

ASX Release

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ASX:ACB

A-CAP RESOURCES DISCOVERS TWO NEW COAL DEPOSITS IN BOTSWANA – TRANSFORMATION INTO MULTI COMMODITY EXPLORATION COMPANY

HIGHLIGHTS

- Through ongoing regional uranium exploration programs in Botswana, A-Cap Resources has discovered two new Coal Projects – the **Mea and Bolau Discoveries**
- **Mea Discovery** - a “greenfields” coal discovery demonstrating multiple coal seam intercepts within a thicker carbonaceous unit that is **over 100m true thickness**
- Initial results are very promising with raw coal analysis at the Mea Discovery displaying qualities often associated with coal of a significantly higher grade than that typically found in Botswana
- Amendments to the Mea prospecting licence (‘PL’) to include coal has been approved by the Government of Botswana
- **Bolau Discovery** - the up and down dip extension of the known Sese Coal Project that extends into A-Cap ground - coal intercepts occur in two horizons up to 25m thick
- The Government of Botswana has provided notice of its intention to approve amendments to the two PL’s covering the Bolau Discovery.
- Planning for the complete exploration and delineation of these exciting new discoveries is underway
- Consultant Dr. Willem J. Smuts Pr.Sci.Nat. who completed an initial evaluation of the two projects stated, ***“It is my considered opinion that the Mea project area contains a coal deposit of significant tonnage and better than average quality by Botswana coal standards. A limited exploration program could in the next 12 to 18 months, prove up a coal resource that could compare favourably to any of the recently reported projects in the country”.***
- A-Cap immediately transformed into a multi-commodity exploration company

CEO, Paul Thomson stated, “Whilst we were originally exploring for uranium, the discovery of the Mea and Bolau Coal Projects is an exciting development for A-Cap. The identification of these coal projects opens up a whole new direction for the Company and offers our shareholders further risk diversification by not being exposed to only one commodity. We will therefore be continuing with our ongoing feasibility work at the Letlhakane Uranium Project focusing on early development, in tandem with further exploration at the two new coal projects.

“We look forward to updating shareholders of the continued work programs on our three exciting projects – all of which could transform A-Cap into one of Botswana’s leading energy mineral producers.”

A-Cap Resources Limited ('A-Cap' or 'the Company') is pleased to announce that its Botswana based exploration team has discovered two new coal projects in Botswana, whilst continuing its ongoing exploration program for uranium in the basal stratigraphy of the Karoo Supergroup, which is prospective for both sedimentary hosted uranium and coal.

The first discovery occurred at the Mea Prospect (PL 134/2005) where a potentially vast new coal field has been discovered while drill testing surficial radiometric targets. This area will now be identified as the Mea Coal Project (Figure 1).

A total of sixteen stratigraphic core holes designed to test prospective sedimentary rocks of the Karoo Supergroup have intersected thick carbonaceous Tlapana Formation containing multiple interbedded coal seams. Initial Proximate Analysis of selected seams has returned raw coal qualities that compare favourably to known higher quality coal deposits in Botswana and abroad.

The second discovery, Bolau, has been made on two separate PLs (PL 125/2009 Foley & PL 138/2005 Bolau) and is interpreted to be an extension of the Sese coal discovery by African Energy Resources (ASX: AFR) (Figure 1).

A-Cap has completed a total of 11 core holes on PL125/2009 and 20 RC holes on PL138/2005. Seven of the core holes on PL125/2009 intersected significant thicknesses of coal and the six RC holes drilled in the northern section of PL138/2005 intersected the interpreted down-dip extension of the Sese deposit. The coal logged occurs in two separate seams that vary between 3m and 25m in thickness. At this stage no samples have been assayed to determine coal quality.

In accordance with Botswana law, A-Cap notified the Minister of Minerals, Energy and Water Resources of these discoveries. At the same time A-Cap applied for an amendment of the conditions of its existing PLs to include Coal, as previously A-Cap only held these PLs for uranium.

At the time of the request, the Botswana Government had recently issued a moratorium on all new applications for Coal, Coal Bed Methane ('CBM') and Sedimentary Hosted Uranium. A-Cap has been working diligently with officials of the Botswana Government to facilitate amendments to the PLs to grant A-Cap the right to freely explore for coal. The Moratorium was officially lifted on 30th January 2012 and the Botswana Government has reached a decision regarding tenure where uranium and coal occur in association. The Ministry has now notified A-Cap of its approval and its intent to approve the Company's requested amendments for PL 134-2005 and PL 125-2009 and PL 138-2005 respectively.

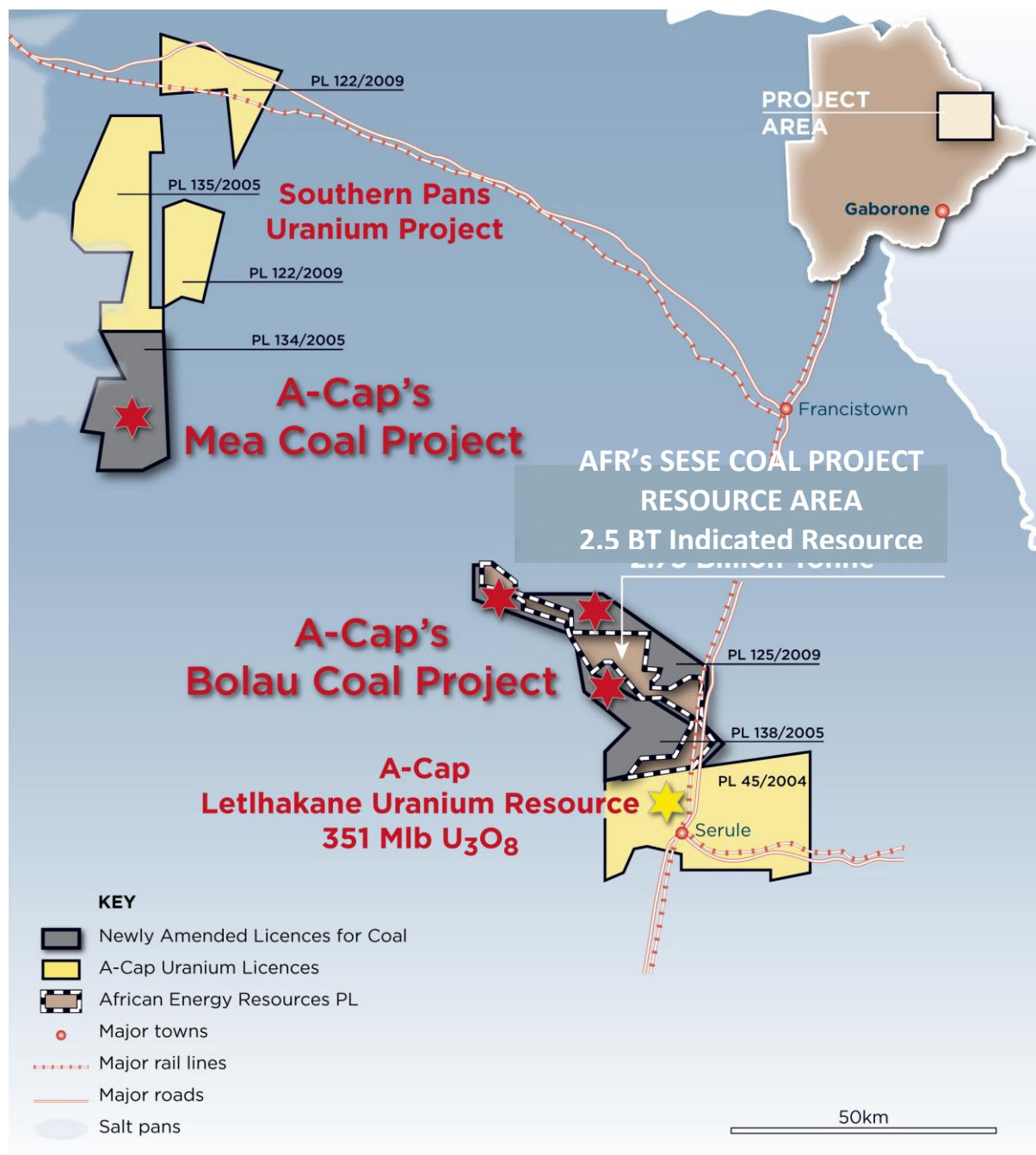


Figure 1: Location map highlighting the new Mea and Bolau Coal Projects and the Letlhakane Uranium Project

MEA COAL PROJECT

Initial exploration on the Mea Project (Figure 2) was designed to follow up surface radiometric anomalies and drill test for the presence of uranium prospective units at the geologic base of the Karoo Supergroup. The drilling was undertaken in two programs; the first five holes to provide a broad stratigraphic picture across the prospective area, and the second 11 holes to provide infill and continuity between the original five holes.

Whilst uranium intersections were encountered in the program, all of the initial five drill holes intersected thick sequences of coal and carbonaceous rocks from the Tlapana Sequence (Figure 2). The second program of eleven core holes all intersected the coal-bearing sequence with thickness varying between 33m to 118m. The coal-bearing horizon has now been intersected over an area measuring approximately 12km x 10km.

Coal Quality at Mea

Sampling so far of the Mea core has concentrated on selected intersections displaying thicker individual coal seams, whilst modeling of plies and seam continuity are ongoing. Initial raw coal proximate analyses have been received for holes MEDD0001 to MEDD0019 (Table 1). The following are broad geological observations on the Mea coal analysis:

- The entire section may be taken as “bar-code” type coal and contains multiple solid seams of bright lustrous coal that are between 1 to 10m in thickness within a thicker carbonaceous unit.
- Raw coal results are very encouraging, with some individual samples returning Calorific Values over 30MJ/kg.
- All holes contain multiple coal horizons that have not been sampled to date.
- Some preliminary washability results from selected samples from the first five holes indicate that encouraging yields of potential export quality products are achievable.
- Based on initial results, potential exists for multiple products of both export and domestic quality.

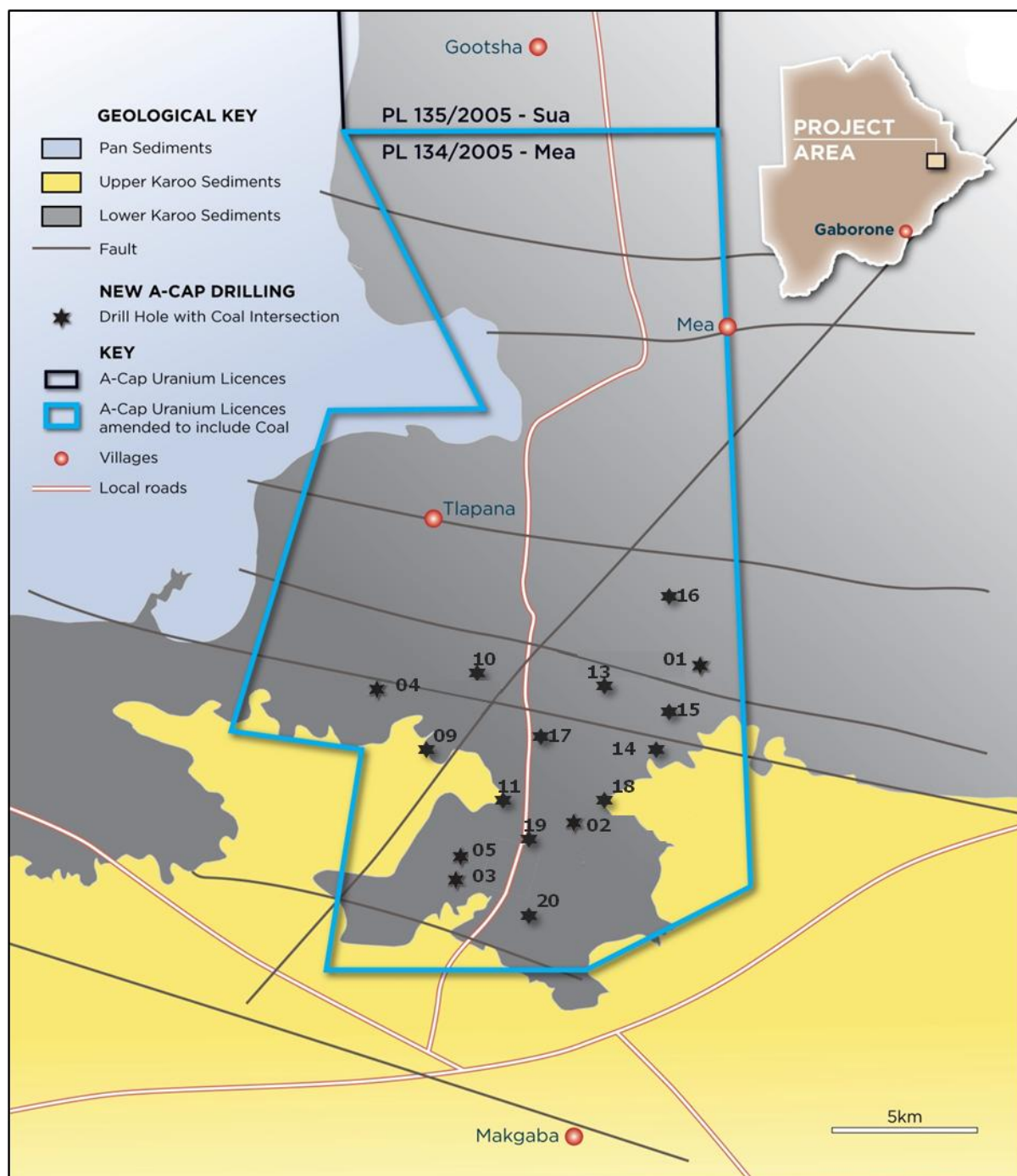


Figure 2: Mea Coal Project Location Map. MEDD drill holes are labelled by hole number.



Figure 3: Photograph of bright coal from MEDD0013 (62.3m – 65.3m)

	FROM (m)	TO (m)	THICK (m)	CV MJ/kg	CV kcal/kg	IM %	ASH %	VM %	FC %	TS %
MEDD0001	25.7	27.17	1.47	21.4	5106	4.5	28.1	25.1	42.3	1.5
	89.8	92.14	2.34	18.1	4319	3.0	41	13	43	3.2
MEDD0004	82.3	83.15	0.85	17.1	4080	6.0	32.0	32.5	29.5	1.2
MEDD0009	106.70	107.95	1.25	21.66	5168	5.97	19.13	29.69	45.22	0.96
	108.85	112.60	3.75	19.75	4712	3.66	29.36	25.96	41.02	0.71
MEDD0010	125.50	127.00	1.50	19.38	4624	2.57	32.76	27.05	37.62	0.69
	144.15	146.20	2.05	22.92	5469	2.98	22.47	22.54	52.01	0.50
	156.45	157.85	1.40	22.55	5380	1.59	26.68	22.73	49.00	0.73
MEDD0011	68.55	68.95	0.40	30.44	7263	1.57	10.61	13.76	74.06	1.07
MEDD0013	62.40	64.00	1.60	18.77	4479	1.61	40.48	19.95	37.96	1.51
	64.00	65.30	1.30	23.94	5712	1.72	27.13	23.25	47.89	1.23
	65.90	67.50	1.60	18.65	4450	1.56	37.86	25.34	35.24	0.64
	100.95	101.85	0.90	18.52	4419	1.13	42.47	16.49	39.91	1.24
	105.40	106.00	0.60	25.55	6096	0.98	23.90	21.96	53.17	1.90
	108.30	108.75	0.45	30.15	7194	1.04	12.85	21.18	64.93	1.50
	119.85	121.00	1.15	21.40	5106	1.32	34.46	14.73	49.49	0.49
	123.95	126.05	2.10	17.98	4290	1.78	43.48	10.79	43.95	1.47
MEDD0014	65.50	65.95	0.45	24.41	5824	6.23	9.79	31.53	52.45	2.03
MEDD0015	86.10	86.60	0.50	27.97	6674	2.26	13.64	27.28	56.82	1.65
	95.60	96.50	0.90	20.07	4789	1.92	32.88	21.08	44.12	0.59
	103.00	105.20	2.20	20.87	4978	1.26	35.89	18.12	44.74	0.71
MEDD0016	37.70	38.20	0.50	19.54	4662	2.11	30.91	35.36	31.62	0.74
	55.10	57.50	2.40	18.90	4510	2.22	37.28	20.09	40.40	2.11
MEDD0017	147.20	150.20	3.00	19.37	4622	3.95	30.19	26.50	39.36	0.88
	157.00	159.15	2.15	19.04	4543	4.02	30.91	22.04	43.03	0.34

Table 1: Highlights of the Raw Coal Proximate Analysis showing higher quality results of selected intervals from holes MEDD0001 to MEDD0017. Many of these samples are selected from larger coal seams

Definitions

CV	Calorific values
IM	Inherent moisture
VM	Volatile matter
FC	Fixed carbon
TS	Total sulphur

BOLAU COAL PROJECT

Additionally, A-Cap has discovered coal horizons on two PLs (Foley PL125/2009 and Bolau PL138/2005) that are extensions of the Sese Coal Project discovered by African Energy Resources ('AFR') in 2010. Figure 4 highlights the location of the PLs, the successful drilling and the position of AFR's Sese Coal Project.

A-Cap has held the Bolau PL since listing in 2006 and recently picked up the Foley PL following a compulsory relinquishment of ground by another exploration company. Uranium mineralisation from A-Cap's Letlhakane Uranium Project extends from PL 45/2005 into the Bolau PL.

Regional follow up of this uranium mineralisation in the northern part of Bolau has discovered coal horizons within the Tlapana Formation, which occurs towards the base of the Karoo Supergroup. It would appear that the coal horizons encountered at Bolau are the down dip extension of AFR's Sese Project. The coal horizons discovered on Foley occur in the same stratigraphic position and are considered by A-Cap to be the up-dip extensions of the Sese Project.

To date, A-Cap has completed six RC holes and seven diamond holes that intersected coal horizons and have made the following observations:

- The coal thickness averages at 20m and occurs in two seams, the upper seam at around 4m and a lower seam of 16m.
- In the discovery areas, the stratigraphic package dips shallowly towards the south west at around 10 degrees.
- No analytical results for the coals have been received, however based on the logged geology and the continuity of the coal horizons in the Sese Project, the coal is interpreted to be sub-bituminous thermal coal with potential to produce both domestic and export quality products.
- AFR have reported a **JORC compliant Indicated Mineral Resource of 2.5Bt** from an area of approximately 120 square kilometers which extends directly onto A-Cap's ground. (see Figure 4).

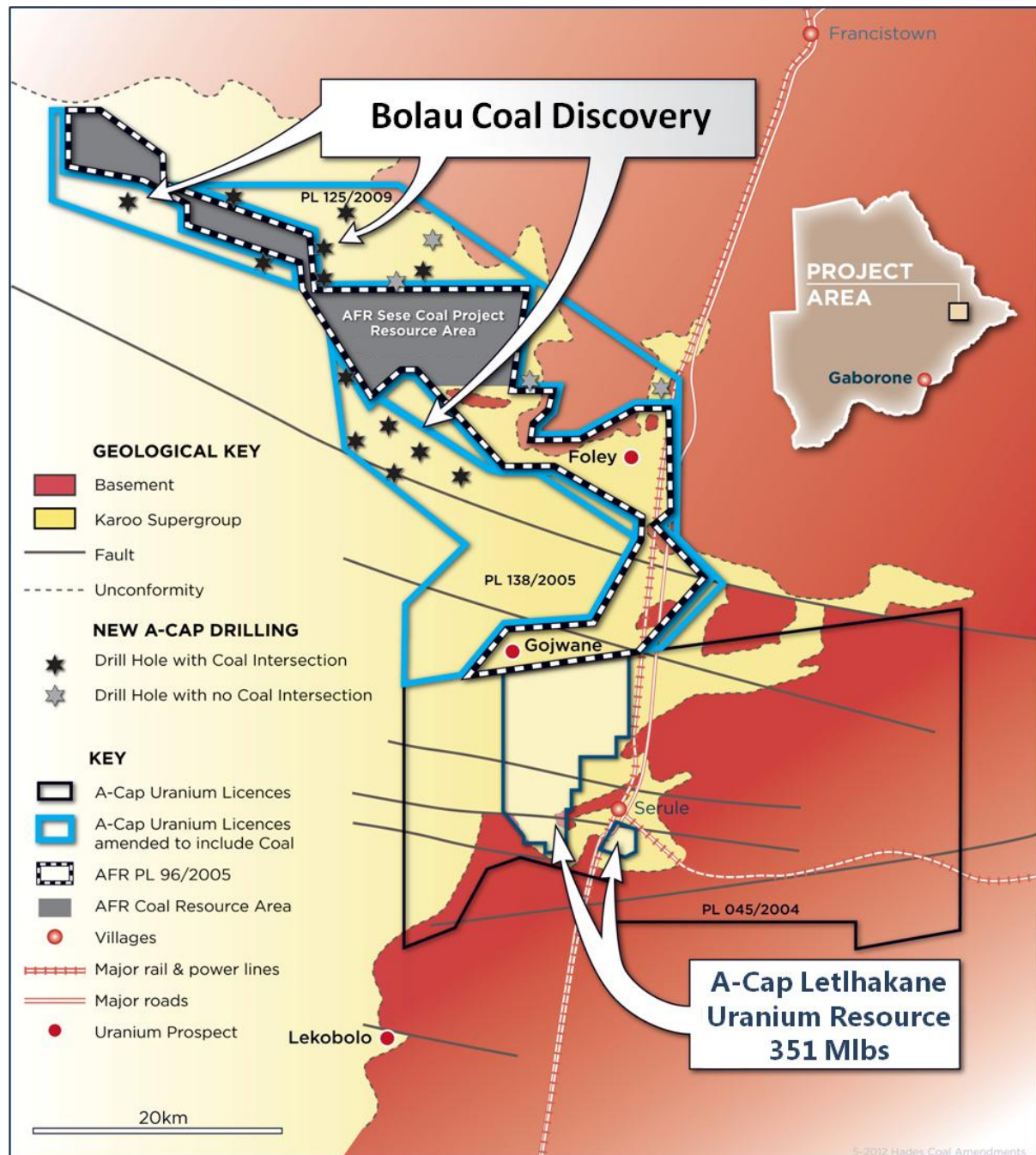


Figure 4: Bolau Coal Project Location Map

SUMMARY

These two exciting new discoveries confirm both Botswana's coal prospectivity and A-Cap's continuing exploration success. With these discoveries, A-Cap is immediately transformed into a company with three exciting energy exploration/development programs underway:

1. The Mea Project where high quality thermal coal has been discovered over a potentially large area.
2. The Bolau Project where significant bituminous to sub-bituminous coals have been discovered immediately adjacent to AFR's 2.5Bt Sese coal resource.
3. A-Cap's Letlhakane Uranium Project containing a **JORC compliant indicated and inferred resource totalling 1.04Mt @ 153 ppm U_3O_8 for a contained 351 Mlbs of U_3O_8** , currently undergoing extensive feasibility studies with the aim of early development.

Ends

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Information in this report relating to Exploration results, is based on information compiled by Mr Steven Groves (a full-time employee of A-Cap Resources Limited and a member of The Australian Institute of Geoscientists) and Mr Darryl Stevenson (Consulting Coal Geologist to A-Cap Resources). Mr Stevenson 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 2004 Edition of the Australasian Code for reporting of Exploration Results, Mineral Resources. Mr Stevenson consents to the inclusion of the data in the form and context in which it appears.