

ASX RELEASE

30 April 2020

QUARTERLY REPORT FOR THE QUARTER ENDED 31 MARCH 2020

HIGHLIGHTS

- ▲ Metallurgical work has continued on the Wilconi Co-Ni Project in Western Australia. “Acid Bake” metallurgical testwork has shown that high cobalt and nickel recoveries can be obtained while reducing acid consumptions.
- ▲ Drilling to collect bulk samples at Wilconi for continued metallurgical testwork is planned for 2nd Quarter 2020.
- ▲ Letlhakane Uranium Project all expenditure reduced.

QUARTERLY ACTIVITIES

Metallurgical Testwork – Wilconi Co-Ni Project WA

Metallurgical testwork is on-going, aimed at identifying the optimum processing method, targeting the highest cobalt and nickel recoveries while minimising capital and operating costs.

Leach tests recently completed at the Australian Nuclear Science and Technology Organisation (ANSTO) in New South Wales showed that high cobalt recoveries (83%) could be achieved at room temperature using low levels of sulfuric acid and sulfur dioxide. At slightly higher temperatures and under more acidic conditions nickel recoveries were over 90% (Table 1), Refer ASX announcement dated 29th January 2020 for further information.

ANSTO TEST RESULTS							
TEMP (°C)	Time (h)	Slurry Density (Wt%)	Free Acid H ₂ SO ₄ (g/L)	pH	Extraction (%)		
					Co	Ni	Mn
95	24	2	5	1.65	79.4	15.7	76.3
95	24	2	15	1.16	86.4	44.4	85.9
95	24	2	40	0.64	96.9	92.4	97.5
95	24	2	80	0.3	97.6	98	98.6
40	24	2	5	1.46	69.3	5.8	62
40	24	2	15	0.94	83.4	19.3	76.7

Table 1: Results of leaching tests conducted by Australian Nuclear Science and Technology Organisation (ANSTO) on ore from Wilconi at selected temperatures and acid levels.

During the past quarter, metallurgical testwork continued with Simulus Laboratories (Perth) evaluating the “baked acid” method, where acid is added to dry ore and baked prior to leaching of the metals with water. The aim of the tests were to determine if high metal recoveries could be achieved while reducing acid consumption. Test were conducted over a range of acid doses, baking temperatures, baking times and sodium sulphate addition.

Results of the baked acid tests showed that high cobalt and nickel recoveries could be achieved with modest acid consumptions, see Table 2. The addition of sodium sulphate prior to leaching significantly improved cobalt and nickel recoveries.

SIMULUS LABORATORIES TEST RESULTS							
H2SO4 Dose kg/t	Bake Temp °C	Bake Time Min.	Na ₂ SO ₄ Dose kg/t	Met 1E extractions (%)		Met 2B Extractions (%)	
				Co	Ni	Co	Ni
800	650	30		78	80	72	75
600	700	30		80	77	75	73
600	700	30		80	77	75	73
600	700	30	100	93	91	92	88
400	700	30		72	68	74	72

Table 2: Results of acid baked leach tests conducted by Simulus Laboratories on ore from Wilconi under various test conditions.

Further testwork is planned for the next quarter to refine the processing methods, metallurgical recoveries and process economics.

Metallurgical Drilling


To continue the metallurgical testing programme more sample representative of ores across the deposit are required. Drilling has been planned to collect these bulk samples in the 2nd Quarter 2020. A programme of work (POW) has been approved by the Department Mines Industry Regulation and Safety (DMIRS) for the drilling and access to the drill sites have been prepared.

Environmental Studies

BPL Environmental were approached to detail what government environmental approvals would be required as part of a feasibility study and approvals pathway through to mining. The BPL report included a list of technical studies required, anticipated timing and costs.

WILCONI PROJECT – JOINT VENTURE WITH BLACKHAM RESOURCES LTD

Project Overview

 Project highlights (refer ASX announcement dated 21 Dec-18):

- *The Wilconi project has significant past drilling to enable A-Cap to value its potential*
- *The deposit lies in largely granted mining tenements*
- *Infrastructure associated with Blackham's gold mining is in place*
- *Environmentally safe with a long history of mining in the area*
- *New and innovative geophysics and metallurgical technology will be utilised during the feasibility work*
- *The Wilconi Project tenements list comprises twelve granted mining leases, eight granted exploration licences, one prospecting licence and one retention licence. The Project covers a total area of 800 square kilometres.*

WILCONI PROJECT – JOINT VENTURE WITH BLACKHAM RESOURCES LTD (cont)

- ⚠ The Wilconi Project will focus on cobalt and nickel materials supply to the global electric vehicle (EV) market through the establishment of key strategic and commercial relationships to take advantage of new materials processing and refinery technologies, particularly in production of cobalt and nickel sulphates products used directly in battery manufacture.

Proposed Exploration

A-Cap plan to infill the previous drill pattern to increase the confidence in the JORC resources from inferred to indicated. In combination with ground geophysics (DGPR), the drilling will focus on the higher cobalt grades in the resource.

LETLHAKANE URANIUM PROJECT

- ⚠ The Letlhakane Uranium Project, located in Botswana, is one of the world's largest undeveloped Uranium Deposits. A Mining Licence designated ML 2016/16L was granted on 12 September 2016 and is valid for 22 years. The Department of Environmental Affairs formally approved the Letlhakane Uranium Project's Environmental Impact Statement on 13 May 2016. Provisional surface rights were granted on 6 June 2016.
- ⚠ The Company's Letlhakane Uranium Project remains an important project asset within the diversified minerals strategy. While the nuclear industry is confident in the long-term fundamentals of uranium and nuclear power, there is less certainty in the short term with industry expectation that the market will gradually move towards balance from calendar year 2025. Please refer to the Company's 2019 Annual Report for information relating to the Letlhakane Uranium Project's mineral resources and exploration results.
- ⚠ In December 2019, due to the current low price of uranium, regrettably A-Cap have retrenched some staff at its Botswana operations. Staff remaining will provide administration and technical continuity for the project whilst waiting for market conditions to improve. The remaining team will keep the mining licence conditions in compliance and complete low-level desktop studies to further the project. The Commissioner of Labour and the Department of Mines were duly informed of the retrenchments.
- ⚠ Due to the Covid19 virus, Botswana is now like other countries in complete lockdown.

CORPORATE

During the quarter ended 31 March 2020:

- ▲ A General Meeting on 28 February approved an off-market transfer of 357,786,934 shares by Jiangsu Shengan Resources Group Co., Ltd, to Singapore Shenke International Investment Pte. Ltd and the appointment of Mr Jiandong He and Mr Meng Weijun as directors of the Company.
- ▲ On the approval of above Mr Angang Shen and Mr Chenghu Zhu resigned.
- ▲ In light of the extraordinary circumstances relating to Covid-19 the company conducted a thorough review of expenditures including the suspension of director fees and director associated service fees which will remain until completion of capital raising.
- ▲ A loan of \$500k from Singapore Shenke International Investment Pte Ltd was drawn down on 7 January 2020.

Directors:

Jiandong He
 Meng Weijun
 Michael Liu
 Paul Ingram
 Jijing Niu
 Mark Syropolou

Capital Structure at 31 Mar 20.

871,884,866 shares on issue
 31,010,000 Performance Rights
 Market Capitalisation (28 Apr) \$13.08 million
 Cash at bank 31 Mar 20 - \$620k

Shareholder Information:

1,816 shareholders with Top 20 holding 88.16%

Tenement Information:

TENEMENT ID	LOCATION	PROJECT	STATUS	INTEREST AT START OF QUARTER	INTEREST AT END OF QUARTER
E53/2076	WILUNA	WILCONI	APPLICATION	20%	20%
E53/1645	WILUNA	WILCONI	GRANTED	20%	20%
E53/1791	WILUNA	WILCONI	GRANTED	20%	20%
E53/1794	WILUNA	WILCONI	GRANTED	20%	20%
E53/1803	WILUNA	WILCONI	APPLICATION	20%	20%
E53/1852	WILUNA	WILCONI	GRANTED	20%	20%
E53/1853	WILUNA	WILCONI	GRANTED	20%	20%
E53/1864	WILUNA	WILCONI	APPLICATION	20%	20%
E53/1908	WILUNA	WILCONI	GRANTED	20%	20%
E53/1912	WILUNA	WILCONI	GRANTED	20%	20%

Tenement Information (cont)

TENEMENT ID	LOCATION	PROJECT	STATUS	INTEREST AT START OF QUARTER	INTEREST AT END OF QUARTER
E53/2048	WILUNA	WILCONI	APPLICATION	20%	20%
E53/2050	WILUNA	WILCONI	APPLICATION	20%	20%
E53/2053	WILUNA	WILCONI	APPLICATION	20%	20%
E53/2054	WILUNA	WILCONI	APPLICATION	20%	20%
M53/0024	WILUNA	WILCONI	GRANTED	20%	20%
M53/0026	WILUNA	WILCONI	GRANTED	20%	20%
M53/0034	WILUNA	WILCONI	GRANTED	20%	20%
M53/0041	WILUNA	WILCONI	GRANTED	20%	20%
M53/0049	WILUNA	WILCONI	GRANTED	20%	20%
M53/0052	WILUNA	WILCONI	GRANTED	20%	20%
M53/0071	WILUNA	WILCONI	GRANTED	20%	20%
M53/0092	WILUNA	WILCONI	GRANTED	20%	20%
M53/0131	WILUNA	WILCONI	GRANTED	20%	20%
M53/0139	WILUNA	WILCONI	GRANTED	20%	20%
M53/0188	WILUNA	WILCONI	GRANTED	20%	20%
M53/1098	WILUNA	WILCONI	GRANTED	20%	20%
P53/1560	WILUNA	WILCONI	GRANTED	20%	20%
R53/0001	WILUNA	WILCONI	GRANTED	20%	20%

Paul Ingram
 DEPUTY CHAIRMAN

Competent person's statement

Information in this report relating to Mineral Resources is based on information compiled by Mr Stephen Godfrey, the Principal Consultant of Mining Plus Pty Ltd. Mr Godfrey of Resources Evaluation Services is a Fellow of the AusIMM and a Member of the AIG. Mr Godfrey 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 Godfrey consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to cobalt, nickel and associated metals of the Wiluna Cobalt Nickel Project (Wilconi Project), is based on information compiled by Mr Paul Ingram, a director of A-Cap Energy Limited and a Member of AusIMM. Mr Ingram has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person under the 2012 Edition of the Australasian Code for reporting Exploration Results Mineral Resources and Ore Reserves. Mr Ingram consents to the inclusion of the data in the form and context in which it appears.

Information in this report relating to Uranium Exploration results, is based on information compiled by Mr Ashley Jones a consultant of A-Cap Energy Limited and a member of AusIMM. 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.

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