



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

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY MEMORANDUM

PROXY FORM

Date : Friday 18 November 2016

Time : 10.30am (AEST)

Venue : The offices of Ashurst Australia
Level 38 Riverside Centre
123 Eagle St
Brisbane QLD 4000

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 RESOURCES LIMITED
(ABN 28 104 028 542)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of A-Cap Resources Limited (the "Company") will be held at the offices of Ashurst Australia, Level 38, Riverside Centre, 123 Eagle St, Brisbane, QLD 4000 on Friday 18 November 2016 at 10.30 am (AEST).

AGENDA

ORDINARY BUSINESS

FINANCIAL STATEMENTS

To receive, consider and discuss the Company's financial statements for the year ended 30 June 2016 and the reports of the directors and auditors on those statements.

RESOLUTION 1 – RE-ELECTION OF MR PAUL INGRAM AS A DIRECTOR

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

"That Mr Paul Ingram, who retires by rotation in accordance with Rule 58.1 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 ANGANG SHEN AS A DIRECTOR

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

"That Mr. Angang Shen, who retires by rotation in accordance with Rule 58.1 of the Company's Constitution and Listing Rule 14.4 and, being eligible for re-election, is re-elected as a director.

RESOLUTION 3 – RE-ELECTION OF MR JOHN FISHER-STAMP AS A DIRECTOR

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

"That Mr. John Fisher-Stamp, 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 4 – RE-ELECTION OF MR MICHAEL LIU AS A DIRECTOR

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

"That Mr. Michael Liu, 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 5 – RE-ELECTION OF MR JIJING NIU AS A DIRECTOR

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

"That Mr. Jijing Niu, 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 6 – RE-ELECTION OF MR CHENGHU ZHU AS A DIRECTOR

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

"That Mr. Chenghu Zhu, 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 7 – 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 2016 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 7 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 7 (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 7, unless the proxy is the Chairman of the Meeting and the proxy appointment expressly authorises the Chairman to exercise the proxy even if Resolution 7 is connected directly or indirectly with the remuneration of a Key Executive.

SPECIAL BUSINESS

RESOLUTION 8 – RATIFY ALLOTMENT OF SHARES TO CONSULTANTS

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

"That for the purpose of ASX Listing Rule 7.4 and all other purposes, the issue of 1,673,130 fully paid ordinary shares in the Company on the terms described in the Explanatory Memorandum be approved."

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 8 by any person who participated in the issue the subject of the Resolution or any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 9 – RATIFY ALLOTMENT OF SHARES TO FORMER EMPLOYEES

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

“That for the purpose of ASX Listing Rule 7.4 and all other purposes, the issue of 933,949 fully paid ordinary shares in the Company on the terms described in the Explanatory Memorandum be approved.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 9 by any person who participated in the issue the subject of the Resolution or any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 10– RATIFY ALLOTMENT OF SHARES TO FORMER DIRECTORS

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

“That for the purpose of ASX Listing Rule 7.4 and all other purposes, the issue of 227,626 fully paid ordinary shares in the Company on the terms described in the Explanatory Memorandum be approved.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 10 by any person who participated in the issue the subject of the Resolution or any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 11 – RATIFY ALLOTMENT OF SHARES TO UNDERWRITER

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

“That for the purpose of ASX Listing Rule 7.4 and all other purposes, the issue of 3,409,091 fully paid ordinary shares in the Company on the terms described in the Explanatory Memorandum be approved.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 11 by any person who participated in the issue the subject of the Resolution or any associate of those persons.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 12 - ISSUE OF SHARES TO PAUL INGRAM

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 4,116,783 fully paid ordinary shares in the Company to Paul Ingram, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 12 by Paul Ingram and/or his nominee/s or any associate of Paul Ingram.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 13 - ISSUE OF SHARES TO JOHN FISHER-STAMP

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 4,116,783 fully paid ordinary shares in the Company to John Fisher-Stamp, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 13 by John Fisher-Stamp and/or his nominee/s or any associate of John Fisher-Stamp.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 14- ISSUE OF SHARES TO MICHAEL LIU

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, the Company be authorised to allot and issue 4,116,783 fully paid ordinary shares in the Company to Michael Liu, a director of the Company, or his nominee, on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 14 by Michael Liu and/or his nominee/s or any associate of Michael Liu.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

RESOLUTION 15 – INCREASE AGGREGATE MAXIMUM OF NON-EXECUTIVE DIRECTORS REMUNERATION

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

“That for the purposes of rule 61.1 of the Company’s constitution, ASX Listing Rule 10.17 and for all other purposes, the maximum annual aggregate of remuneration that non-executive directors of the Company are entitled to be paid for their services as directors out of the funds of the Company be increased by \$100,000 to \$400,000 per annum.”

Voting Exclusion Statement:

The Company will disregard any votes cast on Resolution 15 by any director of the company or any of their associates.

However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

SNAPSHOT TIME

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Company determines that shares held as at 10.30 am (AEST) on Wednesday 16 November 2016 will be taken, for the purposes of the Annual General Meeting, to be held by the persons who held them at that time.

PROXIES

In accordance with section 249L of the Corporations Act, members 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:

Principal Place of Business: Level 15, 140 St Georges Terrace, Perth WA 6000
Facsimile Number: (08) 9278 2617
Postal Address: PO Box 7014, Cloisters Square, Perth WA 6850

Each member entitled to vote at the Annual General Meeting has the right to appoint a proxy to attend and vote at the meeting 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 meeting (proxy forms can be lodged by facsimile).

By Order of the Board



NICHOLAS YEAK
Company Secretary
A-Cap Resources Limited

18 October 2016

A-CAP RESOURCES LIMITED

(ABN 28 104 028 542)

EXPLANATORY MEMORANDUM TO SHAREHOLDERS

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of shareholders of A-Cap in connection with the business to be transacted at the Annual General Meeting of the Company to be held on Friday 18 November 2016.

At that meeting, shareholders will be asked to consider resolutions:

- re-electing two directors who retire by rotation;
- re-electing four directors appointed since the last Annual General Meeting held on 30 November 2015 ("Last Annual General Meeting");
- adopting the remuneration report;
- ratifying a number of allotments of Shares;
- approving the issue of shares to current directors; and
- approving an increase in the aggregate maximum of non-executive directors' remuneration.

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</i> (Cth)
AGM or Annual General Meeting	The annual general meeting of the Company to be held on Friday 18 November 2016
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited (ACN 008 624 691)
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 Resources Limited (ABN 28 104 028 542)
Constitution	The Company's Constitution from time to time
Notice of Meeting	The notice convening the Annual General Meeting which accompanies this Explanatory Memorandum
Options	Options to subscribe for Shares
Proxy Form	The proxy form which accompanies this Explanatory Memorandum
Shares or A-Cap Shares	Fully paid ordinary shares in 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 2016. 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 2016 has been released to the ASX and is available on the Company's website (www.acap.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 annual general meeting.

Each of Mr Ingram and Mr Shen will retire by rotation in accordance with the requirements of the Constitution of the Company at the AGM. Being eligible, each of Mr Ingram and Mr Shen seek re-election as a director of the Company at the AGM.

In accordance with Rule 57.2 of the Constitution and Listing Rule 14.4, a director appointed to fill a casual vacancy or as an addition the existing directors will hold office until the end of the next annual general meeting of the Company, at which the Director may be re-elected.

Each of Mr Fisher-Stamp, Mr Liu, Mr Niu and Mr Zhu who were appointed by the Board as additional directors seek re-election as a director of the Company at the AGM.

5. RESOLUTION 1 – RE-ELECTION OF MR PAUL INGRAM AS A DIRECTOR

Mr Ingram is a geologist with extensive experience in corporate and technical management of exploration and mining companies for over 30 years. He has held senior management positions in a number of successful resource companies in the precious metals sector and energy sector, and has managed projects in countries throughout East Asia and in Australia.

Mr Ingram was appointed as a director of the Company on 1 June 2009.

Recommendation

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

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

6. RESOLUTION 2 – RE-ELECTION OF MR ANGANG SHEN AS A DIRECTOR

Mr Angang Shen joined the Board of the Company in November 2013, bringing with him years of expertise and success in the areas of finance, investment, real estate and mining resources. Mr Shen is the Chairman of China Growth Minerals Limited and Ansheng Investment Co, Ltd.

Mr Shen was appointed as a director of the Company on 6 November 2013.

Recommendation

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

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

7. RESOLUTION 3 – RE-ELECTION OF MR JOHN FISHER-STAMP AS A DIRECTOR

Mr Fisher-Stamp is a Chartered Accountant and has worked in the resources sector for the past 10 years. Mr Fisher-Stamp has held executive and consulting positions in corporate finance and as Chief Financial Officer. These roles covered compliance with corporate regulations and reporting in Australia, USA, UK and Asia. Mr Fisher-Stamp is a director of USA based mining developer Ouro Mining, Inc and is Deputy Chair of QT Mutual Bank Limited, an Australian APRA regulated ADI. Mr Fisher-Stamp currently serves with QT Mutual Bank Limited as a member of the Risk and Remuneration Committee and is Chair of QT Mutual Bank Limited's Audit Committee. Mr Fisher-Stamp's experience extends to Public Practice as a Chartered Accountant and Principal with DKM Group, Brisbane for 8 years and a Partner with Deloitte, Brisbane, Australia for 10 years providing business advisory, corporate taxation and support services.

Mr Fisher-Stamp was appointed as an additional director of the Company on 18 June 2016 and was re-appointed as an additional director following the Last Annual General Meeting.

Recommendation

The directors (with Mr Fisher-Stamp abstaining) recommend that shareholders vote in favour of Mr Fisher-Stamp's re-election.

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

8. RESOLUTION 4 – RE-ELECTION OF MR MICHAEL LIU AS A DIRECTOR

Mr Liu is the current Chairman of East China Capital Investments Ltd and has over 20 years' experience in public company management, corporate investment and finance, and international M&A. In the past 10 years, Mr Liu has overseen several successful acquisitions and divestitures of mining assets including gold, copper, and coal in China and overseas. Mr Liu holds a Master of Arts from the University of New Brunswick and an MBA from The University of British Columbia in Canada and holds directorships in a number of public companies listed in Canada, UK, and USA.

Mr Liu was appointed as an additional director of the Company on 3 July 2015 and was re-appointed as an additional director following the Last Annual General Meeting.

Recommendation

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

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

9. RESOLUTION 5 – RE-ELECTION OF MR JIJING NIU AS A DIRECTOR

Mr Niu graduated from Hunan University majoring in Economics and Information Management and holds an MBA from Fudan University and an EMBA from Cheung Kong School of Business.

Mr Niu brings to the Board a wealth of corporate and investment banking experience, having commenced his investment banking career at United Securities Co., Ltd in 1998. From 2005 Mr Niu joined the Investment Banking Division of Guosen Securities Ltd and was promoted to be the Managing Director of the division until 2015. He was appointed as Chairman of Jiangsu Chixiang Precision Gear Co., Ltd. on 8 July 2016.

Mr Niu was appointed as an additional director of the Company on 19 September 2016.

Recommendation

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

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

10. RESOLUTION 6 – RE-ELECTION OF MR CHENGHU ZHU AS A DIRECTOR

Mr Zhu is an economist having held senior positions across a successful career in Industry & Commerce. Mr Zhu commenced his career as the manager of Yancheng Longgang Supply and Marketing Corporation from 1980 to 1992 and the General Manager of Yancheng Huaxin Industrial General Corporation from 1992 to 1995. Mr Zhu held a directorship at Yancheng Suburban Government Corporation from 1995 to 1998. Mr Zhu currently holds the following senior positions:

- Chairman of Jiangsu Huaxing Investment Group (since 1998)
- Deputy President of Jiangsu Federation of Industry and Commerce (since 2012)
- Deputy Chairman of Yancheng Federation of Industry and Commerce (since 2012)
- President of Yandu Association of Enterprises (since 2012)
- Director of Jiangsu Chixiang Precision Gear Co., Ltd

Mr Zhu was appointed as an additional director of the Company on 19 September 2016.

Recommendation

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

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

11. RESOLUTION 7 – 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 7, you will be deemed to have expressly directed the Chairman to cast your votes **in favour of** Resolution 7.

If you wish to appoint the Chairman as your proxy but do NOT want your votes to be cast in favour of Resolution 7, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 7 in the Proxy Form.

12. RESOLUTION 8 – RATIFY ALLOTMENT OF SHARES TO CONSULTANTS

Following the Last Annual General Meeting, the following shares were issued to consultants under Listing Rule 7.1:

- on 10 December 2015 the Company issued 926,948 Shares at 4.234 cents per Share;
- on 21 April 2016 the Company issued 460,280 Shares at 1.78 cents per Share; and
- on 28 July 2016 the Company issued 285,902 Shares at 2.18 cents per Share.

The issue of the abovementioned Shares was for no cash consideration and consequently no funds were raised by the issues. The Shares were issued pursuant to a resolution of directors on 23 May 2013 to reduce company overheads including consultancy fees and salaries to a number of employees ("Cost Reduction Plan").

In order to compensate those persons whose remuneration was reduced, the Board resolved to allot A-Cap Shares for the amount of the reduction for the period in which the reduction is in effect. It was further resolved that the issue price of the Shares allotted would be equal to the volume-weighted average price of A-Cap Shares traded on the ASX for the period covering the reduction.

Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its expanded capital in any 12-month period without first obtaining shareholder approval. Listing Rule 7.4 allows a company to seek ratification by shareholders of the issue of shares which has been made without approval under Listing Rule 7.1, provided the issues did not breach Listing Rule 7.1.

As the issues the subject of Resolution 8 were not in breach of Listing Rule 7.1 and were not previously approved by shareholders, the Board now seeks shareholder ratification of those issues pursuant to Listing Rule 7.4.

The effect of passing Resolution 8 will be to refresh the Company's 15% capacity under Listing Rule 7.1 to the extent of the 1,673,130 Shares issued since the Last Annual General Meeting.

The Board considers that this is a timely and cost-effective opportunity to put Resolution 8 to shareholders at the Annual General Meeting.

For the purpose of Listing Rule 7.5, the following information is provided in relation to Resolution 8:

- (1) The total number of Shares issued was 1,673,130;
- (2) 926,948 Shares were issued at 4.234 cents per Share, 460,280 Shares issued at 1.78 cents per Share and 285,902 Shares issued at 2.18 cents per Share;
- (3) The Shares issued rank equally in all respects with the Company's existing Shares;
- (4) The securities issued are fully paid ordinary shares in the Company;
- (5) On 23 May 2013, the directors resolved to reduce company overheads including director fees, consultancy fees and salaries to a number of employees (Cost Reduction Plan). The shares were issued to consultants of the Company who agreed to a pay reduction in line with the approved Cost Reduction Plan; and
- (6) The issue of Shares was for no cash consideration and consequently no funds were raised by the issue.

Recommendation

The directors recommend that shareholders vote in favour of this Resolution.

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

13. RESOLUTION 9 – RATIFY ALLOTMENT OF SHARES TO FORMER EMPLOYEES

Following the Last Annual General Meeting, the following shares were issued to former employees under Listing Rule 7.1:

- On 10 December 2015 the Company issued 393,571 Shares at 5.376 cents per Share; and
- On 21 April 2016 the Company issued 540,378 Shares at 4.726 cents per Share.

The issue of Shares was for no cash consideration and consequently no funds were raised by the issues. The Shares were issued pursuant to a resolution of directors on 23 May 2013 to reduce company overheads including consultancy fees and salaries to a number of employees ("Cost Reduction Plan").

In order to compensate those persons whose remuneration was reduced, the Board resolved to allot A-Cap Shares for the amount of the reduction for the period in which the reduction is in effect. It was further resolved that the issue price of the Shares allotted would be equal to the volume-weighted average price of A-Cap Shares traded on the ASX for the period covering the reduction.

Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its expanded capital in any 12-month period without first obtaining shareholder approval. Listing Rule 7.4 allows a company to seek ratification by shareholders of the issue of shares which has been made without approval under Listing Rule 7.1, provided the issues did not breach Listing Rule 7.1.

As the issue the subject of Resolution 9 was not in breach of Listing Rule 7.1 and was not previously approved by shareholders, the Board now seeks shareholder ratification of that issue pursuant to Listing Rule 7.4.

The effect of passing Resolution 9 will be to refresh the Company's 15% capacity under Listing Rule 7.1 to the extent of the 933,949 Shares issued since the Last Annual General Meeting.

The Board considers that this is a timely and cost-effective opportunity to put Resolution 9 to shareholders at the Annual General Meeting.

For the purpose of Listing Rule 7.5, the following information is provided in relation to Resolution 9:

- (1) The total number of Shares issued was 933,949;
- (2) 393,571 Shares were issued at 5.376 cents per Share, 540,378 Shares issued at 4.726 cents per Share;
- (3) The Shares issued rank equally in all respects with the Company's existing Shares;
- (4) The securities issued are fully paid ordinary shares in the Company;
- (5) On 23 May 2013, the directors resolved to reduce company overheads including director fees, consultancy fees and salaries to a number of employees (Cost Reduction Plan). The shares were issued to former employees of the Company who agreed to a pay reduction in line with the approved Cost Reduction Plan; and
- (6) The issue of Shares was for no cash consideration and consequently no funds were raised by the issue.

Recommendation

The directors recommend that shareholders vote in favour of this Resolution.

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

14. RESOLUTION 10 – RATIFY ALLOTMENT OF SHARES TO FORMER DIRECTORS

On 5 October 2016 the Company issued 227,626 Shares at 3.661 cents per Share to former directors of the Company.

The issue of Shares was for no cash consideration and consequently no funds were raised by the issue. The Shares were issued pursuant to a resolution of directors on 23 May 2013 to reduce company overheads including consultancy fees and salaries to a number of employees ("Cost Reduction Plan").

In order to compensate those persons whose remuneration was reduced, the Board resolved to allot A-Cap Shares for the amount of the reduction for the period in which the reduction is in effect. It was further resolved that the issue price of the Shares allotted would be equal to the volume-weighted average price of A-Cap Shares traded on the ASX for the period covering the reduction.

Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its expanded capital in any 12-month period without first obtaining shareholder approval. Listing Rule 7.4 allows a company to seek ratification by shareholders of the issue of shares which has been made without approval under Listing Rule 7.1, provided the issues did not breach Listing Rule 7.1.

As the issue the subject of Resolution 10 was not in breach of Listing Rule 7.1 and was not previously approved by shareholders, the Board now seeks shareholder ratification of that issue pursuant to Listing Rule 7.4.

The effect of passing Resolution 10 will be to refresh the Company's 15% capacity under Listing Rule 7.1 to the extent of the 227,626 Shares issued since the Last Annual General Meeting.

The Board considers that this is a timely and cost-effective opportunity to put Resolution 10 to shareholders at the Annual General Meeting.

For the purpose of Listing Rule 7.5, the following information is provided in relation to Resolution 10:

- (1) The total number of Shares issued was 227,626;
- (2) Shares were issued at 3.661 cents per Share;
- (3) The Shares issued rank equally in all respects with the Company's existing Shares;
- (4) The securities issued are fully paid ordinary shares in the Company;
- (5) On 23 May 2013, the directors resolved to reduce company overheads including director fees, (Cost Reduction Plan). The shares were issued to former directors of the Company who agreed to a pay reduction in line with the approved Cost Reduction Plan; and
- (6) The issue of Shares was for no cash consideration and consequently no funds were raised by the issue.

Recommendation

The directors recommend that shareholders vote in favour of this Resolution.

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

15. RESOLUTION 11 – RATIFY ALLOTMENT OF SHARES TO UNDERWRITER

On 7 September 2016 the Company issued 3,409,091 Shares at 3.5 cents per Share. The Shares were in consideration for the underwriting fee due to Jiangsu Chixiang Precision Gear Co., Ltd ("Jiangsu Chixiang"), now known as Jiangsu Shengan Resources Group Co., Ltd, pursuant to A-Cap's prospectus dated 26 July 2016 ("Prospectus").

Section 10.4 of the Prospectus provided for A-Cap to elect to settle the underwriting fee in issued Shares in lieu of cash. The pro-rata non-renounceable entitlement offer to Shareholders raised \$3,977,273 by issuing 113,636,364 Shares on the basis of 1 new Share for every 6.48 Shares held at

the record date. Section 10.3(d) of the Prospectus provided an underwriting fee of \$119,318 (equating to 3% of the total funds raised).

Listing Rule 7.1 prohibits a company from issuing shares representing more than 15% of its expanded capital in any 12-month period without first obtaining shareholder approval. Listing Rule 7.4 allows a company to seek ratification by shareholders of the issue of shares which has been made without approval under Listing Rule 7.1, provided the issues did not breach Listing Rule 7.1.

As the issue the subject of Resolution 11 was not in breach of Listing Rule 7.1 and was not previously approved by shareholders, the Board now seeks shareholder ratification of that issue pursuant to Listing Rule 7.4.

The effect of passing Resolution 11 will be to refresh the Company's 15% capacity under Listing Rule 7.1 to the extent of the 3,409,091 Shares issued since the Last Annual General Meeting.

The Board considers that this is a timely and cost-effective opportunity to put Resolution 11 to shareholders at the Annual General Meeting.

For the purpose of Listing Rule 7.5, the following information is provided in relation to Resolution 11:

- (1) The total number of Shares issued was 3,409,091;
- (2) Shares were issued at 3.5 cents per Share;
- (3) The Shares issued rank equally in all respects with the Company's existing Shares;
- (4) The securities issued are fully paid ordinary shares in the Company;
- (5) On 26 July 2016 the Company issued a prospectus for a pro-rata non-renounceable entitlement offer to shareholders to raise \$3,977,273. The offer was fully underwritten by Jianguo Chixiang and an underwriting fee was payable at 3% of the total funds raised; and
- (6) The issue of Shares was for no cash consideration and consequently no funds were raised by the issue.

16. RESOLUTIONS 12 TO 14 - ISSUE OF SHARES TO DIRECTORS

Background

On 30 September 2015, the Board approved the terms of Director Service Agreements between A-Cap and the related entity of Mr Ingram, Mr Fisher-Stamp and Mr Liu respectively. The terms of each Director Service Agreement provides that 50% of consulting fees are to be settled by Shares in A-Cap. The Shares are to be allotted based on the price of A-Cap Shares on the date of each monthly invoice.

The following A-Cap share prices were used to calculate the issue price of the Shares relating to each related entity Service Agreement:

i)	30 November 2015	2.1c	vii)	31 May 2016	2.7c
ii)	31 December 2015	1.6c	viii)	30 June 2016	3.9c
iii)	31 January 2016	1.8c	ix)	31 July 2016	3.6c
iv)	29 February 2016	1.5c	x)	31 August 2016	3.9c
v)	31 March 2016	1.7c	xi)	30 September 2016	6.5c
vi)	30 April 2016	1.7c			

The Company proposes to issue Shares to each of Mr Ingram, Mr Fisher-Stamp and Mr Liu, each a director of the Company, in the following proportions:

Name of Director & Related Entity	Reduction in fees	Shares
Mr Ingram – Fabian Entertainment Pty Ltd as trustee for the Paul Ingram Family Trust	\$93,554	4,116,783
Mr Fisher-Stamp – Catus Pty Ltd as trustee for the Innovation Trust	\$93,554	4,116,783

Mr Liu – V&D Investments Ltd	\$93,554	4,116,783
Total	\$280,662	12,350,349

Shareholder approval for the issue of the Shares is sought pursuant to Listing Rule 10.11 and for all other purposes.

Reason for shareholder approval under Listing Rules

Listing Rule 10.11

Listing Rule 10.11 provides that a company must not issue or agree to issue equity securities to a related party (which includes directors) without first obtaining the approval of shareholders by ordinary resolution. As Resolutions 12 to 14 relate to the issue of equity securities to directors of the Company, shareholder approval must be obtained.

As approval of shareholders is being sought pursuant to Listing Rule 10.11, pursuant to Listing Rule 7.2 Exception 14, approval under Listing Rule 7.1 is not required.

Listing Rule 10.13

In accordance with Listing Rule 10.13, the following information is provided to shareholders:

- (1) The Shares will be issued to Mr Ingram, Mr Fisher-Stamp and Mr Liu.
- (2) The total number of Shares to be issued under Resolutions 12 to 14 is 12,350,349.
- (3) The Shares will be issued as soon as practicable after the Annual General Meeting but in any event not later than one month after the Annual General Meeting.
- (4) The Shares will be issued for nil cash consideration and accordingly no funds will be raised by their issue. The securities issued are fully paid ordinary shares in the Company.

Recommendations

The directors (with Mr Ingram abstaining) recommend that shareholders vote in favour of Resolution 12.

The directors (with Mr Fisher-Stamp abstaining) recommend that shareholders vote in favour of Resolution 13.

The directors (with Mr Liu abstaining) recommend that shareholders vote in favour of Resolution 14.

The Chairman intends to vote all undirected proxies in favour of Resolutions 12 to 14.

17. RESOLUTION 15 – INCREASE AGGREGATE MAXIMUM OF NON-EXECUTIVE DIRECTORS REMUNERATION

In accordance with Rule 61.1 of the Company's Constitution and ASX Listing Rule 10.17, the remuneration payable to Non-Executive Directors ("NEDs") for their services as directors ("NED Fee Cap") are determined by the Board within a maximum aggregate amount approved by shareholders for that purpose. Shareholder approval is sought to increase the maximum aggregate amount previously determined by the shareholders of the Company, which can be paid as remuneration to the NEDs under Rule 61.1 of the Company's Constitution and ASX Listing Rule 10.17 by \$100,000, from \$300,000 to \$400,000 per annum.

The present maximum of \$300,000 per annum was approved by shareholders at a general meeting of the Company held on 9 March 2011. The Board has determined that the current NED Fee Cap does not allow sufficient headroom to:

- accommodate any further increase in the number of directors of the Company;

- accommodate any future increase in directors' fees in order to maintain market competitiveness; and/or
- remunerate certain directors for additional work performed in their roles on Board sub-committees.

Currently NEDs are each paid \$50,000 per annum inclusive of statutory superannuation contributions.

Following the grant of a mining licence for the Company's Letlhakane Uranium Project in Botswana, the Company is now entering a period of growth. It is important that the Company remains able to attract and retain directors with the appropriate experience, expertise, skills and diversity to oversee the Company's business and strategic direction.

It should be noted that the proposed increase in directors' remuneration does not relate to salaries paid to Executive Directors in their capacity as executives of the company, or consulting fees paid to NEDs. Executive directors do not receive remuneration in the form of directors' fees in addition to their salaries.

In the view of the above the Board considers that it is appropriate to put this proposed increase in the NED Fee Cap to shareholders for approval. The amendment will be treated as applying in respect of each financial year of the Company commencing on or after 1 July 2016.

Should the increase in the NED Fee Cap be approved, the Board does not intend to fully utilise the increase in the current year, however it will provide the Board with flexibility to do so when considered appropriate.

For the purposes of Listing Rule 10.17, the following securities were issued to NEDs under Listing Rule 10.11 or 10.14 with the approval of Shareholders at any time in the previous three years:

Name of Non-Executive Director	No. of Shares	Issue Price	Date of Issue	Comments
Mr A Shen	363,168	\$ 0.056	06-Nov-14	Refer (a)
Mr R Lockwood	555,860	\$ 0.056	06-Nov-14	
Mr P Ingram	607,373	\$ 0.056	06-Nov-14	
Mr H Stacpoole	607,373	\$ 0.056	06-Nov-14	
Mr R Pett	1,315,173	\$ 0.056	06-Nov-14	
Mr A Shen	632,158	\$ 0.043	10-Dec-15	Refer (b)
Mr P Ingram	632,158	\$ 0.043	10-Dec-15	
Mr H Stacpoole	632,158	\$ 0.043	10-Dec-15	
Mr J Fisher-Stamp	297,232	\$ 0.024	10-Dec-15	
Mr M Liu	279,916	\$ 0.022	10-Dec-15	
Mr A Shen	497,646	\$ 0.017	21-Apr-16	Refer (c)
Mr P Ingram	497,646	\$ 0.017	21-Apr-16	
Mr H Stacpoole	497,646	\$ 0.017	21-Apr-16	
Mr J Fisher-Stamp	497,646	\$ 0.017	21-Apr-16	
Mr M Liu	497,646	\$ 0.017	21-Apr-16	
Mr A Shen	238,759	\$ 0.026	29-Jul-16	
Mr P Ingram	238,759	\$ 0.026	29-Jul-16	
Mr H Stacpoole	238,759	\$ 0.026	29-Jul-16	
Mr M Liu	238,759	\$ 0.026	29-Jul-16	
Mr J Fisher-Stamp	238,759	\$ 0.026	29-Jul-16	
Mr P Ingram	1,642,702	\$ 0.021	12-Aug-16	
Mr J Fisher-Stamp	1,103,635	\$ 0.019	12-Aug-16	
Mr M Liu	938,873	\$ 0.019	12-Aug-16	
Mr A Shen	113,813	\$ 0.037	05-Oct-16	
Mr P Ingram	113,813	\$ 0.037	05-Oct-16	
Mr M Liu	113,813	\$ 0.037	05-Oct-16	
Mr J Fisher-Stamp	113,813	\$ 0.037	05-Oct-16	

Comments:

- (a) Issue of Shares approved by Shareholders on 31 October 2014;
- (b) Issue of Shares approved by Shareholders on 30 November 2015;
- (c) Shares issued pursuant to Director Share Plan approved by Shareholders on 30 November 2015.

Recommendation

On the basis that each of the NEDs have a personal interest in this Resolution 15, the directors have decided to abstain from providing a recommendation to Shareholders as to how to vote on this resolution.

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

18. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Explanatory Memorandum carefully before deciding how to vote on the Resolutions set out in the Notice of Meeting.

Attached to the Notice of Meeting is a Proxy Form for use by shareholders. All shareholders are invited and encouraged to attend the AGM or, if they are unable to attend in person, to complete, sign and return the Proxy Form to the Company in accordance with the instructions contained in the Proxy Form and the Notice of Meeting. Lodgement of a Proxy Form will not preclude a shareholder from attending and voting at the AGM in person.

PROXY FORM

The Secretary
 A-Cap Resources Limited
 Level 15, AMP Building
 140 St Georges Terrace
 PERTH WA 6000

I/We
 (Full Name – Block Letters)

of
 being a member of A-Cap Resources Limited hereby appoint

..... to exercise% of my/our voting rights
 (Name of 1st Proxy)

..... to exercise% of my/our voting rights
 (2nd Proxy - Optional)

or in his/her absence, or if no person is named, the Chairman of the meeting as my/our proxy/proxies to act generally and vote on my/our behalf at the Annual General Meeting of the Company to be held at 10.30 am on Friday 18th November 2016 and at any adjournment thereof in accordance with this Proxy Form.

I/We understand that if I/we have not directed my/our proxy how to vote, my/our proxy may vote or abstain from voting as he thinks fit.

The Chairman of the meeting will act as your proxy if you do not appoint someone or failing the attendance of any person named as your proxy. It is the Chairman's intention to exercise undirected proxies in favor of Resolutions 1, 2, 3, 4, 5, 6, 8, 9, 10, 11, 12, 13, 14 and 15. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

In the case of Resolution 7, if the Chairman is appointed as your proxy (either expressly or by default), then he will cast your votes in favour of the Resolution if you have not specifically directed him to vote against, or abstain from voting on, the Resolution, and by completing and returning this Proxy Form you expressly authorise the Chairman to exercise your proxy on Resolution 7 (except where you have indicated a different voting intention below) even though Resolution 7 is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company. **If you wish to appoint the Chairman as your proxy but do not wish your votes to be cast in favour of Resolution 7, you must indicate your voting intention by marking either 'against' or 'abstain' against Resolution 7 below.**

Voting directions to your proxy - please mark only one of the boxes with an "X" for each resolution to indicate your directions.

	RESOLUTIONS	FOR	AGAINST	ABSTAIN*
1.	To re-elect Mr Paul Ingram as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	To re-elect Mr Angang Shen as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	To re-elect Mr John Fisher-Stamp as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	To re-elect Mr Michael Liu as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	To re-elect Mr Jijing Niu as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	To re-elect Mr Chenghu Zhu as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Adoption of the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Ratify allotment of Shares to consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Ratify allotment of Shares to former employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Ratify allotment of Shares to former directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Ratify allotment of Shares to underwriter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Issue of Shares to Mr Paul Ingram	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13.	Issue of Shares to Mr Fisher-Stamp	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14.	Issue of Shares to Mr Michael Liu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15.	Increase aggregate maximum of Non-Executive Directors remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the "Abstain" box with an "X" for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

Date:.....2016.

.....
Signature of Member

.....
Signature of Joint Member

Or if a company:
THE COMMON SEAL OF)
was affixed in the presence of,)
and the sealing is attested by:)

.....
Secretary

.....
Director

Or if a company with no common seal:
EXECUTED by authority of its directors

.....
Signature of Director

.....
Signature of Director / Company Secretary

INSTRUCTIONS FOR APPOINTMENT OF PROXY

- (1) A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies.
- (2) Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. If that proportion is not specified, each proxy may exercise one-half of the member's voting rights.
- (3) A proxy need not be a member of the Company.
- (4) Forms to appoint proxies and the Power of Attorney (if any) under which it is signed or an office copy or notarially certified copy thereof must be deposited with the Company at the principal place of business, Level 15, AMP Building, 140 St Georges Terrace, Perth WA 6000 or faxed to the Company (Fax No: (08) 9278 2617 and for overseas shareholders: (618) 9278 2617), not less than 48 hours before the time appointed for holding the meeting. A proxy presented by a company should be under the common seal of that company.