

A-Cap Resources Ltd

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A-Cap Resources drills at Botswana coal projects toward early mining

A-Cap Resources (ASX:ACB) has started diamond drilling at its Mea and Bolau coal projects in Botswana to establish Indicated Resources that could enable development of a 1-2 million tonnes per annum project.

Drilling at Mea will focus on establishing an Indicated resource on the portion of the deposit most suitable for early mining.

In addition, work on Bolau will establish a resource on the shallow up dip extension of African Energy Resources' adjacent 2.5 billion tonne Sese Coal deposit.

The drilling campaign is expected to be completed by the end of August.

"Current infrastructure constraints in Botswana will allow 1-2 million tonne per annum projects to come on line in the short term, if the commodity price is right," chief executive officer Paul Thomson said.

"Our rationale is to drill enough coal resources to enable a 'plus ten year' mining operation to be considered, bringing it into the next stage of assessing the economic viability.

"Later as the infrastructure capacity in Botswana grows, the coal resource on our tenements still has the potential to grow with it."

Drilling Campaign

Drilling at Mea follows a positive study by Sedgman South Africa in February this year that indicated that the project could be robust and recommended feasibility work to establish a low tonnage export project.

The campaign is designed to establish a JORC compliant indicated resource on a portion of the known resource with the best potential for early mining.

This will consist of infill diamond drilling with diamond core.

Downhole density and coal quality testwork will give further information regarding potential mining and product possibilities.

Sedgman also completed a positive coal study for Bolau that highlighted its potential and recommended further drilling and test work.

The Bolau drilling campaign is focused on defining an Indicated Resource on the basal seam of the shallow up dip extension of the Sese Coal deposit which is approximately 15-25 metres deep at this location.

Drilling will also be conducted on the down dip extension of the Sese deposit

Price: 0.01

Market Cap: \$8.72 m

1 Year Share Price Graph



Share Information

Code: ACB

Listing: ASX

52 week High Low
0.038 0.004

Sector: Mining

Website: www.acap.com.au

Company Synopsis:

A-Cap Resources Ltd (ASX:ACB) is listed on the Australian Securities Exchange.

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within the Foley tenement.

While A-Cap is approaching development of its coal assets within existing transport capacity, the projects have potential to scale up as further transport infrastructure is established.

The Botswana government has been proactive in paving the way for future infrastructure upgrades and has recently signed the Trans Kalahari Railway (TKR) agreement with Namibia.

Both the government and industry are also proactively engaging the Mozambique and Republic of South Africa rail entities regarding increasing capacity.

Mea and Bolau

A-Cap had last year successfully defined a JORC Inferred Resource of 335 million tonnes in multiple seams within a portion of the Mea Project.

These range from high quality domestic thermal coal, export quality coal and possibly material suitable for low ash Pulversied Coal Injection.

Because a significant portion of this resource was identified as export quality and the discovery lies close to existing road, rail and power infrastructure, an independent study was commissioned to assess the commercial development potential of the project.

The Bolau Coal Project constitutes the up and down dip extension of African Energy's 2.5 billion tonne Sese Coal Project that extends into A-Cap's prospecting licences PL138/2005 and PL125/2009.

The updip portion is the Foley prospect and the down dip the Bolau prospect.

Analysis

This is interesting news and share price catalysts ahead for A-Cap Resources as it starts drilling at its Mea and Bolau coal projects that could ultimately lead to the development of a 1-2Mtpa coal mining project in the short term.

An earlier positive study by Sedgman recommended feasibility work to establish a low tonnage export project.

Work to date at Mea has identified some high quality coal in Botswana and near all important existing infrastructure.

Drilling will look to amass sufficient resources for a 10 year mine life at circa 1-2 million tonnes per annum. The staged approach by A-Cap with a smaller tonnage project is compelling building in scale over time as infrastructure capacity in Botswana grows.

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