

a-cap  
RESOURCES LTD

# Annual General Meeting November 2016



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# A-Cap Overview

## CORPORATE



**WELL FUNDED** - with strong  
shareholder support

**BASED IN BOTSWANA** - safe and stable  
jurisdiction

**EXPERIENCED MANAGEMENT** - and technical  
team

# Lethakane Uranium Project Overview

- **Advanced Uranium Project** – Mining licence granted Sep-16
- **Environmental Impact Statement** – approved May-16
- **Surface Rights** – provisionally granted, Jun-16
- **Low cost mining and processing operation**
- **Low CAPEX** – all infrastructure available
- **Initial production (3Mlbs pa U<sub>3</sub>O<sub>8</sub>) - 18 year Mine Life**
- **Project planned for early development and production** - capitalising on recovery of uranium market
- **A-Cap production timeline** - in line with uranium market demand and price increases





# Corporate Overview

## CAPITAL STRUCTURE

SHARE PRICE

**5.6** Cents\*

SHARES

**859** Million  
Shares\*

OPTIONS

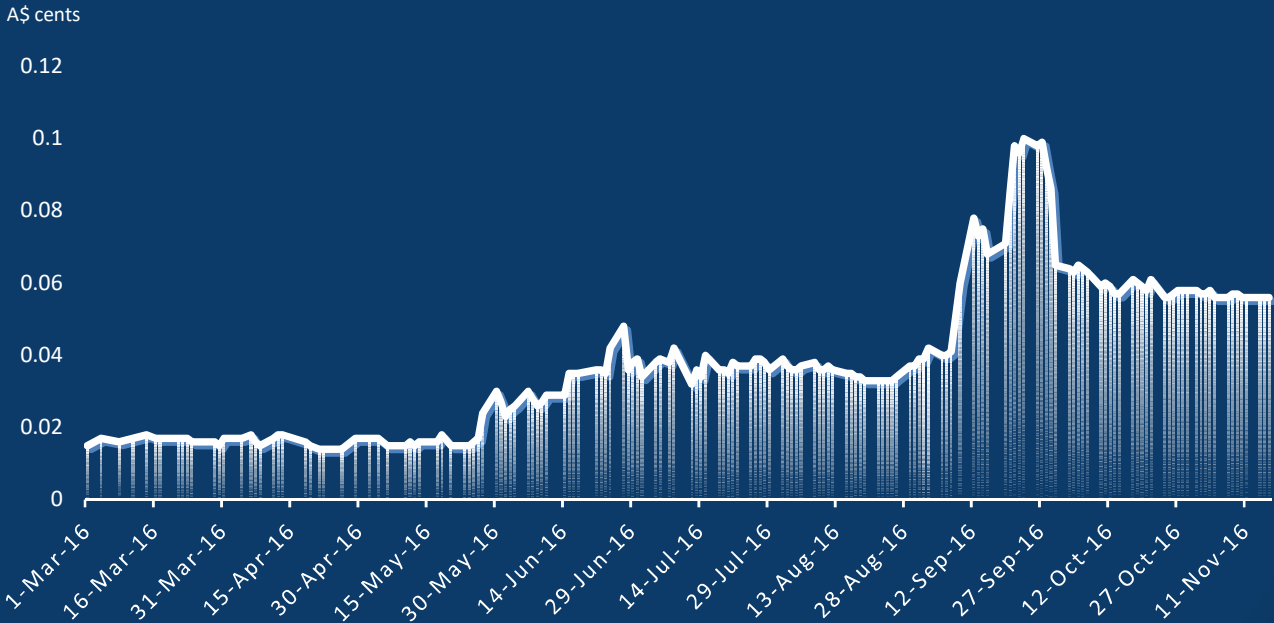
**5.7** million  
options

Market cap **\$48**<sub>M</sub>

Cash **\$6.8**<sub>M\*</sub>

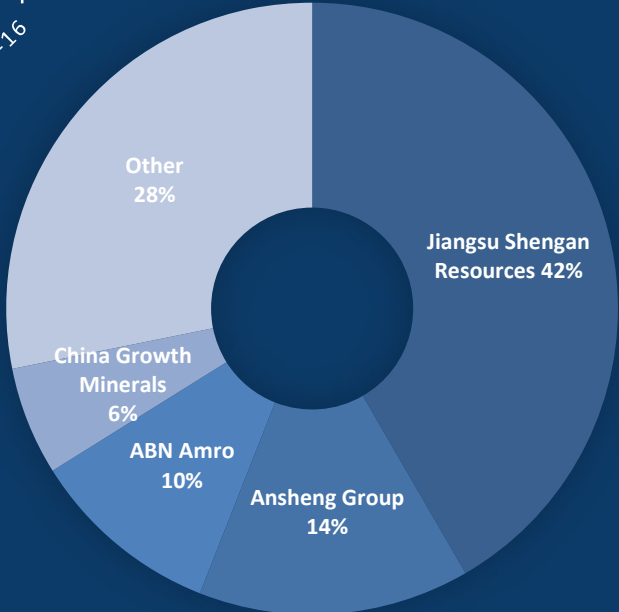
Debt **\$Nil**

# Corporate Overview



## Recent Share Price

## Share Ownership



# Corporate Overview

## BOARD

**Angang Shen**

Chairman

**Paul Ingram**

Deputy Chairman, Independent Non-Executive Director

**Paul Thomson**

CEO, Managing Director

**Anthony Khama**

Chairman, A-Cap Botswana Pty Ltd

**Michael Liu**

Independent Non-Executive Director

**John Fisher-Stamp**

Independent Non-Executive Director

**Jijing Niu**

Non-Executive Director

**Chenghu Zhu**

Non-Executive Director

## MANAGEMENT

**Ashley Jones**

Operations Manager

**Nicholas Yeak**

Company Secretary

# Botswana

- Botswana ranks **FIRST** in Africa for political stability, democracy and rule of law
- Stable, multi-party democracy since 1966
  - Skilled mining work force
  - English speaking
  - Highest GDP per capita in Africa
- **Mining** accounts for **40%** of current **GDP** and is critical for continued economic growth
- Botswana a safe and **secure place to invest** with an easy to understand mineral law and security of tenure



# Uranium Market

**447** reactors  
Operational\*

**59** under  
construction\*

**513** planned and  
proposed\*



# Uranium Market

**NUCLEAR  
ENERGY**



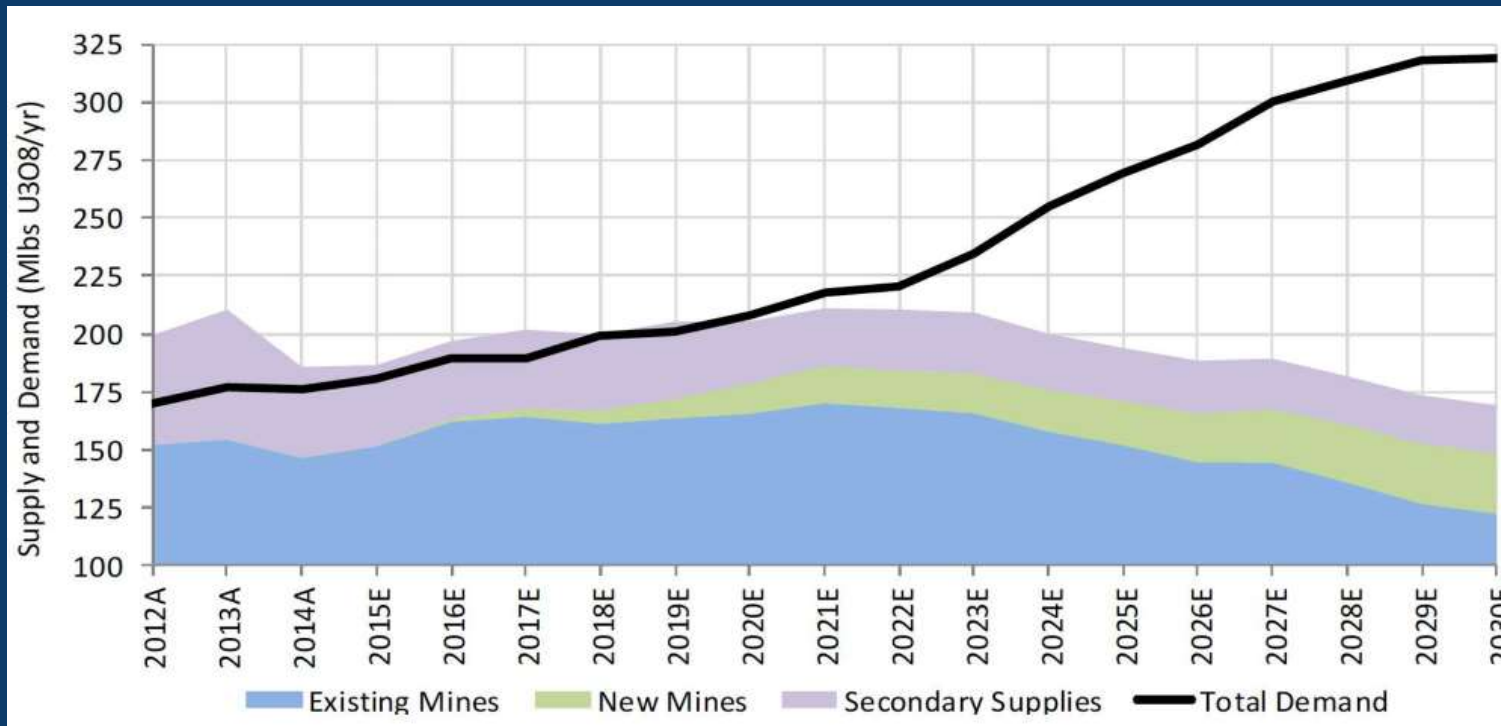
is the fastest  
growing ENERGY  
source globally

### Forecast Uranium Prices



# Uranium Market

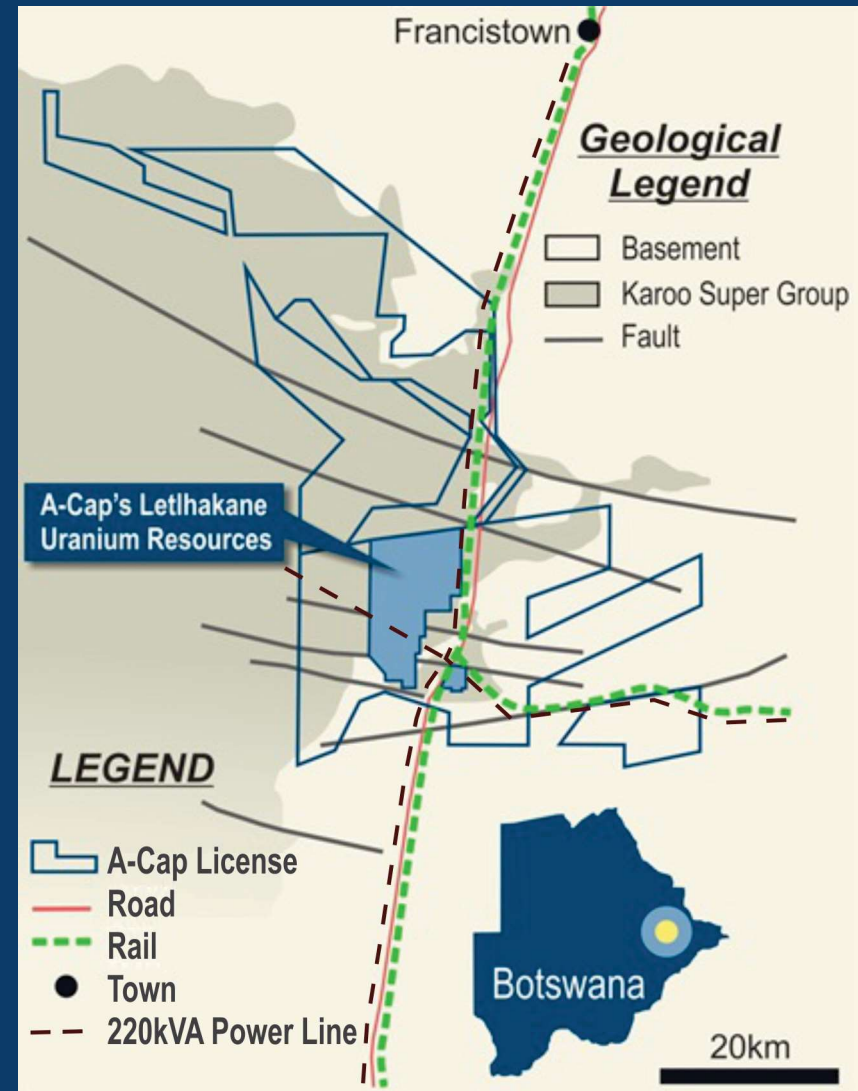
Prices must more than double to incentivise production and head off projected global uranium deficit



# Lethakane Uranium Project

- 1<sup>st</sup> Uranium project in Botswana to secure a **Mining Licence**
- Environmental Impact Statement **approved**
- Provisional surface rights **granted**
- Shallow open pit mining operation with low cost acid heap leach to produce 3 Million pounds U<sub>3</sub>O<sub>8</sub> per annum
- Initial construction **CAPEX of US\$351 million**
- **3Mlbs p.a. U<sub>3</sub>O<sub>8</sub>** life of mine

	DCR	Pre-tax	Post-tax
• Project NPV	<b>8%</b>	<b>383M</b>	<b>240M</b>
• Project IRR		<b>29%</b>	<b>24%</b>
• Operating costs of <b>US\$35/lb</b> U <sub>3</sub> O <sub>8</sub> over first 5 years and approximately <b>\$41/lb</b> U <sub>3</sub> O <sub>8</sub> over 18 year process life			





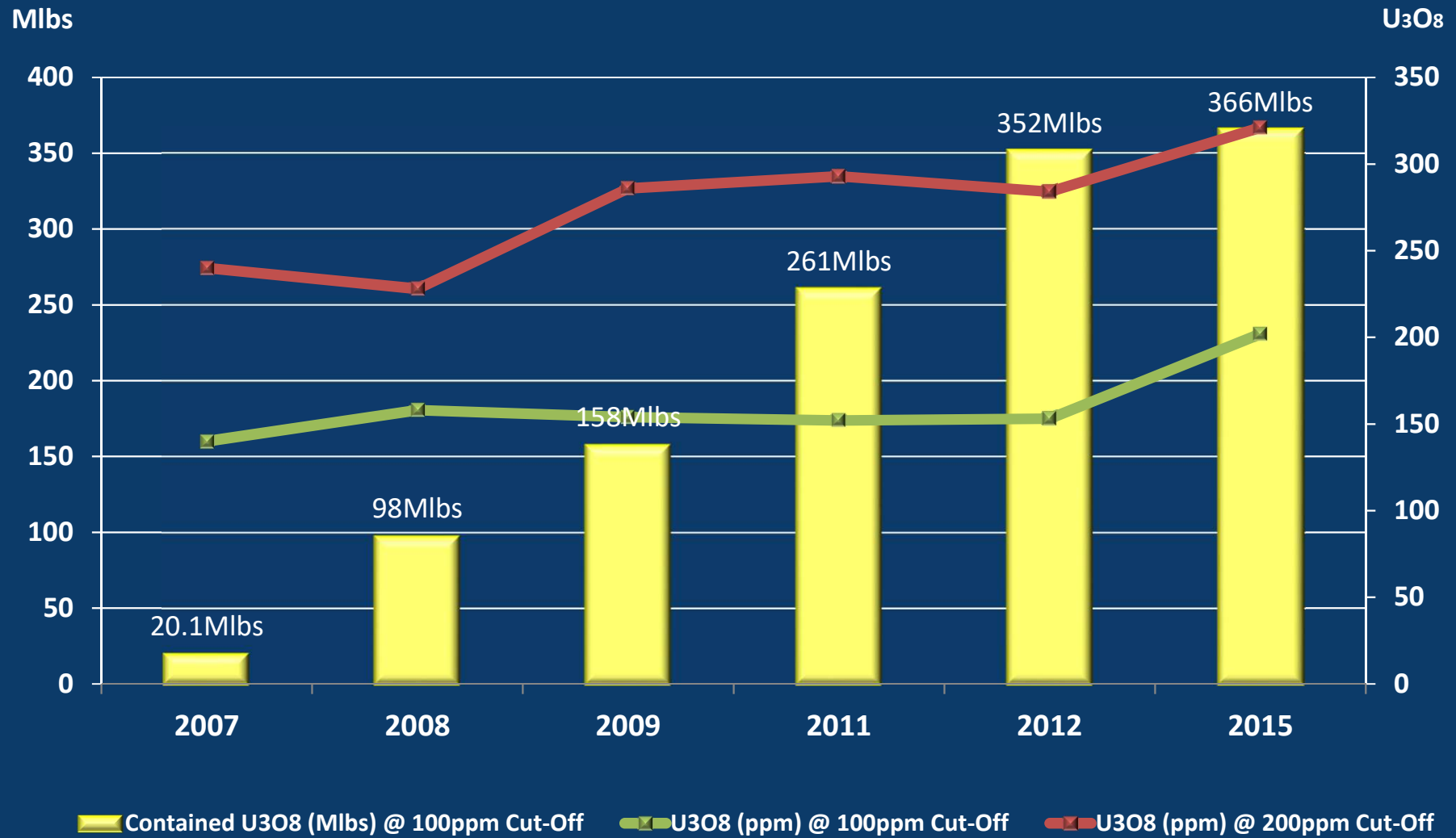
# Lethakane - Resource

- **Global top ten** undeveloped uranium resource of 365.7Mlbs
- Re-assessment of **Total Resource was completed in September 2015** using Localised Uniform Conditioning (LUC)
- **LUC** method of resource calculation better reflects the mining method selectivity using continuous miners.

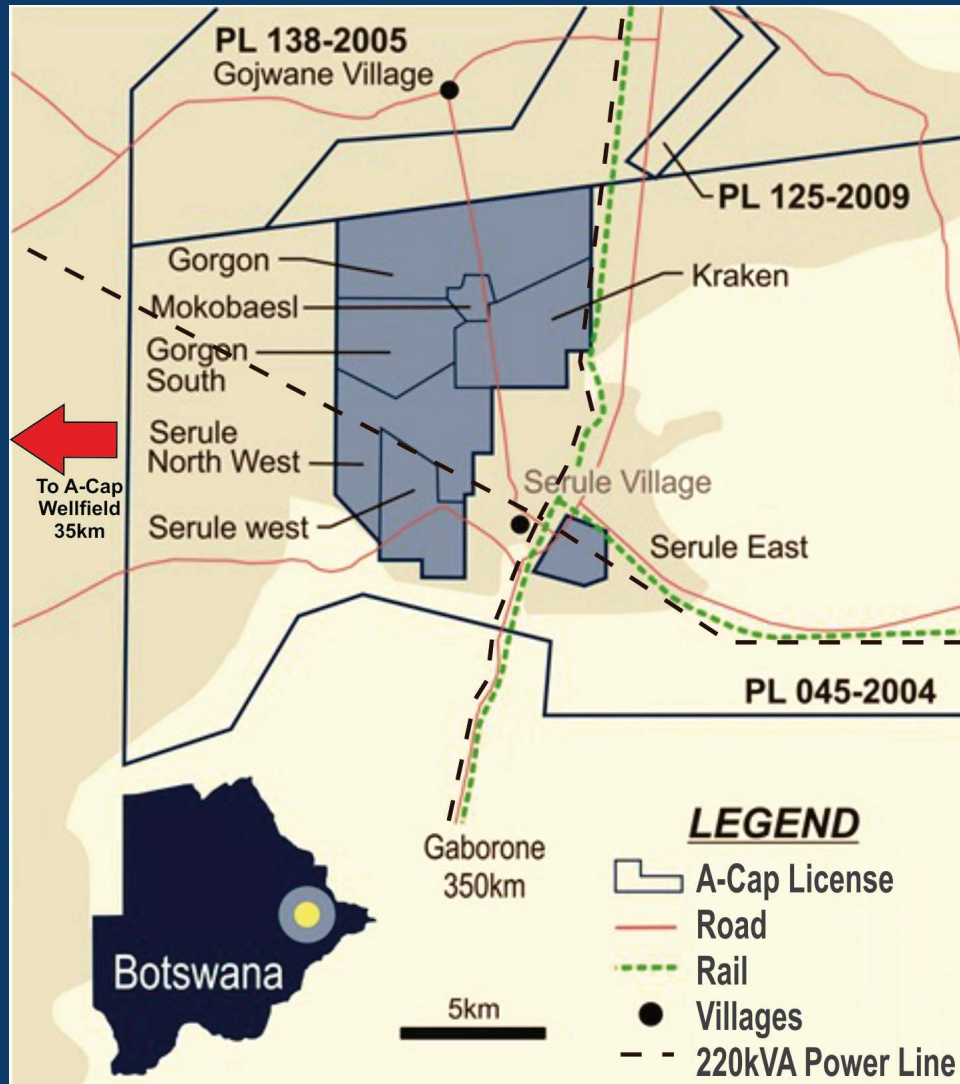
Cut-off (U <sub>3</sub> O <sub>8</sub> ppm)	Total Indicated			Total Inferred			Global Total		
	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)	Mt	U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)
<b>100</b>	197.1	197	85.5	625	203	280.1	822.1	202	365.7
<b>200</b>	59.2	323	42.2	209.7	321	148.2	268.9	321	190.4
<b>300</b>	22.2	463	22.7	81.6	446	80.3	103.8	450	102.9

*The above global mineral resource, completed by an independent expert and reported in compliance with the JORC 2012 code, was announced to the market on the 5<sup>th</sup> October 2015 ("release"). A-Cap confirms that it is not aware of any new information or data that materially affects the information included in the release and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the release continue to apply and have not materially changed.*

# Resource Growth



# Major Infrastructure in Place



- ✓ Rail,
- ✓ Road
- ✓ Power
- ✓ Water

**Available**



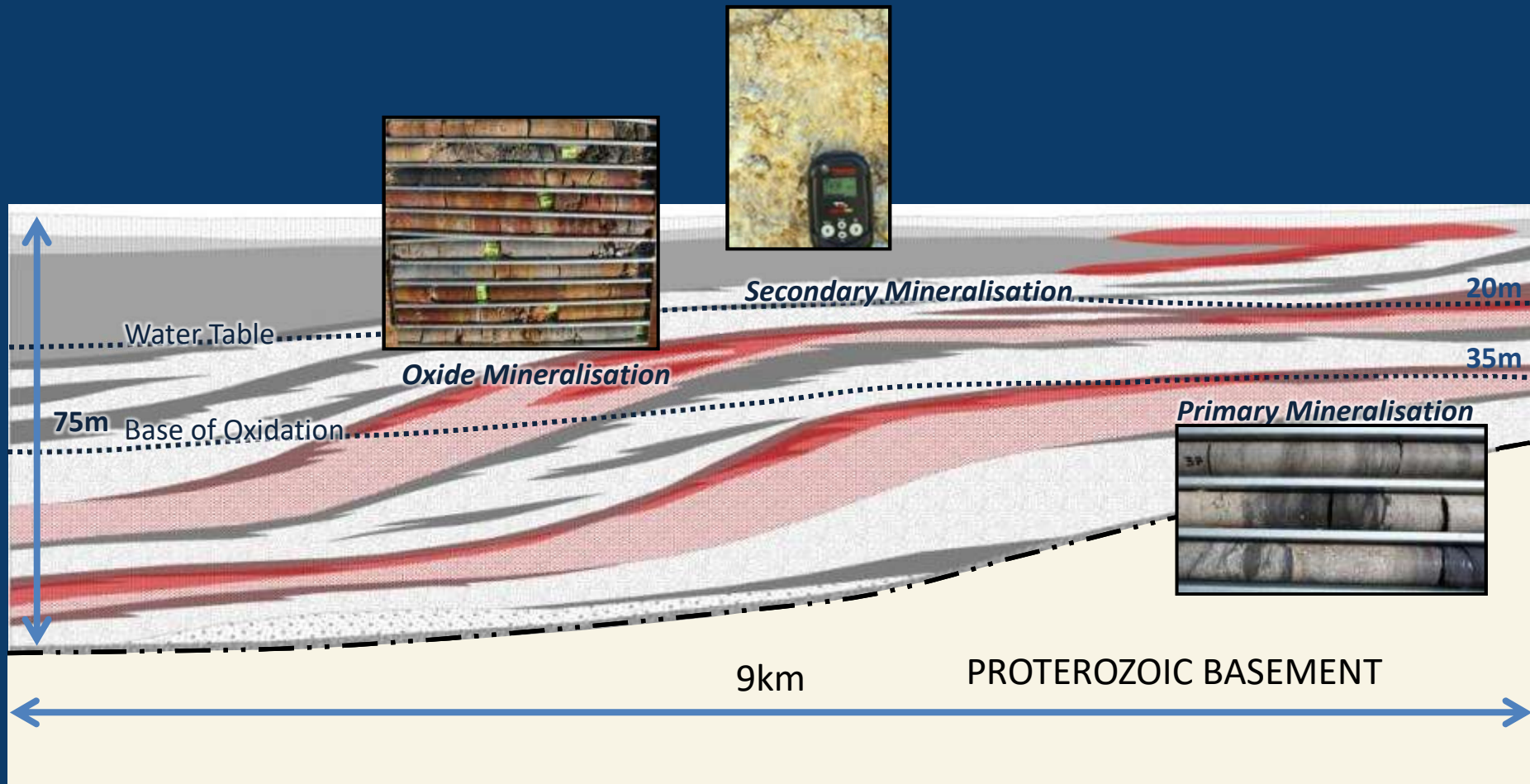
# Experienced Management & Technical Team

- Highly experienced technical and operational team
- World best expertise in geology, mining, metallurgy, process design and development engaged
- Team with project development, infrastructure & construction expertise
- Board and management with strong track record of taking projects from exploration to production
- Demonstrated ongoing continuous improvement in project economics





# Ore Body – Flat, shallow, easy to mine



- Shallow, Flat, Simple, Easy to mine, dips W at 1°
- Layer cake type deposit with series of upward fining sequences

# Mining

- Innovative mining using state of the art surface miners (below) in open pit operation
- Surface miners allow very selective mining, less expensive than conventional mining
- Optimal particle size of 19mm eliminating first stage crushing
- Falling contractors rates for contract mining



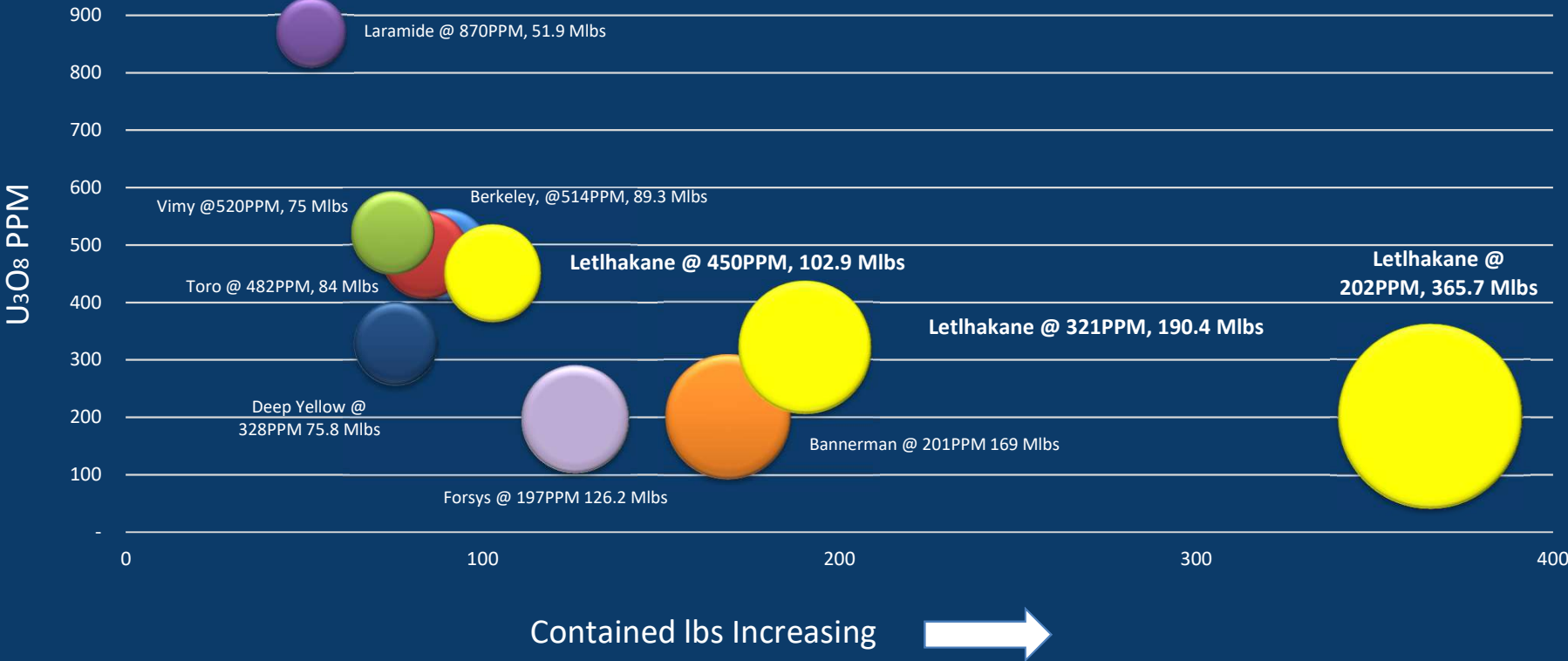
Wirtgen 4200 Direct Loading



Vermeer T1255DD

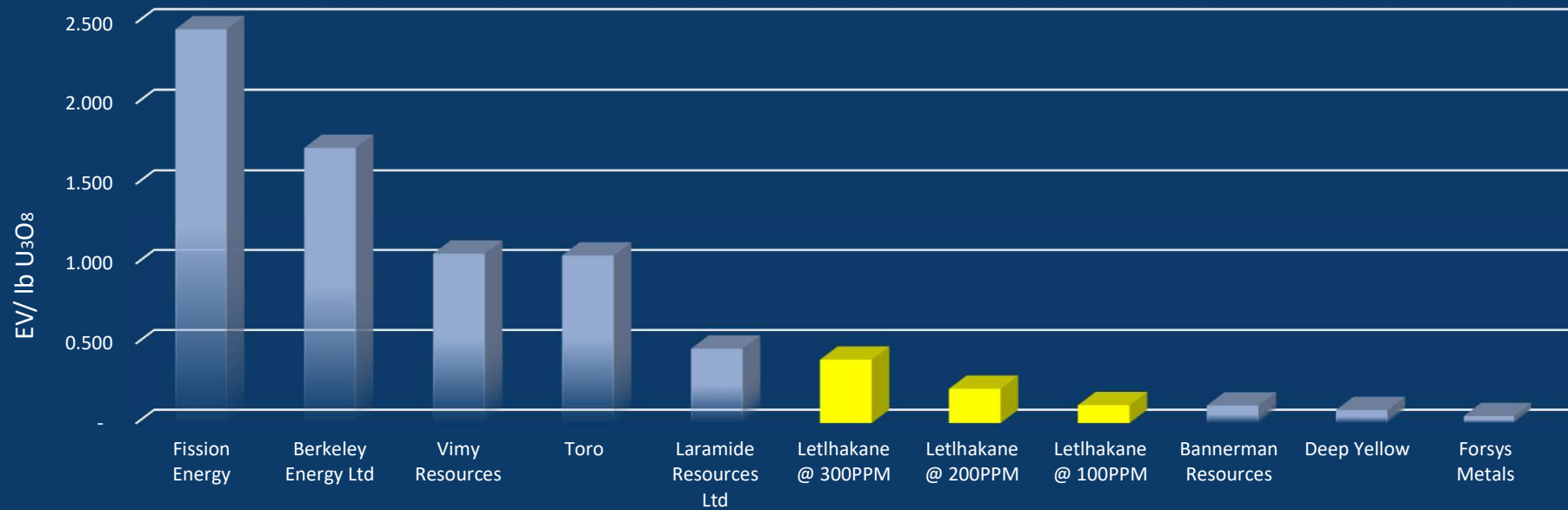
# Uranium Market

## Peer Group U<sub>3</sub>O<sub>8</sub> Deposits: Grade U<sub>3</sub>O<sub>8</sub> vs Contained lbs



# Uranium Market

Enterprise Value / lb U<sub>3</sub>O<sub>8</sub> Mineral Resource



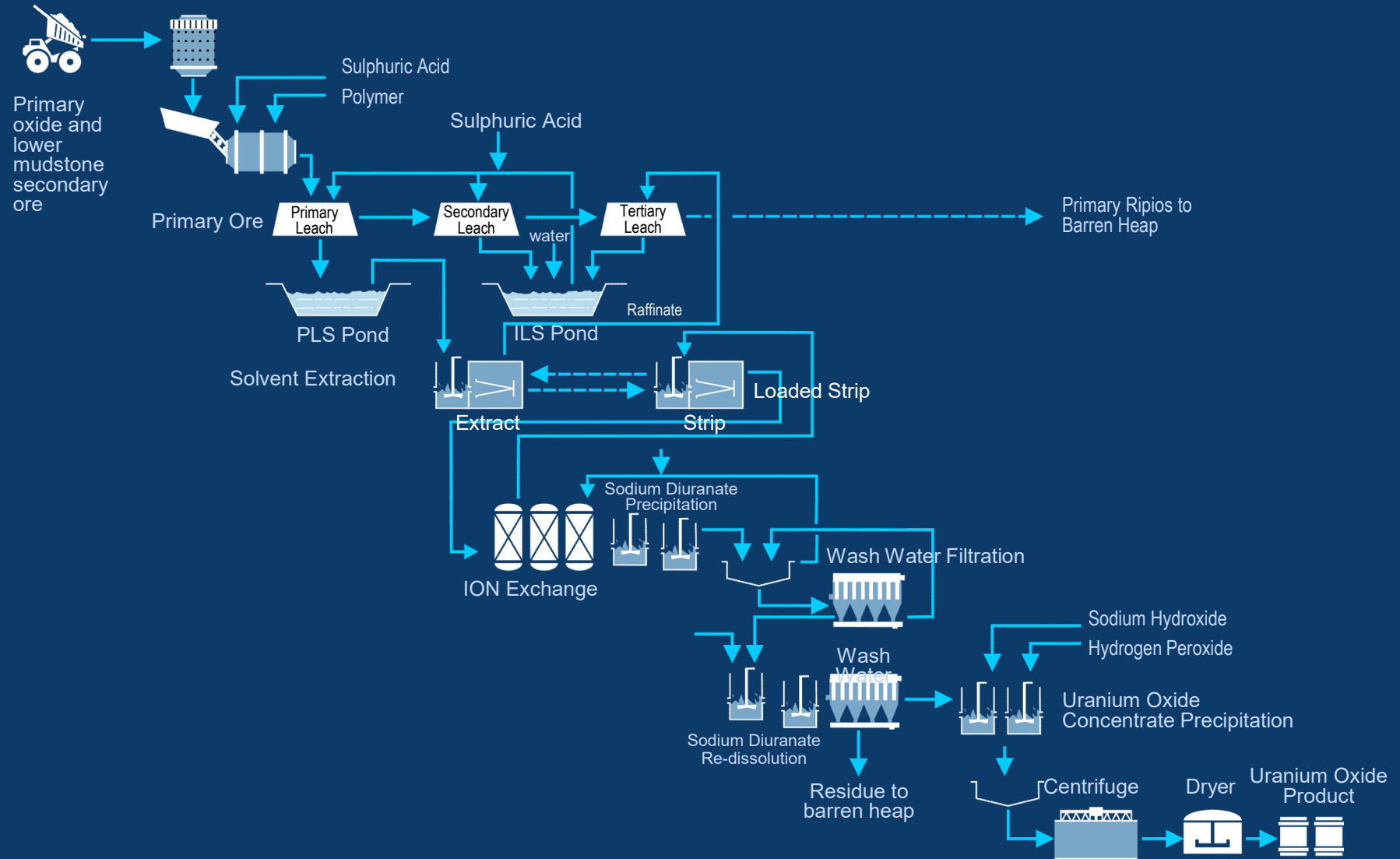


# Metallurgy and Process Design



- 4m column leach tests completed at ANSTO & confirm good recoveries
- The PLS from these columns were closed with the SX/IX circuit & achieved excellent recoveries
- Uranium Oxide Concentrate product from the refinery circuit contained low contaminants & no penalty expected
- Low cost and innovative process route
- Acid approx. 50% of total processing costs
- Investigating various options for local feed for our acid plant

# Standard Heap Leach Process Plan



# Road to Production

- Lethakane has all of the **key ingredients for a successful project** & is one of the largest undeveloped uranium deposits in the world
- The **mining licence was granted** in September 2016.
- Ongoing work through to end 2016 will be directed at **completing a JORC-compliant PFS**
- **Low capital costs**, competitive operating costs, in a stable political and permitting friendly environment
- Project development will take full advantage of **expected uranium price recovery**

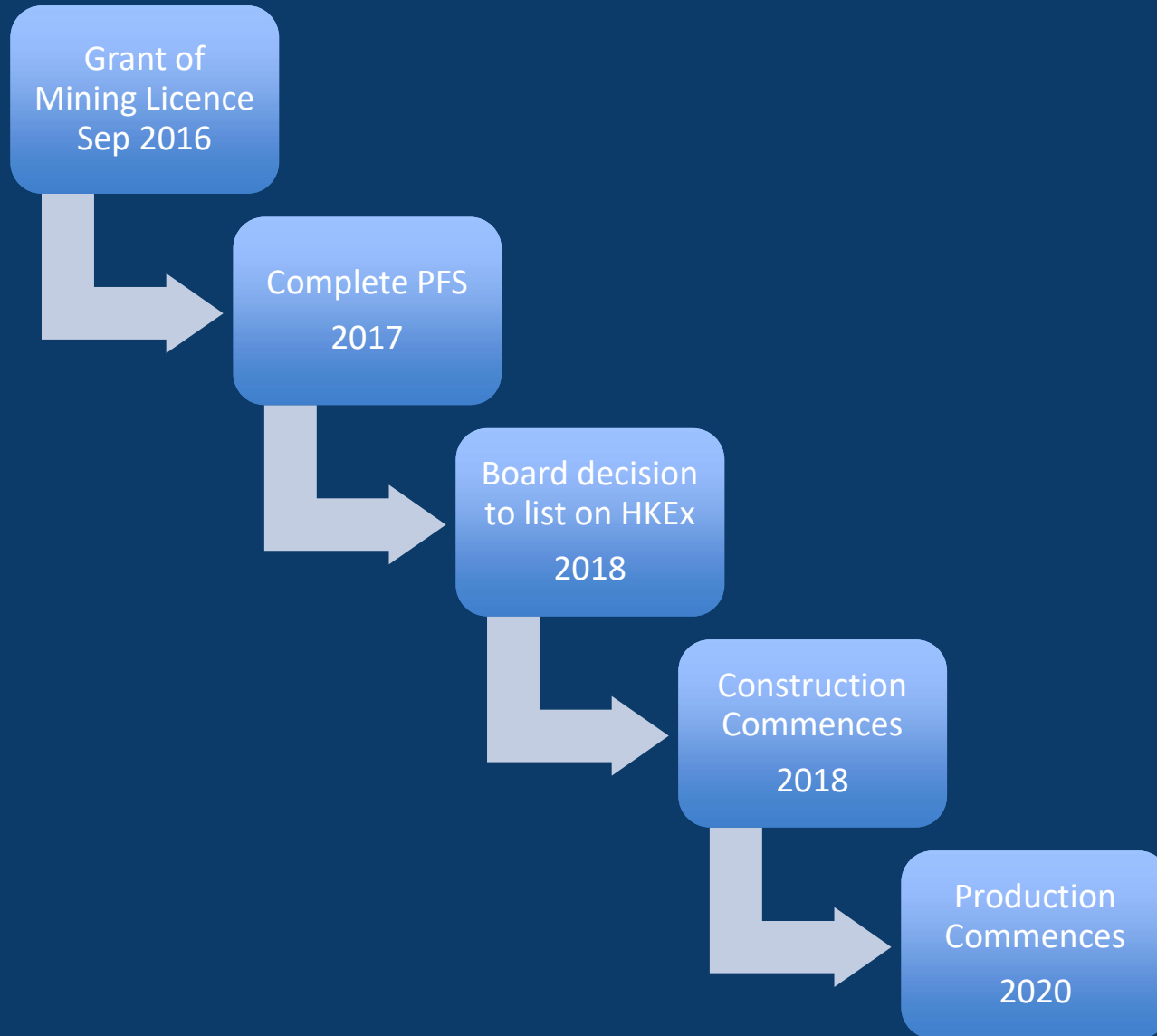


# Planned Work

- Work planned for 2017 is to finalise a PFS
- Pilot plant metallurgical work on bulk samples obtained from drilling will be undertaken
- Trial mining in selected areas will be done to assess surface miners as well as obtain better lithological controls on the mineralisation and grade control drilling
- In order for JORC reserves to be refined, further infill drilling is required
- Complete mining studies and pit optimisation and finalise metallurgical and process design work
- Board decision point to list on HK Stock Exchange



# Timeline

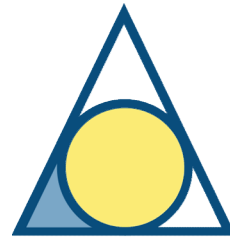


# Summary

- **CREATE** – Serious value for shareholders
- **STRATEGY** – Prepare project for early production to capture upswing in the uranium market
- **SCALE** - Very large uranium deposit with significant high grade resource 103.8Mt at 450ppm  $U_3O_8$
- **LOW CAPEX**– Low capital heap leach processing with all infrastructure in place
- **COMPARATIVE ADVANTAGE** - One of the few new sources of production with low Capex, competitive operating costs and low sovereign risk
- **STRATEGIC** - Discussions with strategic partners
- **BOTSWANA** - A safe and stable investment destination
- **STRONG REGISTER** – Strong on-going support from major shareholders

# Uranium Investment Proposition

- **URANIUM** – Current price all-time low offering considerable upside
- **LONG LIFE** – The deposit style is perfectly suited to expansion with increasing uranium price. Perfectly suited to end user seeking a reliable long term  $U_3O_8$  supply for nuclear builds.
- **WORLD CLASS** – Letlhakane ranks in the top ten undeveloped deposits in the world
- **SECURE JURISDICTION**– Botswana is a stable country with excellent infrastructure
- **CONTINUAL DE-RISKING**- Recent mining lease submission adds to the continual derisking of this project. Securing off-take and supply arrangements for heap leach processing
- **STRONG SHAREHOLDER BASE** – Well supported by major shareholders Jiangu Shengan Resources, Ansheng Investments & China Growth Minerals



a-cap  
RESOURCES LTD

Level 15, AMP Building,  
140 St Georges Terrace  
Perth Western Australia 6000

Telephone: +61 8 9278 2614  
Facsimile: +61 8 9278 2617

[www.acap.com.au](http://www.acap.com.au)