

ACN 104 028 542

For the quarter ending 31 March 2022

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

A-Cap Energy (ASX: ACB) is a minerals exploration and development company focused on the development of “new energy” projects including the company’s flagship Letlhakane Uranium Project in Botswana, host to one of the world’s top 10 uranium deposits.

## Highlights

- Letlhakane Uranium Project reviewed and a work program and budget for work to be commenced in Q2 2022 was prepared.
- The team within Botswana has been keeping the project active with ongoing water bore sampling and Mining Licence compliance. Further key personnel are being re-engaged to restart the Letlhakane Uranium Project.
- At the Wilconi Ni-Co Project, a 2000m, large diameter (PQ sized) diamond core drilling program was completed during the quarter.
- Core samples were delivered to Simulus Laboratories (Perth) for metallurgical testwork.
- MiningPlus (Perth) completed an updated mineral resource estimate for the Wilconi Ni-Co Project.
- Hydrogeological, biological and geotechnical studies are on-going as part of the Wilconi pre-feasibility study.

# Letlhakane Uranium Project

Botswana, Africa

**Located in Botswana, the Letlhakane Uranium Project, is host to one of the world's largest undeveloped uranium deposits. The project has a total JORC resource of 365.7 million pounds (822.1Mt @ 202ppm  $U_3O_8$  using a 100ppm cut-off grade).<sup>1</sup>**

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 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 it has not previously translated to an increased uranium price. The  $U_3O_8$  per lb price increased from a range between US\$40-50 during the quarter to over US\$60 by mid-April. The price rise is the catalyst for restarting work which will consist of improving the project outcomes by revisiting opportunities found subsequent to the 2015 Feasibility Study.

Planning for drilling and metallurgical testwork that were suspended back in 2018 are now progressing to further the positive project value-adding results through understanding of the processing acid

consumption of different mineralised lenses. These opportunities will focus on new technologies to optimise acid consumption and beneficiation with the aim to reduce projected capital and operational costs.



<sup>1</sup> Refer to Resource Statement and disclaimer on page 11.

# Wilconi Nickel-Cobalt Project

Western Australia, Australia

**The Wilconi Project hosts a JORC total mineral resource of 660,000 tonnes of nickel and 46,400t of cobalt and is being developed to serve the escalating global electric vehicle (EV) market.**

Following a 256 RC infill drilling program in 2021, A-Cap Energy upgraded the Wilconi Ni-Co resource, with parts of the resource now reported as Indicated. Independent geological resource specialists, Mining Plus Pty Ltd were commissioned by A-Cap using historical and recent drilling data to update the Wilconi Mineral Resource estimate, which is presented in Table 1. Grade-tonnage information at various other Ni cut-off grades are shown in Table 2.

*Rounding may cause minor inconsistencies*

Category	Cut-Off (Ni %)	Mt	Ni %	Co %	Ni Metal (t)	Co Metal (t)
Indicated	0.5	29	0.80	0.063	230,000	17,900
Inferred	0.5	62	0.70	0.046	430,000	28,500
<b>Total</b>	<b>0.5</b>	<b>90</b>	<b>0.73</b>	<b>0.051</b>	<b>660,000</b>	<b>46,400</b>

**Table 1: February 2022 Wilconi Ni-Co Mineral Resource Estimate**

*Rounding may cause minor inconsistencies*

Cut-Off (Ni %)	Mt	Ni %	Co %	Ni Metal (t)	Co Metal (t)
0.5	90	0.73	0.051	660,000	46,400
0.6	70	0.78	0.055	540,000	38,200
0.7	44	0.86	0.061	380,000	27,100
0.8	25	0.94	0.069	240,000	17,400
0.9	13	1.02	0.078	130,000	10,300

**Table 2: Wilconi Ni-Co grade-tonnage information at various Ni cut-off grades**

Table 1 and 2 have been extracted from the ASX announcement titled “Wilconi Project JORC Resource Update” released to the ASX on 18 March 2021. A-Cap confirms that it is not aware of any new information or data that materially affects information included in that release and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

## Wilconi Diamond Core Drilling

Completed in January, the three-month drill campaign comprised 31 holes over 1490.7m and follows last year’s reverse circulation (RC) drill program totalling 11,096m (*Refer ASX announcement dated 24 September 2021*). Most holes were drilled at a 60° angle towards the west in order to detect any steep structures that focus deeper weathering, producing thicker mineralisation in the lateritic profile. Results from this drilling were reported in April.

A-Cap’s 2021 RC drill program 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, and the unit is approximately 250m wide, and lies within the total ultramafic package. Drilling the laterite above this unit mostly intersected >1% nickel with associated Co. Zones of thicker (+30m) mineralisation identified in the RC drilling that represent “keels” in the lateritic profile.

Large diameter cores (90mm) were drilled to ensure good recoveries were obtained in the soft lateritic ores to permit bulk density determinations and to provide sufficient sample for metallurgical testwork and engineering studies. Metallurgical testwork is underway to determine the best methods of nickel and cobalt extraction and optimise metal recoveries for the various ore types.

A-Cap Chairman Mr Jiandong He said “Our earlier metallurgical studies demonstrated that the project can deliver high recoveries of both nickel and cobalt, and we look forward to more good news from this upcoming work”.

The Wilconi Project is a farm-in joint-venture project with Wiluna Mining Corporation Limited (ASX:WMC), with A-Cap earning 75% equity in the project under the terms outlined on 20 December 2018.

Mr He said “Wilconi would seek to serve the supply of critical materials to the global electric vehicle market which was experiencing accelerating sales led by China and Europe. The primary batteries of choice for

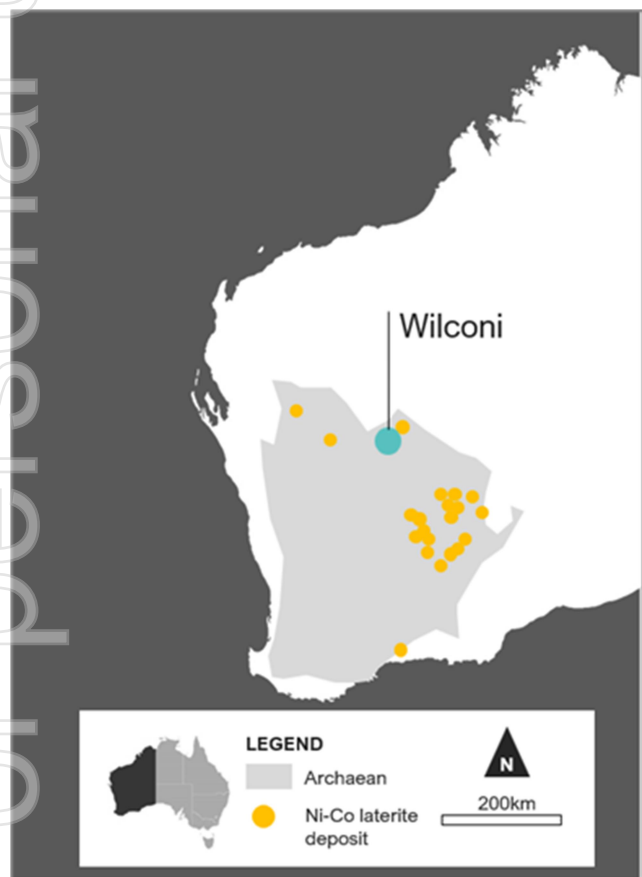
Western manufacturers are nickel manganese cobalt due to their high energy density.” “Continuing drilling work at Wilconi is vital for the completion of the PFS study currently underway. A new 17,000m combined RC and diamond infill drill program was now being planned for Wilconi to convert resources to indicated and measured categories,” he said.

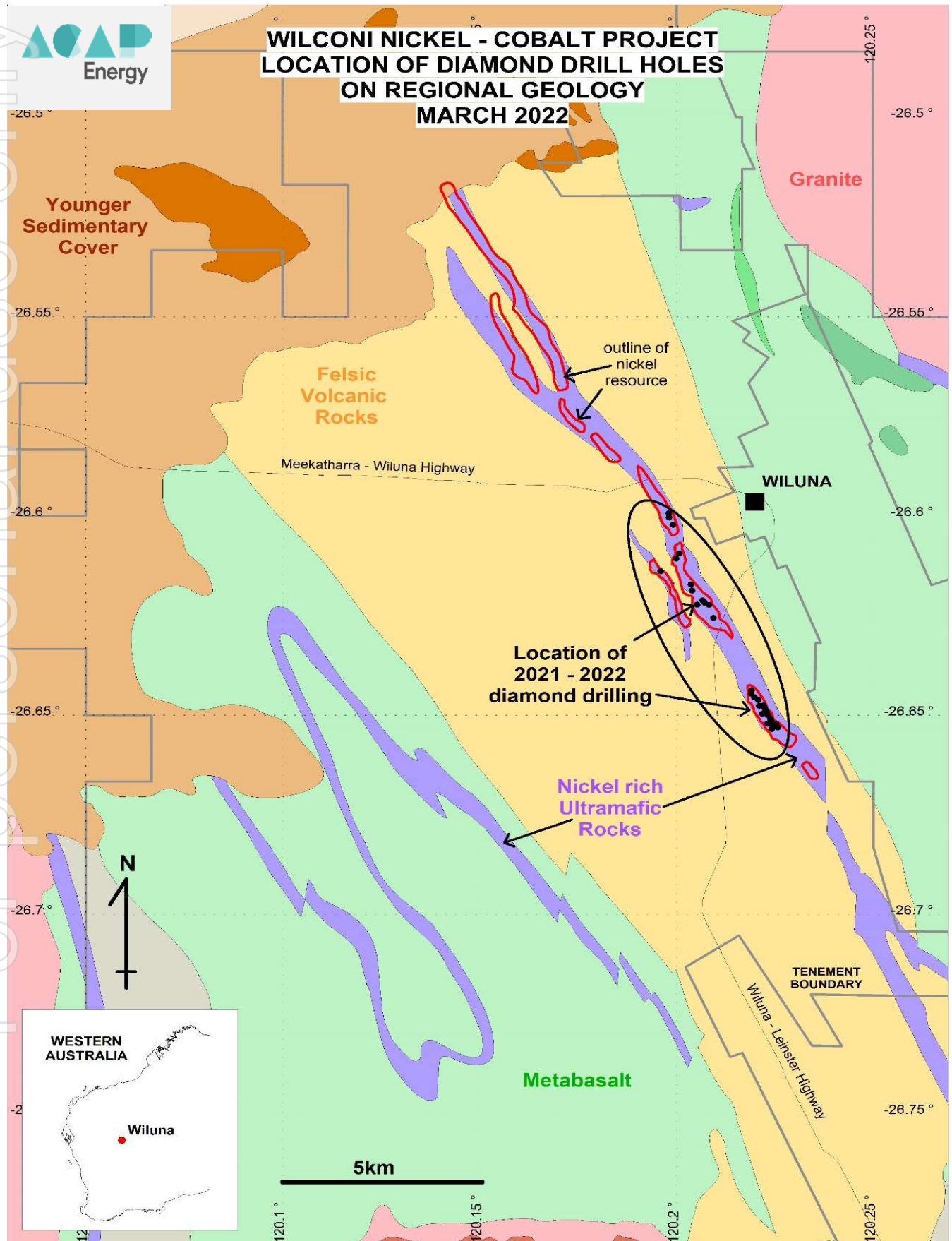
**Other PFS work that has been completed includes:**

- An updated mineral resource estimate to JORC standards by Miningplus. Recently completed (Refer ASX announcement dated 18th March 2022).
- Animal Plant Mineral Pty Ltd (APM) completed a fauna and flora study over the entire resource area in December 2021.
- Peter O’Bryan & Associates supervised engineering and geotechnical testwork on selected core samples.
- A desktop hydrogeological study of the Wilconi project area was completed by Rockwater Hydrogeological and Environmental Consultants. As recommended by Rockwater, six water monitoring wells were established across the Wilconi resource area.

**On-going PFS work and additional studies include:**

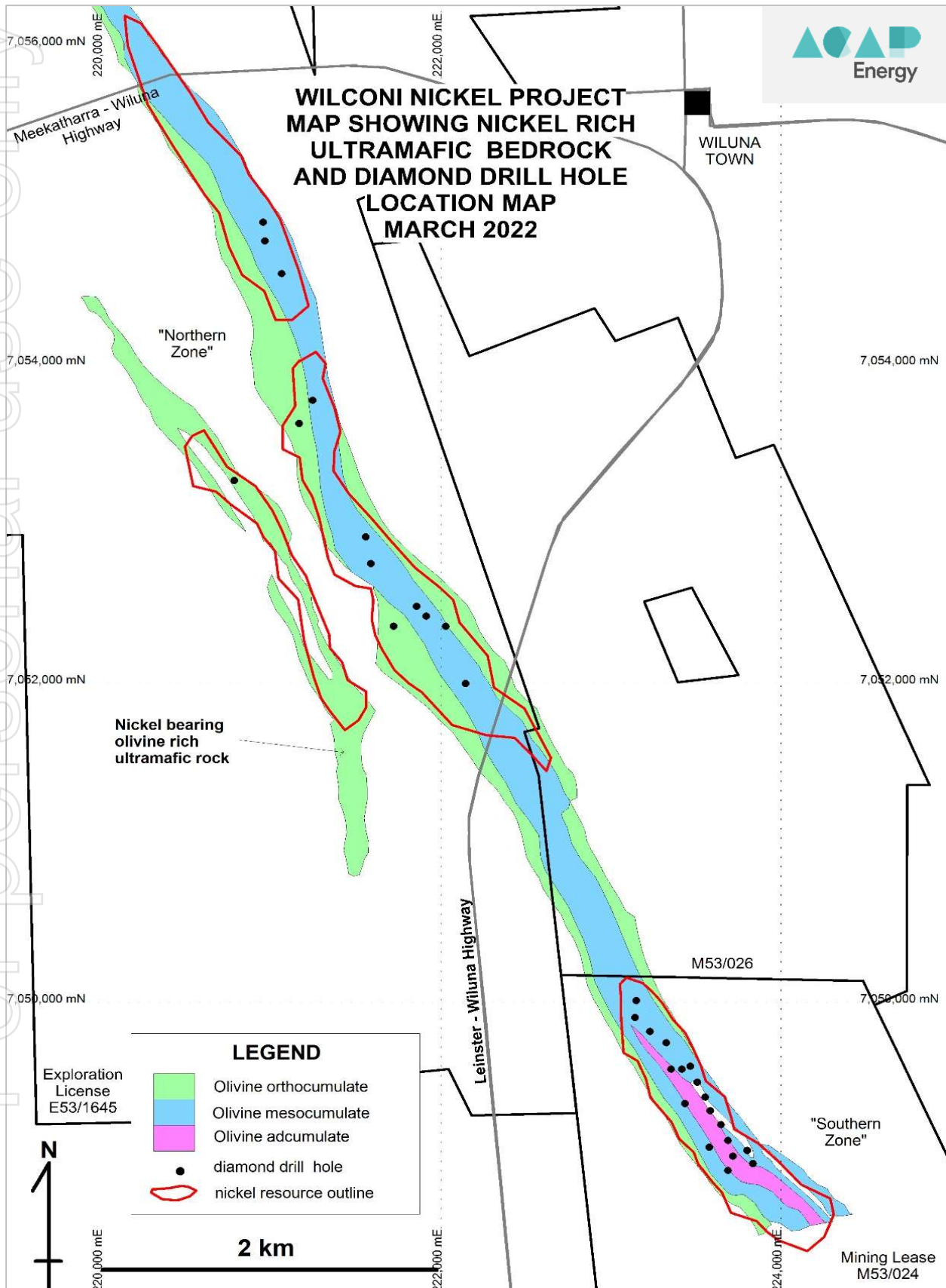
- Hydrogeological studies including Baseline surface and ground water studies
- Subterranean fauna studies
- Cultural heritage surveys
- Design and geotechnical assessment of constructed landforms including waste dumps, open cuts and tailings storage facilities
- Soil, waste rock and tailings characterisation studies
- Noise and greenhouse gases assessment





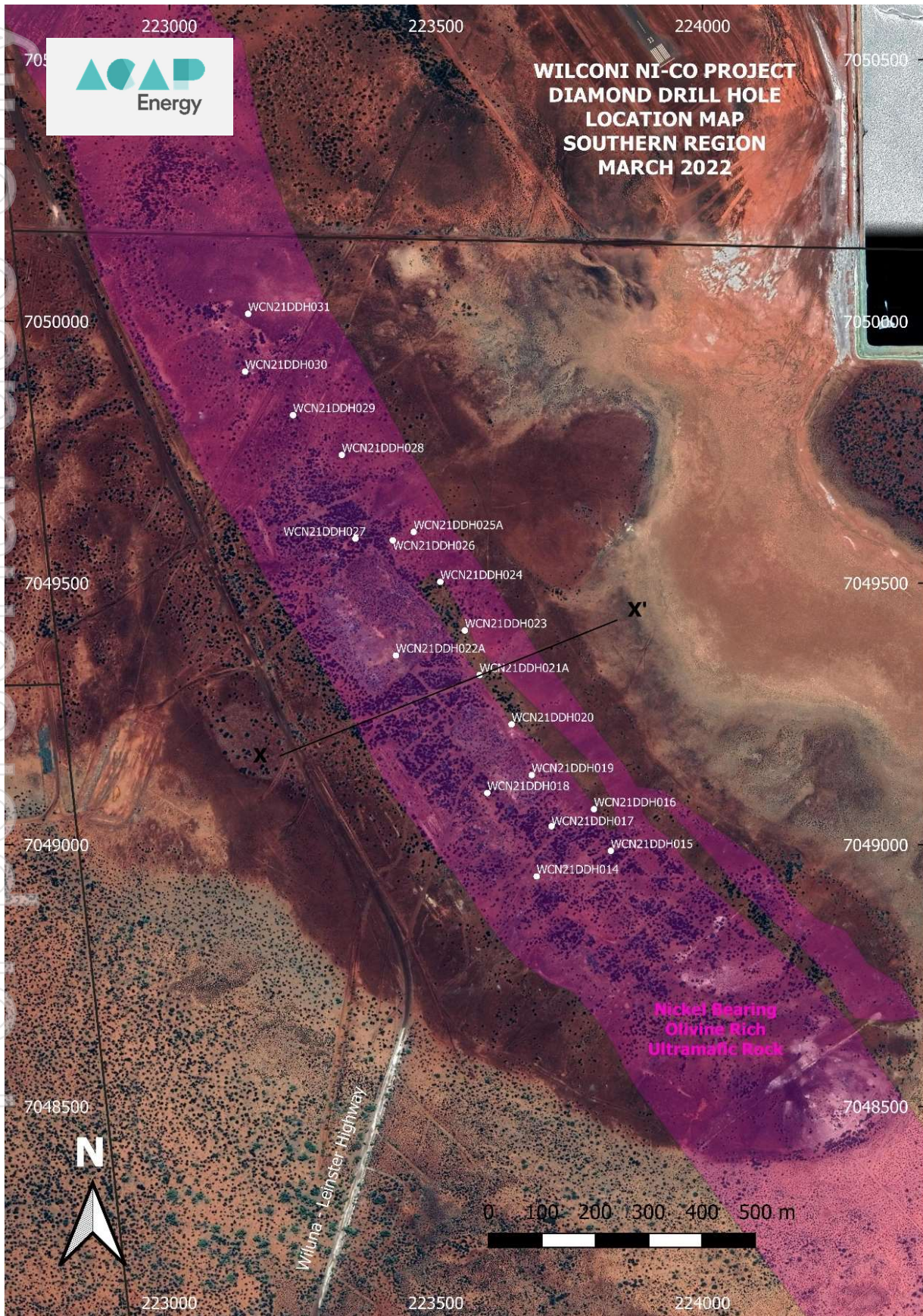
**Figure 1:** Regional geological setting of the Wilconi Nickel-Cobalt Project showing extent of nickel bearing ultramafic rocks, outline of the Wilconi nickel resource and location of recent diamond drilling.





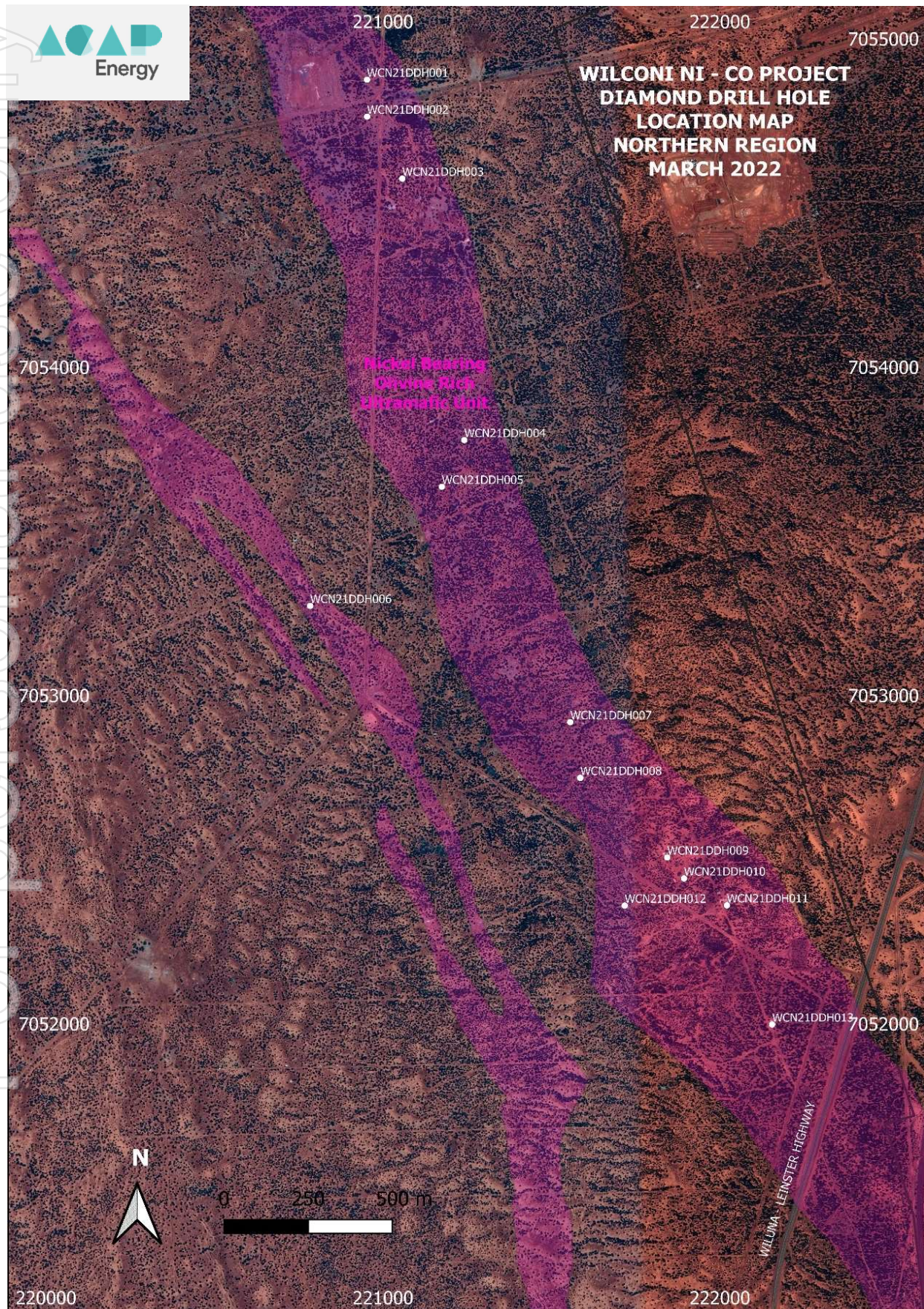
**Figure 2: Detail of the diamond drill holes referred to in this release showing location of drill holes and underlying nickel rich ultramafic bedrock.**





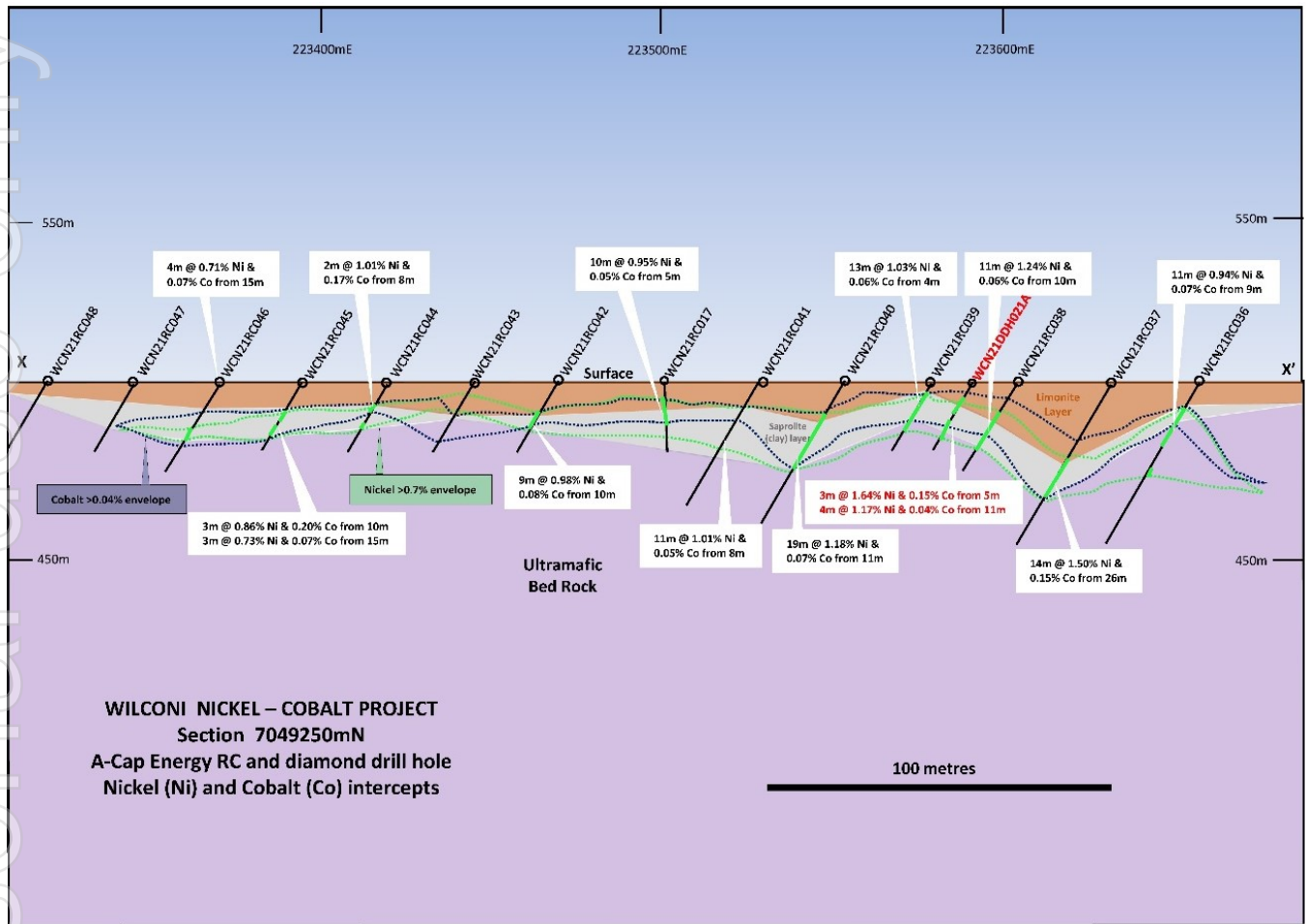
**Figure 3:** Details of the Southern Area drilling showing diamond drillhole points and location of cross section X – X' shown in Figure 5.





**Figure 4:** Northern Area diamond drillhole locations.





**Figure 5:** Cross section X – X' showing the nickel and cobalt intercepts lying at the base of the limonitic zone in the laterite.

# Corporate

During the quarter the Company completed a Rights Issue that was fully subscribed and raised \$10.7 million (before costs).

## Directors:

Jiandong He  
Zhenwei Li  
Michael Liu  
Paul Ingram  
Jijing Niu  
Mark Syropoulo

## Capital Structure as at 26 April 2022.

ACB - 1,232,435,060 – Fully Paid Ordinary Shares  
ACBAC – 8,000,000 Options Expiring 31 Oct 24 10 cents  
ACBAB – 14,500,000 Options Expiring 31 Oct 21 11 cents  
ACBAQ – 1,250,000 Options Expiring 30 Jun 22 11.5 cents  
ACBAS – 24,000,000 Options expiring 31 Oct 24 11 cents  
ACBAT - 30,000,000 Performance Rights

## Market Capitalisation as at 26 April 2022

\$185 million (last quarter end \$189 million)

## Shareholder Information:

2,534 shareholders with Top 20 holding 84.234%  
(Last quarter end 86.69%)

## Payment of fees, salary and superannuation to directors for March 2022 Quarter:

Director fees of \$71,250 and Consulting fees of \$63,459. (As per App 5B Para 6.1.)

## Details of Expenditure incurred during Quarter

Details of expenditure during the quarter are shown in the Appendix 5B released this day.

**This Quarterly Report has been authorised the Board.**



# Disclaimers

## Competent Person Statement

Information in this report relating to Wilconi Mineral Resources is based on information compiled by Dr Andrew Richmond, a full-time employee of Martlet Consultants Pty Ltd. Dr Richmond is a Member of the AusIMM (#111459) and a Fellow of the AIG (#4840). Dr Richmond 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. Dr Richmond consents to the inclusion of the data related to Mineral Resources in the form and context in which it appears.

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.

## Cautionary Note Regarding Forward-Looking Statements

This quarterly report contains forward looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. The forward-looking statements are made as at the date of this announcement and the Company disclaims any intent or obligation to update publicly such forward looking statements, whether as the result of new information, future events or results or otherwise.

# Resource Statement

## Letlhakane Uranium Project JORC 2012 Resource Estimate

Cut-off	Total Indicated			Total Inferred			Global Total		
	Mt	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)	Mt	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)	Lbs U <sub>3</sub> O <sub>8</sub> (000)	Grade U <sub>3</sub> O <sub>8</sub> (ppm)	Contained U <sub>3</sub> O <sub>8</sub> (Mlbs)
100	197.1	197	85.5	625	203	280.1	822.1	202	365.7
200	59.2	323	42.2	209.7	321	148.1	268.9	321	190.4
300	22.2	463	22.7	81.6	446	80.3	103.8	450	103.1

The 2015 global resource estimate using LUC best reflects the mining methodology envisaged, taking into account the surface miners' selective mining capability, combined with the proposed grade control methodology.

A drill spacing study comparison completed by Perth-based resource specialists Optiro on the Kraken deposit confirmed that at a starting drill spacing of 200m by 200m, the change of contained metal is within +/-10% when drilled down to 100m by 50m drill spacing. The current criteria for inferred resources is nominally greater than 100m by 100m drill spacing. A-Cap has confidence that the deposit will retain its mineralisation continuity when it is further drilled out.

A-Cap continues to assess the LUC resource in terms of mining optimisations. Optimisations of the LUC resource model has been completed to assess the different mining techniques and also to determine the optimal areas for conversion from inferred to indicated resources. The mine scheduling and optimisation work going forward will be undertaken internally, which will allow for considerable savings in external resource modelling and optimisation costs going forward. Furthermore, in-house optimisation and scheduling capabilities will allow the complex nature of the Project to be examined in more detail and continuously.

## Wilconi Nickel-Cobalt Project JORC 2012 Resource Estimate

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0.8	25	0.94	0.069	240,000	17,400
0.9	13	1.02	0.078	130,000	10,300



# Tenement Information

Held as at the end of the March 2022 Quarter

Tenement Id	Location	Project	Status	Interest at Start of Quarter	Interest at End of Quarter
E53/2076	Wiluna	Wilconi	Granted	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%
E53/1908	Wiluna	Wilconi	Granted	20%	20%
E53/1912	Wiluna	Wilconi	Granted	20%	20%
E53/2048	Wiluna	Wilconi	Granted	20%	20%
E53/2050	Wiluna	Wilconi	Granted	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%
M53/0052	Wiluna	Wilconi	Granted	20%	20%
M53/0071	Wiluna	Wilconi	Granted	20%	20%
M53/0092	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	Wikuna	Wilconi	Granted	20%	20%

