



A-CAP ENERGY LIMITED
(ABN 28 104 028 542)

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date : Friday 27 November 2020

Time : 10.30am (AWST)

Venue : 52 Ord Street, West Perth, West Australia 6005

These documents should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

A-CAP ENERGY LIMITED
(ABN 28 104 028 542)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of A-Cap Energy Limited (the "Company") will be held at 52 Ord Street, West Perth, West Australia 6005 on Friday 27 November 2020 at 10:30am (AWST).

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS

To receive, consider and discuss the Company's financial statements for the year ended 30 June 2020 and the reports of the directors and auditors on those statements.

RESOLUTION 1 – RE-ELECTION OF MR MARK SYROPOULO AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. Syropoulo, who retires in accordance with Rule 57.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible for re-election, is re-elected as a director."

RESOLUTION 2 – RE-ELECTION OF MR ZHENWEI LI AS A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That Mr. Li, who retires in accordance with Rule 57.2 of the Company's Constitution and Listing Rule 14.4 and, being eligible for re-election, is re-elected as a director."

RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the 2020 Annual Report be adopted by Shareholders"

Note:

- (1) In accordance with section 250R(3) of the Corporations Act, this resolution is advisory only and does not bind the directors of the Company.
- (2) **Voting Exclusion Statement:**
The Corporations Act prohibits any votes being cast on Resolution 3 by or on behalf of a person who is a member of the key management personnel of the Company (which includes the chairman and the directors), whose remuneration details are included in the Remuneration Report ("Key Executive") or any closely related party of a Key Executive ("CRP"). The Company will disregard any votes cast on Resolution 3 (in any capacity) by or on behalf of a Key Executive or any CRP.

However, the Company need not disregard a vote if it is cast by a Key Executive or any CRP as a proxy appointed in writing that specifies how the proxy is to vote on the resolution and the vote is not cast on behalf of a Key Executive or any CRP.

Further, the Company will disregard a vote if it is cast by a Key Executive or any CRP as a proxy appointed in writing where the proxy appointment does not specify the way the proxy is to vote on Resolution 3, unless the proxy is the Chairman of the AGM and the proxy appointment expressly authorises the Chairman to exercise the proxy even if Resolution 3 is connected directly or indirectly with the remuneration of a Key Executive.

SPECIAL BUSINESS

RESOLUTION 4 – APPROVAL TO DELIST FROM THE BOTSWANA STOCK EXCHANGE

To consider, and if thought fit, to pass the following resolution as a special resolution

“That, pursuant to and in accordance with Botswana Stock Exchange Equity Listings Chapter 14, the company seeks approval to delist from the Botswana Stock Exchange as set out in the Explanatory Statement”.

RESOLUTION 5 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY

To consider, and if thought fit, to pass the following resolution as a special resolution:

“That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, the issue of up to 10% of the company’s Equity Securities (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rules 7.1A.2, and on the terms and conditions set out in the Explanatory Statement, is approved”.

Voting Exclusion Statement:

The entity will disregard any votes cast in favour of this Resolution 5 by or on behalf of:

- (a) any person who may participate in the issue of equity securities under this Resolution and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed; and
- (b) any associates of that person for those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- (c) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (d) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair as the chair decides; or
- (e) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met –
 - a. the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting and is not an associate of a person excluded from voting on the resolution, and
 - b. the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

PROXIES

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;
- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

Postal Address: PO Box 108, West Perth, WA 6872
Principal Place of Business: 52 Ord St, West Perth WA 6005
E-Mail: info@a-cap.com.au

Each member entitled to vote at the Annual General Meeting has the right to appoint a proxy to attend and vote at the AGM on his behalf. The member may specify the way in which the proxy is to vote on each resolution or may allow the proxy to vote at his discretion.

The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the AGM (proxy forms can be lodged by facsimile).

By Order of the Board

MALCOLM SMARTT

Company Secretary

12th October 2020

A-CAP ENERGY LIMITED
(ABN 28 104 028 542)

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be transacted at the Annual General Meeting of the Company to be held on Friday 27 November 2020.

At that AGM, Shareholders will be asked to consider resolutions:

- i. Re-electing two directors;
- ii. Adopting the remuneration report;
- iii. Approving an additional 10% placement capacity.

The purpose of this Explanatory Memorandum is to provide information that the Board believes to be material to Shareholders in deciding whether or not to pass those resolutions. The Explanatory Memorandum explains the resolutions and identifies the Board's reasons for putting them to Shareholders. It should be read in conjunction with the accompanying Notice of Meeting.

2. GLOSSARY

The following terms and abbreviations used in this Explanatory Memorandum have the following meanings:

Act or Corporations Act	<i>Corporations Act 2001 (Cth)</i>
AGM or Annual General Meeting	The annual general meeting of the Company to be held on Friday 27 November 2020
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691)
ASX Register	The ASX share register of the Company
ASX Listing Rules or Listing Rules	The Official Listing Rules of ASX, as amended from time to time
Board	The board of directors of the Company
Company or A-Cap	A-Cap Energy Limited (ABN 28 104 028 542)
Constitution	The Company's Constitution from time to time
Equity Securities	Has the same meaning as in the Listing Rules
Notice of Meeting	The notice convening the Annual General Meeting which accompanies this Explanatory Memorandum
Proxy Form	The proxy form which accompanies this Explanatory Memorandum
Shareholder	A registered holder of Shares in the Company
Shares	A fully paid ordinary share in the capital of the Company

3. FINANCIAL STATEMENTS AND REPORTS

The first item on the Notice of Meeting deals with the presentation of the Company's Annual Financial Report for the financial year ended 30 June 2020. Shareholders will be given an opportunity to raise any matters of interest with directors when this item is being considered.

The Company's Annual Financial Report for the year ended 30 June 2020 has been released to the ASX and is available on the Company's website (www.a-cap.com.au).

No vote is required on this item of business.

4. ELECTION OF DIRECTORS

In accordance with ASX Listing Rule 14.4 and pursuant to Rule 58.1 of the Constitution, at each AGM, one-third of the directors (excluding the Managing Director) must retire from office. Each retiring director is entitled to offer himself for re-election as a director at the AGM.

In addition, any Director appointed by the Board must retire from office and be re-elected at the next Annual General Meeting.

5. RESOLUTION 1 – RE-ELECTION OF MR MARK SYROPOULO AS A DIRECTOR

Mr Syropoulo has over 40 years in corporate finance, mainly in resources and technology. He has been an Independent Corporate Consultant since 1994 and has during that time provided services to entities in the natural resources, information technology, environmental services and investment sectors, principally in Australia, USA and China, where he completed six years residence in Shanghai. Mark also has considerable experience in Africa, Europe and Russia.

Mark has served as an executive or non-executive director on several public company board(s) on LSE, AIM, Nasdaq and ASX markets. He is a BSc graduate (Mathematics and Economics) and a BSc Hons in Economics of the University of Natal Durban, South Africa.

Mr Syropoulo was appointed as a director of the Company on 2 December 2019.

Recommendation

The directors (with Mr Syropoulo abstaining) recommend that Shareholders vote in favour of Mr Syropoulo's re-election.

The Chairman intends to vote all undirected proxies in favour of this Resolution.

6. RESOLUTION 2 – RE ELECTION OF MR ZHENWEI LI AS A DIRECTOR

Mr. Li has over 10 years' experience in the mining operation and investment. He worked as a manager of the mining sector in several mining projects (gold, copper, lead and zinc projects), and He was a director of research in a private equity firm of China. Mr. Li has professional knowledge in the mining exploration and the capital market.

Mr. Li holds Master degree of Mining Engineering from China University of Mining & Technology, Beijing.

Recommendation

The directors (with Mr Li abstaining) recommend that Shareholders vote in favour of Mr Li's re-election. The Chairman intends to vote all undirected proxies in favour of this Resolution.

7. RESOLUTION 3 – ADOPTION OF REMUNERATION REPORT

The Corporations Act includes disclosure requirements for companies whose shares are quoted on the ASX by requiring that the directors of the company include a remuneration report in the Company's annual report and that a resolution be put to Shareholders each year to adopt that report.

The remuneration report is set out in the Company's Annual Report.

The remuneration report:

- outlines the Board's policy for determining the nature and amount of remuneration for directors and executives of the Company;
- discusses the relationship between the Board's remuneration policy and the Company's performance;
- details and explains any performance condition applicable to the remuneration of a director or executive;
- details the remuneration (including Options) of each director and executive of the Company for the year; and
- summarises the terms of any contract under which any director or executive is engaged, including the period of notice required to terminate the contract and any termination payments provided for under the contract.

The vote on the resolution is advisory only and does not bind the directors or the Company, nor does it affect the remuneration paid or payable to the Company's directors or the executives. However, the Board will take the outcome of the resolution into account when considering future remuneration policy.

Section 250R(4) of the Corporations Act prohibits any votes on this resolution being cast by senior executives (or their associates) whose remuneration details are disclosed in the report.

This prohibition extends to undirected proxy votes to be cast by the Chairman. In this regard, you should specifically note that if you indicate on the Proxy Form that you do not wish to specify how your proxy should vote on Resolution 3, you will be deemed to have expressly directed the Chairman to cast your votes **in favour** of Resolution 3.

If you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 3, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 3 in the Proxy Form.

8. RESOLUTION 4 - APPROVAL TO DELIST FROM BOTSWANA STOCK EXCHANGE

Since listing on the venture capital board of the Botswana Stock Exchange ("BSE") in August 2009, there are only [223] shareholders holding less than 0.08% [663,327/871,884,866] of the Company's Ordinary Shares on the BSE and trading has been negligible with the last trade in February 2019. In light of these circumstances the Directors have formed the view that the administrative costs and related obligations associated with maintaining the BSE listing are no longer justifiable and thus recommend that shareholders vote in favour of a delisting from the BSE."

9. RESOLUTION 5 - APPROVAL OF ADDITIONAL PLACEMENT CAPACITY EXCHANGE

9.1 General

ASX Listing Rule 7.1A provides that "Eligible Entities" (as defined below) may seek Shareholder approval to issue "Equity Securities" (as defined below) up to 10% of its issued share capital through placements over a 12 month period after the Meeting ('10% Placement Facility'). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

9.2 Conditions of Approval

Approval under Listing Rule 7.1A is subject to the following:

- shareholder approval by way of a special resolution at an Annual General Meeting; and
- the company qualifying as an eligible entity. The company is an eligible entity if the company is outside the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less.

A-Cap Energy Limited is an Eligible Entity as defined above.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility.

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Capacity Period up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

9.3 Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of equity securities of the Company. As at the date of this Notice the Company has one class of quoted equity securities, being its ordinary shares. The class of Equity Securities which is the subject of Resolution 3 relates only to ordinary shares.

9.4 Minimum Issue Price

The minimum price at which the Equity Securities may be issued for the purposes of Listing Rule 7.1A.3 is 75% of the volume weighted average price for Equity Securities in that particular class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the price at which the Equity Securities are to be issued is agreed by the entity and the recipient of the securities; or
- if the Equity Securities are not issued within ten (10) trading days of the date in paragraph (a), the date on which the Shares are issued.

9.5 Date of issue (10% Placement Capacity Period)

The date by which the Equity Securities may be issued pursuant to Listing Rule 7.1A.1 commences on the date of the Annual General Meeting at which approval is obtained and expires on the first to occur of the following:

- the date which is 12 months after the date of this meeting;
- the time and date of the next annual general meeting; and
- the time and date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid).

9.6 Risks associated with the Issue

The possible risks associated with an issue of Securities under Listing Rule 7.1A.2 may include:

- i) the market price for Equity Securities in that class may be significantly lower on the issue date than on the date of the approval under Listing Rule 7.1A; and
- ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

Listing Rule 7.3A.2 requires the Company to provide a table demonstrating the potential dilution effect based on three different assumed prices of the Company's Shares and three different numbers of Shares on issue in the Company (Variable 'A' in Listing Rule 7.1 and 7.1A). For convenience, we will refer to the latter as Variable 'A'.

Table A shows the dilution of existing Shareholdings on the basis of the current market price of Shares and the current number of Shares for Variable 'A' calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table (*) also shows:

- two examples where Variable 'A' has increased by 50% and 100%. The number of ordinary Shares on issue may increase as a result of issues of ordinary Shares that do not require Shareholder approval or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of ordinary Shares has decreased by 50% and increased by 100% as against the current market price.

TABLE A		Dilution		
		\$0.01	\$0.020	\$0.04
Variable 'A' in Listing Rule 7.1A2				
		50% decrease in Issue Price	Issue Price	100% increase in issue price
Current Variable 'A' 871,884,866	10% Voting	87,188,487	87,188,487	87,188,487
	Dilution	Shares	Shares	Shares
	Funds Raised	\$ 871,885	\$ 1,743,770	\$ 3,487,539
50% Increase in Current Variable 'A' 1,307,827,299	10% Voting			
	Dilution	130,782,730 Shares	130,782,730 Shares	130,782,730 Shares
	Funds Raised	\$ 1,307,827	\$ 2,615,655	\$ 5,231,309
100% Increase in Current Variable 'A' 1,743,769,732	10% Voting			
	Dilution	174,376,973 Shares	174,376,973 Shares	174,376,973 Shares
	Funds Raised	\$ 1,743,770	\$ 3,487,539	\$ 6,975,079

(*) Table A has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No options are exercised into Shares before the date of the issue of Shares.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the AGM.
- The table shows only the effect of issues of Shares under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of securities under the 10% Placement Facility consists only of Shares.
- The issue price of \$0.02, being the closing price of the Shares on ASX on 9 October 2020 (the date on which this Explanatory Statement was prepared).

9.7 The Purposes of Issue under 10% Placement Capacity

The purposes for which the Company may issue Equity Securities pursuant to Listing Rule 7.1A include the following:

- exploration activities on its existing mineral interests;
- assessment of any future mineral property opportunities;
- assessment of any other investment opportunities; and
- for ongoing future working capital purposes.

The Company may not issue Shares for non-cash consideration for the acquisition of new resources assets with this placement capacity.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Shares.

9.8 The Company's Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

The purpose of the issue;

- i) the methods of raising funds that are available to the Company including but not limited to, rights issue or other issue in which existing Shareholders can participate;
- ii) the effect of the issue of the Equity Securities on the control of the Company;
- iii) the financial situation and solvency of the Company; and
- iv) advice from corporate, legal, financial and broking advisors (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

A voting exclusion statement is included in this Notice. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in this Notice.

9.9 Previous Approval under ASX Listing Rule 7.1A

The Company previously obtained Shareholder approval under Listing Rule 7.1A at the 2019 Annual General Meeting.

9.10 Equity Securities issued or expected to be issued in the 12 months prior to the Meeting

In the period following the 2019 Annual General Meeting and to the date of this Notice, the Company has not issued any shares.

9.11 Result of this Resolution failing

If resolution 5 is not passed, A-Cap Energy will not be able to access the additional 10% capacity to issue equity securities without shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without shareholder approval set out in Listing Rule 7.1.

9.12 Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

a list of the recipients of the Equity Securities and the number of Equity Securities issued to each recipient (not for release to the market), in accordance with Listing Rule 7.1A.4; and

the information required by Listing Rule 3.10.5A for release to the market.

9.13 Board Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.