

ASX RELEASE

28th October 2021

QUARTERLY REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2021

HIGHLIGHTS

- ▲ *At the Wilconi Ni-Co Project, 256 reverse circulation (RC) drill holes totalling 11,096 metres were completed during the quarter. Numerous high grade nickel (> 1% Ni) intercepts were obtained from this drill programme. Refer ASX announcement dated 22nd September 2021 for further information.*
- ▲ *Results from the RC infill drill programme have been provided to MiningPlus (Perth) to update the Wilconi mineral resource estimate.*
- ▲ *2000m of larger diameter (PQ sized) diamond core drilling is planned for next quarter. Cores will be collected to prepare bulk samples for continued metallurgical testwork and bulk density measurements.*
- ▲ *Planning on the next phase of metallurgical studies and testwork on the Wilconi Co-Ni Project in Western Australia continued. "Acid Bake" metallurgical testwork has shown that high cobalt and nickel recoveries can be obtained while reducing acid consumptions.*
- ▲ *As part of the on-going PFS work baseline flora/fauna and groundwater studies were commenced.*
- ▲ *A 100km² LiDAR survey was conducted and high resolution airphoto imagery collected over the resource area.*
- ▲ *Letlhakane Uranium Project – the project has been reviewed and a work programme and budget for work to be commenced in Q1 2022 was prepared.*

QUARTERLY ACTIVITIES

Wilconi Drilling and Resource Modelling

An 11,096 metre RC drill programme was completed from mid-June to late August 2021. The programme was designed as an infill drill programme where previous operators had drilled fences of holes spaced 400m apart. The work is part of the current pre-feasibility study being undertaken on the Project. A total of 256 RC drill holes were drilled to an average depth of 43 metres. The holes were drilled at a 60° angle towards the west in order to detect any steep recent structures in the lateritic profile (Figures 1 - 5).

A breakthrough in the recent drill programme was the recognition of a distinct source rock for the lateritic Ni-Co mineralisation. Earlier drilling had focussed on the entire ultramafic rock units lying below the laterite. The recent programme has clearly defined a particular rock unit (olivine rich ultramafic) that underlies the better grades in the laterite. This unit can be traced over much of the 20km of strike of the broad ultramafic package, is approximately 250m wide, and typically forms the core of the ultramafic package. Drilling the laterite away from this unit generally returned lower Ni-Co results, whilst holes above this unit mostly intersected >1% nickel with associated cobalt. In some cases e.g. WCN21RC088, drillholes intersected very thick (+30m) mineralisation that represent "keels" in the lateritic profile. Such zones will be followed up in detail in the next drill programme.

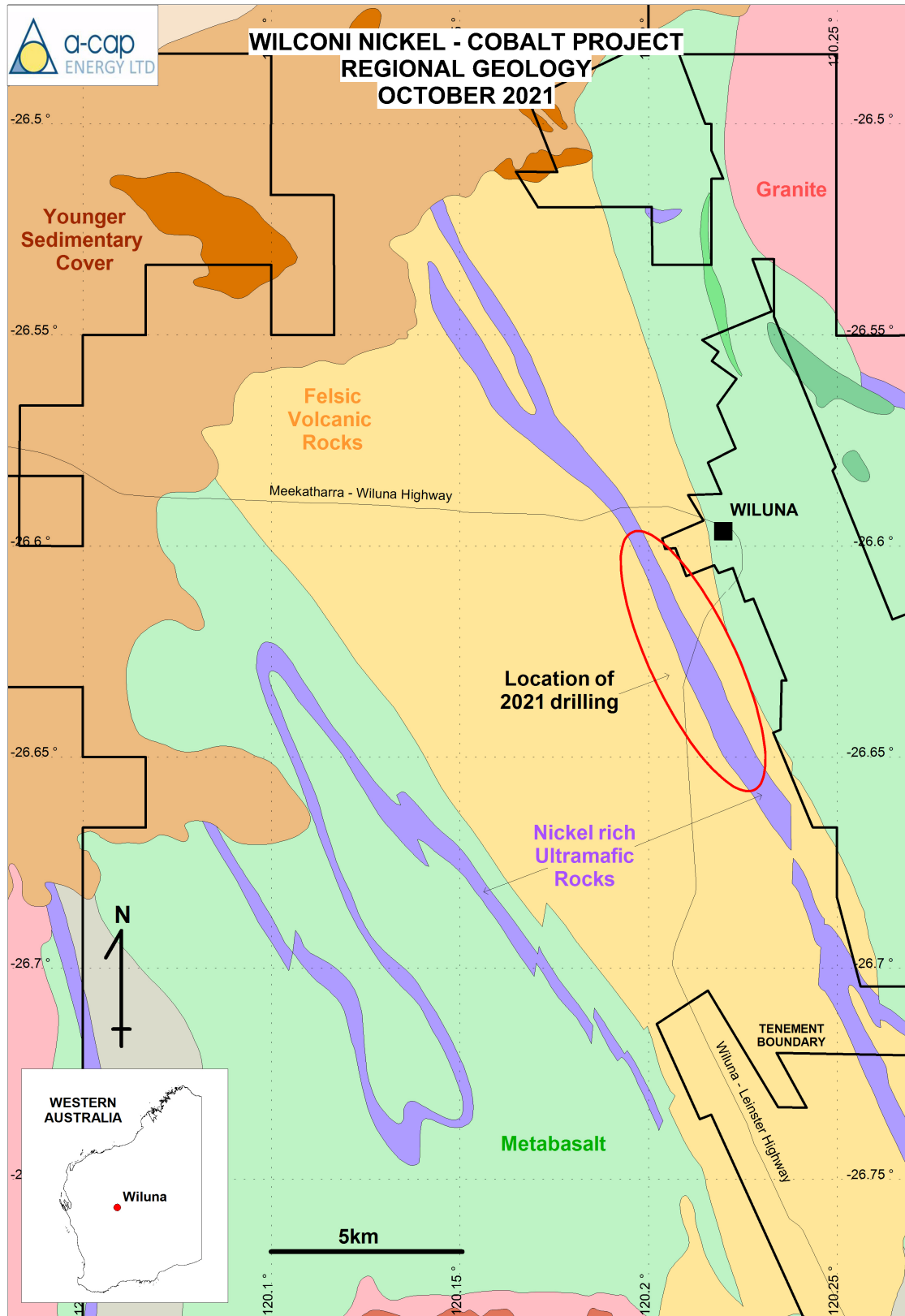


Figure 1 Regional geological setting of the Wilconi Nickel-Cobalt Project showing the area of recent RC drilling.

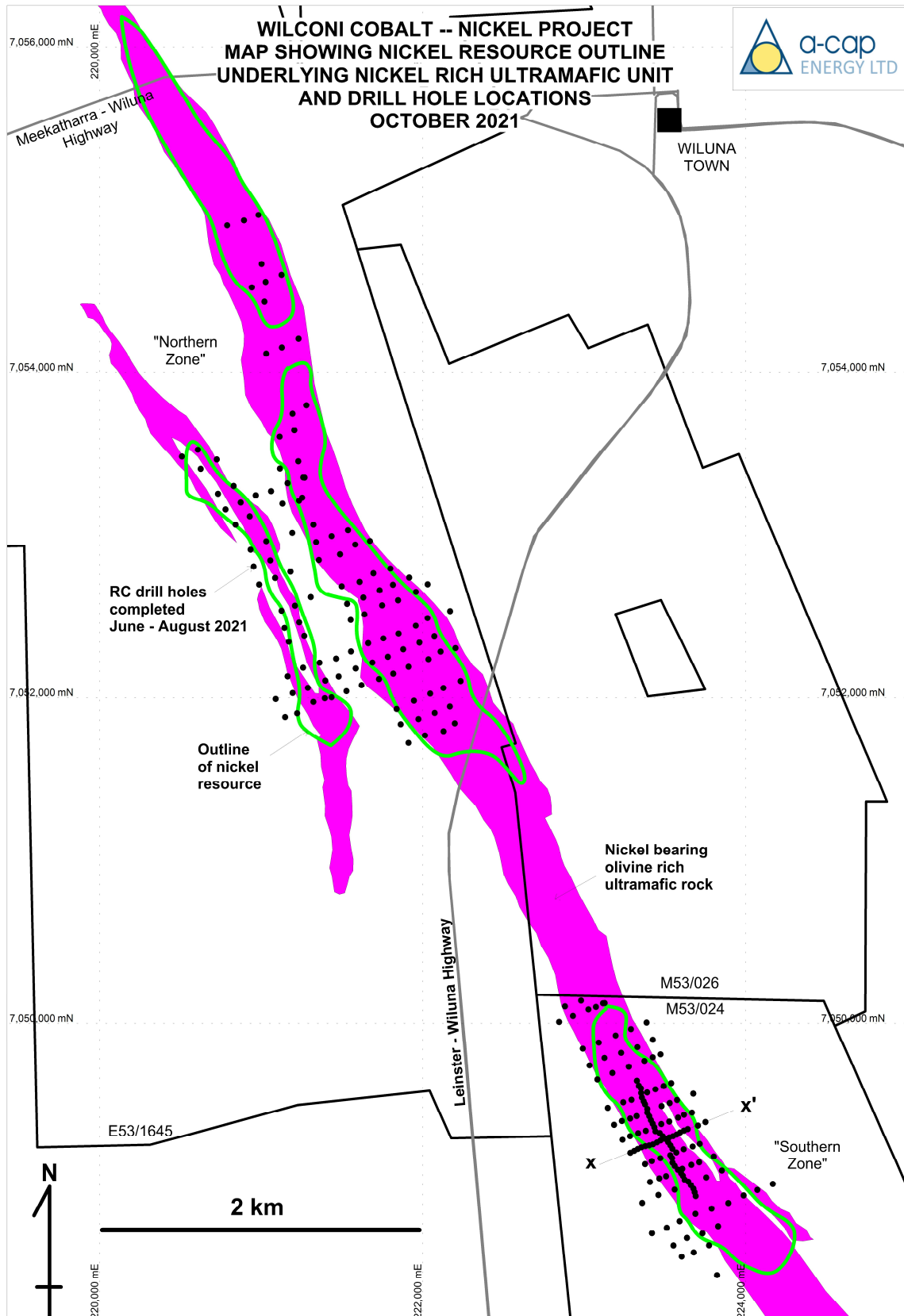


Figure 2 Map showing resource outline, underlying nickel bearing ultramafic unit and location of infill RC drilling referred to in this release.

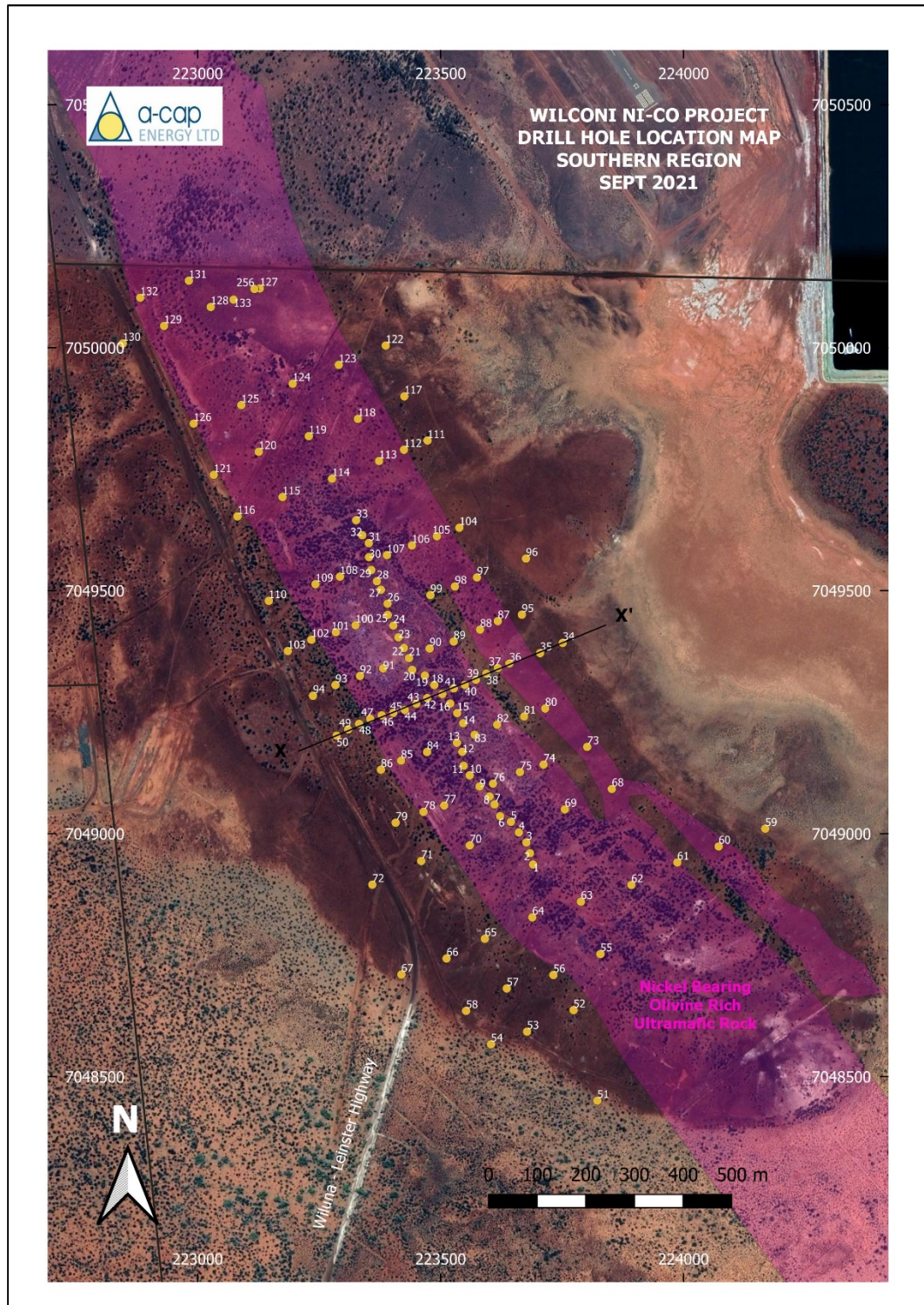


Figure 3 Details of the Southern Area RC drilling showing drillhole locations.

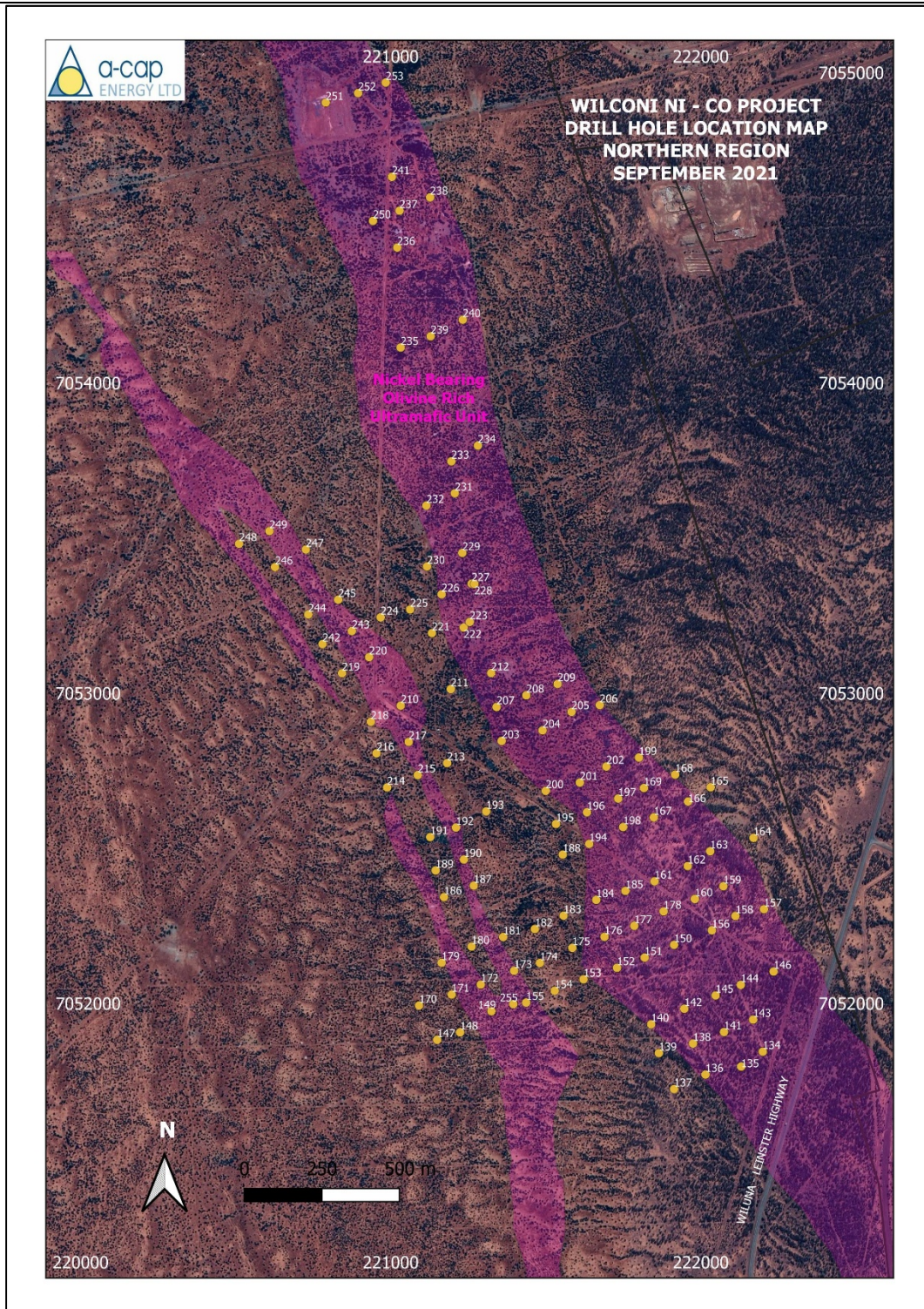


Figure 4 Northern Area RC drillhole locations.

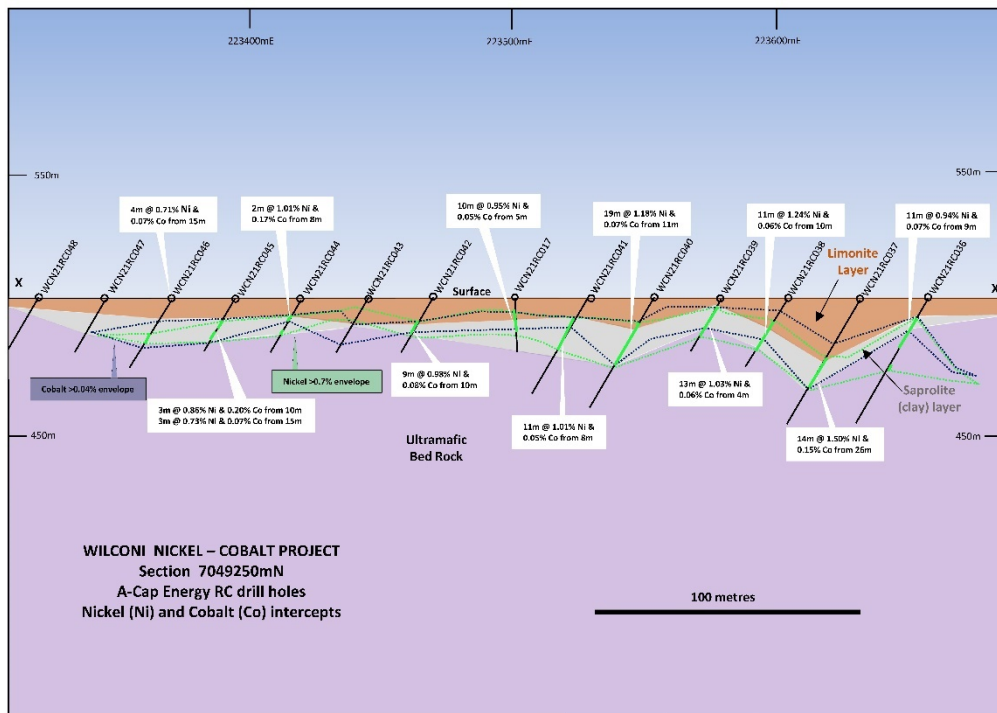


Figure 5 Cross section showing the nickel and cobalt intercepts lying at the base of the limonitic zone in the laterite.

Significant drilling results to date are:

- WCN21RC003: 6 metres of 1.36% nickel and 0.11% cobalt from 3 metres**
- WCN21RC020: 6 metres of 1.33% nickel and 0.11% cobalt from 10 metres**
- WCN21RC022: 11 metres of 1.41% nickel and 0.27% cobalt from 11 metres**
- WCN21RC037: 14 metres of 1.50% nickel and 0.15% cobalt from 26 metres**
- WCN21RC040: 19 metres of 1.18% nickel and 0.07% cobalt from 11metres**
- WCN21RC082: 18 metres of 1.27% nickel and 0.10% cobalt from 13 metres**
- WCN21RC088: 35 metres of 1.01% nickel and 0.05% cobalt from 11 metres**
- WCN21RC105: 27 metres of 1.17% nickel and 0.07% cobalt from 15 metres**
- WCN21RC143: 4 metres of 1.45% nickel and 0.22% cobalt from 35 metres**
- WCN21RC144: 5 metres of 1.62% nickel and 0.44% cobalt from 37 metres**
- WCN21RC145: 5 metres of 2.11% nickel and 0.43% cobalt from 38 metres**
- WCN21RC150: 8 metres of 1.37% nickel and 0.09% cobalt from 37 metres**
- WCN21RC184: 11 metres of 1.73% nickel and 0.12% cobalt from 47 metres**
- WCN21RC202: 15 metres of 1.58% nickel and 0.08% cobalt from 24 metres**

WCN21RC205: 13 metres of 1.47% nickel and 0.12% cobalt from 39 metres

WCN21RC236: 5 metres of 1.38% nickel and 0.23% cobalt from 40 metres

WCN21RC237: 3 metres of 1.63% nickel and 0.44% cobalt from 45 metres

WCN21RC244: 15 metres of 1.88% nickel and 0.13% cobalt from 42 metres

WCN21RC249: 19 metres of 1.28% nickel and 0.10% cobalt from 31 metres

** Intercepts calculated using a 0.7% nickel cut-off, minimum 2m intercept and maximum 1m internal dilution*

*** The zone of mineralisation is generally flat-lying and all drill holes intersect the mineralisation at approximately 60° to the mineralisation orientation.*

****For a complete list of drilling results refer to ASX announcement dated 22nd September 2021.*

The next phase of work at Wilconi is to complete 2000 metres of large diameter diamond drilling to:

- Obtain representative metallurgical samples
- Conduct bulk density measurements
- Upgrade the Wilconi JORC (2012) resource statement

Metallurgical Testwork – Wilconi Co-Ni Project WA


Simulus Engineers (Perth) have provided A-Cap with a proposal for a desktop study on producing a cobalt-nickel sulphate from Wilconi and made recommendations for the next phase of testing once suitable core samples have been collected in light of the positive results obtained in 2020. Refer ASX announcement dated 30th April 2020 for further information. To continue the metallurgical testing programme more sample representative of ores across the deposit are required. These samples will be collected as part of the diamond coring programme to commence next quarter.

Other PFS work has commenced, and the Company has engaged the following independent experts:

- BPL Environmental: Environmental Studies and Water Management including Baseline surface and ground water studies, stygofauna studies, soil, waste rock, tailings characterisation, etc. This study was commenced in early September 2021.
- Mining Plus: Independent geological consultants (preparation of an updated JORC resources and reserves estimate for the PFS).
- Simulus: A metallurgical consulting group who specialises in Nickel-Cobalt laterite metallurgy.
- AAM: LiDAR survey – imagery flown and processed September 2021.

WILCONI PROJECT – JOINT VENTURE WITH WILUNA MINING CORPORATION 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 Wiluna Mining'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.*

- ▲ 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.

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.
- ▲ Excitingly the uranium market and investors sector appear to be improving. Currently the Botswana operations have a small team managing the administration and providing 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.
- ▲ Due to the Covid19 virus, Botswana is now like other countries in frequent lockdown.

During the quarter ended 30 September 2021:

- ▲ On 24 September 2021, the Company announced a One for four Renounceable Rights Issue to raise up to approximately \$14.17 million attractively priced at 6.5 cents per share being a discount of 28% to 30 day VWAP. This was oversubscribed and the Company issued a supplementary prospectus for a follow on placement of a further 50 million shares at 6.5 cents. The Company is now debt free with sufficient funds to move forward on both projects.
- ▲ Suspension of director fees remain until completion of capital raising.

Directors:

Jiandong He

Zhenwei Li

Michael Liu

Paul Ingram

Jijing Niu

Mark Syropoulo

Capital Structure at 26 October 2021.

1,139,856,080

12,500,000 Performance Rights

26,750,000 Options various strike and expiry dates.

Market Capitalisation at 26 October \$125 million

Shareholder Information:

2,175 shareholders with Top 20 holding 85.39%

Payment of fees, salary and superannuation to directors for June 2021 Quarter:

No Director fees, only Consulting fees of \$74,000. (As per App 5B Para 6.1.)

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 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 Exploration drill results, is based on information compiled by Mr Harry Mustard, a full-time employee of A-Cap Energy Limited and a member of AusIMM. Mr Mustard 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 Mustard 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.

*** Ends***