model that was produced in June 2013. Michael Andrew MAusIMM, MAIG has 10 years' experience in modelling and assessing uranium resources, which is sufficient relevant experience for the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew was a full time employee of Optiro Pty Ltd and consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

Ends

For Further information contact:
Paul Thomson, A-Cap Resources + 61 8 9220 9850

Appendix 5B
Mining exploration entity quarterly report

Introduced 01/07/96. Origin: Appendix 8. Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

A-CAP RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
28 104 028 542	30 June 2015

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (12 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,455)	(5,489)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(409)	(1,462)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	7	58
1.5	Interest and other costs of finance paid	(14)	(14)
1.6	Income taxes paid	-	-
1.7	Other (Receipt of ATO R&D tax credit)	-	270
	Net Operating Cash Flows	(1,871)	(6,637)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(8)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	-	(8)
1.13	Total operating and investing cash flows (carried forward)	(1,871)	(6,645)

1.13	Total operating and investing cash flows (brought forward)	(1,871)	(6,645)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	3,000	3,000
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	1,000
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (cost of capital raising)	(4)	(210)
	Net financing cash flows	2,996	3,790
	Net increase (decrease) in cash held	1,125	(2,855)
1.20	Cash at beginning of quarter/year to date	1,092	5,072
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,217	2,217

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	(191)
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Director & Consulting fees paid to related entities

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	(701)
4.2	Development	-
4.3	Production	-
4.4	Administration	(614)
	Total	**(1,315)**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	2,217	88
5.2	Deposits at call	-	1,004
5.3	Bank overdraft	-	-
5.4	Other – Term Deposits	-	-
	Total: cash at end of quarter (item 1.22)	2,217	1,092

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A	-	-	-
6.2	Interests in mining tenements acquired or increased	N/A	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*	NIL	NIL		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	NIL	NIL		
7.3	**+Ordinary securities**	475,056,253	475,056,253		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	100,011,842	100,011,842		
7.5	**+Convertible debt securities** (*description)*	NIL	NIL		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	NIL	NIL		
7.7	**Options** *(description and conversion factor)*	10,000 4,000,000 1,000,000 1,500,000 5,700,000	NIL NIL NIL NIL NIL	*Exercise price* 80% of market value 50 cents 40 cents 33 cents 9 cents	*Expiry date* On the day the employee ceases to be in the employ of the Company or subsidiary thereof. 15 October 2015 15 December 2015 31 January 2016 15 December 2016
7.8	Issued during quarter	NIL	NIL	-	-
7.9	Exercised during quarter	NIL	NIL	-	-
7.10	Expired during quarter	NIL	NIL	-	-
7.11	**Debentures** *(totals only)*	NIL	NIL		
7.12	**Unsecured notes** *(totals only)*	NIL	NIL		

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 30th July 2015
(Company Secretary)

Print name: NICHOLAS YEAK

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.