



**A-CAP ENERGY LIMITED  
AND ITS CONTROLLED ENTITIES**

ACN 104 028 542

**HALF-YEAR REPORT  
31 DECEMBER 2021**

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The Directors present the financial report on the Consolidated Group consisting of A-Cap Energy Limited (“A-Cap”, “the Company”) and the entities it controlled (“the Consolidated Group”) at the end of, or during the half-year ended 31 December 2021.

## **DIRECTORS**

The following persons were Directors of A-Cap Energy Limited during or since the end of the half-year and up to the date of this report:

Jiandong He	Chairman
Paul Anthony Ingram	Deputy Chairman
Michael Muhan Liu	
Jijing Niu	
Mark Syropoulo	
Zhenwei Li	

## **REVIEW OF OPERATIONS**

### **WILCONI PROJECT – JOINT VENTURE WITH WILUNA MINING LTD**

⚠ A definitive Farm-In and Joint Venture Agreement (JVA) was finalised between A-Cap and Wiluna Mining Corporation Limited (formerly Blackham Resources Limited (BLK)) on 29 January 2019 for the Company to acquire a 75 percent Farm-In Joint Venture Interest in the cobalt, nickel and associated metals of the Wiluna Cobalt Nickel Project (Wilconi Project) in Western Australia.

⚠ Project highlights:

- 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 Blackham’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.

⚠ During the period, the Company undertook a 11,096 metre RC infill drill programme completed in late August 2021 and 20 large diameter (PQ sized) diamond core holes totalling 998 metres following this, which commenced in November 2021. Another 11 holes are planned to be completed in January 2022. In addition to improving the confidence in the resource, the large diameter core hole programme was designed to collect representative samples for metallurgical testwork and conduct bulk density measurements on the nickel ore and overburden.

⚠ MiningPlus are preparing an updated mineral resource estimate to include the results of the recently completed RC drill programme. The updated MRE is expected to be completed in the first quarter of 2022.

⚠ Independent experts have been engaged to conduct a variety of studies as part of the on-going PFS.

- BPL Environmental: Oversight of Environmental Studies and Water Management including Baseline surface and ground water studies, biological studies, soil, waste rock, tailings characterisation, etc.

- Animal Plant Mineral (APM): APM conducted a flora and fauna survey covering a 270 km<sup>2</sup> area over the Wilconi nickel resource. The study was completed in September 2021 and a final report is expected first quarter of 2022.
- Rockwater Hydrological and Environmental Consultants: Contracted to prepare a desk top hydrogeological study of the Wilconi project area and surrounds. As part of the study and recommended by Rockwater, the Company has established four water monitoring bores across the resource Wilconi area.
- Peter O'Bryan and Associates: Supervision of engineering and rock mechanic testwork on ore and overburden.

## 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 it has not previously translated to an increased uranium price. The creation of two global uranium investment funds, Sprott and Kazatomprom are transforming the spot price market by buying physical uranium. This previously was the domain of utilities direct, which has been held low by long term pricing mechanisms. The fundamental shift in pricing due to these funds buying uranium, has seen the spot price of uranium rise over the six months.
- ▲ The Minister of Mineral Resources, Green Technology and Energy Security, has extended the start of construction to 30th September 2024 and this is seen as positive as it enables the Company to align the Letlhakane project with the rising price of uranium. This approval is timely, amid an increased investor sentiment and a rising uranium price. A-Cap has kept the project on reduced expenditure and now can invest further in the project to update costs and optimise project parameters.
- ▲ Increased investment sentiment and an increased uranium price has bought forward technical planning of further works. Planning for Drilling and metallurgical testwork that were suspended back in 2018 are underway to further the positive project value-adding results that sort to reduce capex and opex through understanding of the processing acid consumption of different mineralised lenses

## CORPORATE

- ▲ During the period the Company became debt free due to an oversubscribed Rights Issue and a follow-on Placement raising \$17.4 million via the issue of 267,971,214 shares. Of the amount raised, \$7.1million was settled by offsetting this amount against the debt owed by the Company. As part of the cost of the Rights Issue, the Company issued 8,000,000 options exercisable at \$0.10 expiring 31 October 2024 to the lead manager.

## EVENTS SUBSEQUENT TO REPORTING DATE

- ▲ On 14 February 2022, the Company announced a 1 for 14 Renounceable Rights Issue to raise up to approximately \$10.7 million at \$0.13 per share with a free option for every two new shares. The Rights Issue closed on 8 March 2022 fully subscribed.
- ▲ On 17 January 2022, at the Company's Annual General Meeting, shareholders approved:

- the issue to directors of 24,000,000 options exercisable at \$0.10 each expiring 17 January 2025 which vest upon the Company acquiring a 55% interest in the Wilconi Project and the average closing price for 10 consecutive trading days is \$0.11;
- 30,000,000 performance rights to directors which will vest to ordinary shares if the following vesting conditions are achieved:
  - (a) 25% will vest if the VWAP of the Company's share price is \$0.14 or more for 10 consecutive trading days;
  - (b) 25% will vest if the VWAP of the Company's share price is \$0.18 or more for 10 consecutive trading days;
  - (c) 25% will vest if the VWAP of the Company's share price is \$0.22 or more for 10 consecutive trading days; and
  - (d) 25% will vest if the VWAP of the Company's share price is \$0.26 or more for 10 consecutive trading days.

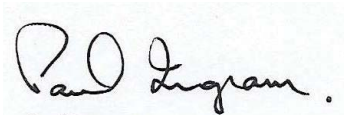
⚠ No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial periods.

### AUDITORS' DECLARATION

The auditors' independence declaration under section 307C of the Corporations Act 2001 is included within this financial report.

This report is made in accordance with a resolution of the Directors.

On behalf of the Directors

A handwritten signature in black ink that reads "Paul Ingram". The signature is written in a cursive, flowing style.

Paul Ingram  
Deputy Chairman  
11 March 2022

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF A-CAP ENERGY LIMITED  
AND ITS CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2021 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

*William Buck*

**William Buck Audit (Vic) Pty Ltd**  
ABN: 59 116 151 136

*N. S. Benbow*

**N. S. Benbow**  
Director

Melbourne, 11<sup>th</sup> day of March 2022

**ACCOUNTANTS & ADVISORS**

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## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Dec 2021	Dec 2020
	\$	\$
Other income	1,708	13,002
Administration	(373,732)	(282,915)
Corporate	(132,398)	(34,369)
Employment	(214,062)	(62,633)
Finance cost	(157,134)	(168,933)
FX (loss) / gain	(173,570)	789,420
<b>Profit/(Loss) from ordinary activities before income tax expense</b>	<b>(1,049,188)</b>	<b>253,573</b>
Income tax expense	-	-
<b>Profit/(Loss) from ordinary activities after income tax expense attributable to the parent</b>	<b>(1,049,188)</b>	<b>253,573</b>
<b>Other Comprehensive income</b>		
<i>Items that may be reclassified subsequently to the profit or loss</i>		
Exchange differences on translating foreign operations	769,463	(2,715,388)
Other comprehensive loss for the period	769,463	(2,715,388)
<b>Total comprehensive loss for the half-year</b>	<b>(279,725)</b>	<b>(2,461,815)</b>
<b>Earnings per share:</b>		
Basic / Diluted earnings/(loss) per share (cents per share)	(0.11)	0.03

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.*

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	<b>Note</b>	<b>Dec 2021</b>	<b>Jun 2021</b>
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		<b>4,092,111</b>	3,584,498
Security deposits		<b>61,994</b>	61,411
Trade and other receivables		<b>103,854</b>	73,868
Prepayments		<b>56,183</b>	29,206
<b>Total Current Assets</b>		<b>4,314,142</b>	3,748,983
<b>Non-Current Assets</b>			
Plant and equipment		<b>6,802</b>	8,568
Capitalised exploration and evaluation	2	<b>31,652,605</b>	28,275,826
<b>Total Non-Current Assets</b>		<b>31,659,407</b>	28,284,394
<b>Total Assets</b>		<b>35,973,549</b>	32,033,377
<b>Current Liabilities</b>			
Trade and other payables		<b>605,595</b>	313,870
Provision for employee entitlements		<b>53,467</b>	45,375
Interest-bearing liabilities	3	-	13,753,483
<b>Total Current Liabilities</b>		<b>659,062</b>	14,112,728
<b>Total Liabilities</b>		<b>659,062</b>	14,112,728
<b>Net Assets</b>		<b>35,314,487</b>	17,920,649
<b>Equity</b>			
Issued capital	4	<b>88,582,237</b>	71,552,320
Reserves		<b>10,207,234</b>	8,794,125
Accumulated losses		<b>(63,474,984)</b>	(62,425,796)
<b>Total Equity</b>		<b>35,314,487</b>	17,920,649

*The above consolidated statement of financial position should be read in conjunction with the accompanying notes.*



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Ordinary shares	Share-based payments reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>At 1 July 2021</b>	<b>71,552,320</b>	<b>489,002</b>	<b>8,305,123</b>	<b>(62,425,796)</b>	<b>17,920,649</b>
Loss for the period	-	-	-	(1,049,188)	(1,049,188)
Other comprehensive income	-	-	769,463	-	769,463
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>769,463</b>	<b>(1,049,188)</b>	<b>(279,725)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Capital raising	17,418,129	-	-	-	17,418,129
Cost of capital raising	(733,212)	475,949	-	-	(257,263)
Option exercise	345,000	-	-	-	345,000
Vesting of share-based payments	-	167,697	-	-	167,697
<b>At 31 December 2021</b>	<b>88,582,237</b>	<b>1,132,648</b>	<b>9,074,586</b>	<b>(63,474,984)</b>	<b>35,314,487</b>
	Ordinary shares	Share-based payments reserve	Foreign currency translation reserve	Accumulated losses	Total
	\$	\$	\$	\$	\$
<b>At 1 July 2020</b>	<b>71,552,320</b>	<b>473,114</b>	<b>10,415,498</b>	<b>(61,792,234)</b>	<b>20,648,698</b>
Profit for the period	-	-	-	253,573	253,573
Other comprehensive income	-	-	(2,715,388)	-	(2,715,388)
<b>Total comprehensive income / (loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(2,715,388)</b>	<b>253,573</b>	<b>(2,461,815)</b>
<b>Transactions with owners in their capacity as owners:</b>					
Vesting of share-based payments	-	28,116	-	-	28,116
<b>At 31 December 2020</b>	<b>71,552,320</b>	<b>501,230</b>	<b>7,700,110</b>	<b>(61,538,661)</b>	<b>18,214,999</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CASH FLOWS****FOR THE HALF- YEAR ENDED 31 DECEMBER 2021**

	<b>Dec 2021</b>	<b>Dec 2020</b>
	<b>\$</b>	<b>\$</b>
<b>Cash Flows from Operating Activities</b>		
Payments to suppliers and employees	<b>(618,822)</b>	(337,011)
Interest / other income received	<b>200</b>	43
Interest paid	<b>(3)</b>	(124,451)
<b>Net cash flows used in operating activities</b>	<b>(618,625)</b>	(461,419)
<b>Cash Flows from Investing Activities</b>		
Proceeds from sale of assets	-	10,378
Exploration expenditure – capitalised	<b>(2,339,540)</b>	(106,640)
<b>Net cash flow used in investing activities</b>	<b>(2,339,540)</b>	(96,262)
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of equity securities	<b>10,279,665</b>	-
Proceeds from exercise of options	<b>345,000</b>	-
Transaction costs relating to issue of equity securities	<b>(272,486)</b>	-
Proceeds from loans and borrowings	-	4,166,062
Repayment of loans and borrowings	<b>(6,883,987)</b>	(3,348,414)
<b>Net cash flows from financing activities</b>	<b>3,468,192</b>	817,648
Net increase/(decrease) in cash and cash equivalents	<b>510,027</b>	259,967
Cash and cash equivalents at beginning of period	<b>3,584,498</b>	280,531
Foreign exchange gain/(loss)	<b>2,416</b>	572
<b>Cash and cash equivalents at end of period</b>	<b>4,092,111</b>	541,070

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 1 BASIS OF PREPARATION

#### **(a) Statement of compliance**

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report any public announcements made by the Consolidated Group during the half-year reporting period in accordance with the continuous disclosure requirement of the Corporations Act 2001.

#### **(b) Summary of significant accounting policies**

The accounting policies adopted are consistent with those of the previous financial year except as noted below and the corresponding interim reporting period. All new accounting standards and amendments applicable for the first time this financial period have been adopted and have had no material impact on the Consolidated Group.

#### *Standards and Interpretations applicable to 31 December 2021*

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Group and effective for the current reporting period. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Consolidated Group and, therefore, no material change is necessary to Consolidated Group accounting policies.

#### *Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted by the Consolidated Group and, therefore, no change is necessary to Consolidated Group accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### NOTE 2 CAPITALISED EXPLORATION & EVALUATION

	Dec-21 \$	Jun-21 \$
At cost	<b>31,652,605</b>	28,275,826
<i>Movements in carrying values:</i>		
Balance at beginning of period	28,275,826	28,923,966
Expenditure during the period	2,599,693	1,454,568
Foreign currency translation	777,087	(2,102,708)
Balance at end of period	<b>31,652,605</b>	28,275,826

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of nickel, cobalt and uranium.

#### NOTE 3 INTEREST-BEARING LIABILITIES

	Dec-21 \$	Jun-21 \$
<b>Current</b>		
Working capital loan 1	-	636,575
Working capital loan 2	-	235,358
Working capital loan 3 – Shenke	-	574,110
Working capital loan 4 – Shenke	-	109,425
Working capital loan 5 – Shenke	-	144,402
Working capital loan 6 – Shenke	-	129,074
Working capital loan 7 – Shenke	-	1,304,452
Working capital loan 8 – Shenke	-	3,985,224
Revolving credit facility – Shenke	-	6,634,863
<b>Total interest-bearing liabilities</b>	-	<b>13,753,483</b>

During the half-year ended 31 December 2021, the Company repaid in full the working capital loans advanced by Mr Angang Shen in cash, and the working capital loans and revolving credit facility advanced by Singapore Shenke International Pte Ltd repaid part in cash (\$6,000,109) and the remainder in shares issued (\$7,147,709).

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 4 ISSUED CAPITAL

<b>1 July to 31 December 2021</b>	<b>Number of Shares</b>	<b>Issue Price \$</b>	<b>\$</b>
Beginning of the reporting period	871,884,866		71,552,320
Entitlement issue*	217,971,214	\$0.065	14,168,129
Placement	50,000,000	\$0.065	3,250,000
Performance rights conversion – Tranche 1 and 2 (Note 9)	6,250,000	-	-
Exercise of options	3,000,000	\$0.115	345,000
Cost of capital raising	-		(733,212)
<b>At the end of the reporting period</b>	<b>1,149,106,080</b>		<b>88,582,237</b>

<b>1 July to 31 December 2020</b>	<b>Number of Shares</b>	<b>Issue Price \$</b>	<b>\$</b>
Beginning of the reporting period	871,884,866		71,552,320
At the end of the reporting period	871,884,866		71,552,320

\* The value of the entitlements taken up by Shenke of \$7,147,709 was settled by offsetting this amount against the debt owed by the Company.

### NOTE 5 CONTINGENT LIABILITIES

The directors are not aware of any contingent liabilities or contingent assets existing at the date of this report (2020: Nil). The Consolidated Group is not involved in any material, legal or arbitration proceedings and, so far as directors are aware, no such proceedings are pending or threatened against the Consolidated Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 6 EXPLORATION COMMITMENTS

	Dec-21 \$	Dec-20 \$
Planned exploration expenditure on prospecting licenses		
- not later than 12 months	1,245,012	1,193,756
	<u>1,245,012</u>	<u>1,193,756</u>

Estimated figures as at the reporting date includes:

- i. amounts submitted to the Department of Geological Survey in Botswana in order to maintain the Company's current rights of tenure to exploration tenements and mining licenses.
- ii. The Company's expenditure commitments under the Farm-In and Joint Venture Agreement with Blackham Resources Limited on the Wilconi Nickel-Cobalt Project.

The Company anticipates future expenditure on its current rights of tenure to exploration and mining tenements up until the expiry of its current Prospecting Licences and on tenement renewals and extensions that have been applied for but not yet granted, which are included in the above table. In the event the Group does not meet the minimum exploration expenditure the licences may be cancelled or not renewed, notwithstanding, the planned expenditure cannot be called against the Company.

Due to the nature of the Company's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or any new joint venture agreements. Expenditure may be increased when new tenements are granted.

### NOTE 7 SEGMENT INFORMATION

#### *Identification of reportable segments*

The Consolidated Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (Chief Operating Decision Makers) in assessing performance and determining the allocation of resources. The Consolidated Group only operates within one business segment being that of minerals exploration. The Chief Operating Decision Makers review the Monthly Directors Report on at least a monthly basis. The accounting policies adopted for internal reporting to the Chief Operating Decision Makers are consistent with those adopted in the financial statements. The reportable segment is represented by the primary statements forming this financial report.

The operations and assets of the Consolidated Group are employed in exploration activities relating to minerals in Australia and Africa.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### NOTE 7 SEGMENT INFORMATION (CONTINUED)

<b>31 December 2021</b>	<b>Australia</b>	<b>Botswana</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Revenue</b>				
Other income	1,685	23	-	1,708
Total segment revenue	1,685	23	-	1,708
<b>Results</b>				
Segment result	(903,979)	(145,209)	-	(1,049,188)
<b>Assets</b>				
Segment assets	61,612,248	23,723,532	(49,362,231)	35,973,549
<b>Liabilities</b>				
Segment liabilities	8,176,955	41,844,338	(49,362,231)	659,062
<b>31 December 2020</b>	<b>Australia</b>	<b>Botswana</b>	<b>Eliminations</b>	<b>Consolidated</b>
<b>Revenue</b>				
Other income	812	12,190	-	13,002
Total segment revenue	812	12,190	-	13,002
<b>Results</b>				
Segment result	405,971	(152,398)	-	253,573
<b>Assets</b>				
Segment assets	50,551,363	22,333,055	(45,443,736)	27,440,683
<b>Liabilities</b>				
Segment liabilities	13,174,024	41,495,397	(45,443,736)	9,225,684

### NOTE 8 FAIR VALUE MEASUREMENT

The carrying amounts of all financial assets and liabilities in these financial statements approximate their fair values.

**NOTE 9 SHARE-BASED PAYMENTS****Performance Rights**

The movement in Performance Rights during the period is as follows:

<b>Date</b>	<b>Details</b>	<b># Performance Rights</b>	<b>Expiry Date</b>
1/7/2021	Opening balance	12,500,000	18/12/2021
9/11/2021	Performance Rights conversion – Tranche 1 and 2	(6,250,000)	18/12/2021
18/11/2021	Expired	(6,250,000)	18/12/2021
<b>31/12/2021</b>	<b>Closing balance</b>	<b>-</b>	

The vesting conditions for Tranche 1 and 2 of the Performance Rights are as follows:

- i. Tranche 1 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least \$0.10 (10 cents) for 10 consecutive trading days.
- ii. Tranche 2 – 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least \$0.115 (11.5 cents) for 10 consecutive trading days subject to an overriding condition that the Company's Total Shareholder Return (TSR) is at least equal to that of the ASX Small Resources Index for a trailing 6-month period preceding the vesting date;

**Options**

The number and weighted average exercise prices of share options are as follows:

	<b>31 December 2021</b>		<b>30 June 2021</b>	
	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>	<b>Number of Options</b>	<b>Weighted Average Exercise Price \$</b>
Outstanding at the beginning of the period	<b>4,250,000</b>	0.115	4,250,000	0.115
Granted	<b>21,500,000</b>	0.106	-	-
Forfeited	-	-	-	-
Exercised	<b>(3,000,000)</b>	0.115	-	-
Expired	-	-	-	-
Outstanding at the end of period	<b>22,750,000</b>	0.107	4,250,000	0.115
Exercisable at the end of the period	<b>9,250,000</b>	0.102	-	-



The following table lists the inputs to the models used for the valuation of the options issued during the period:

	Management	Lead Manager
Number of options	13,500,000	8,000,000 <sup>(b)</sup>
Fair value at measurement date (cents)	2.84	5.95
Dividend yield (%)	Nil	Nil
Expected volatility (%)	80%	80%
Risk free rate (%)	0.68%	0.84%
Expected life of option	3 years	3 years
Share price (cents)	\$0.07	\$0.11
Exercise price (cents)	\$0.11	\$0.10
Model used	Black - Scholes	Black - Scholes
Vesting condition	Refer (a)	None

(a) The options granted to management vest upon the Company acquiring a 55% interest in the Wilconi Project and the average closing price for 10 consecutive trading days is \$0.11.

(b) The options granted to the Lead Manager were ratified by shareholders at the Company's Annual General Meeting held on 17 January 2022 and were issued on that date.

#### NOTE 10 EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 14 February 2022, the Company announced a 1 for 14 Renounceable Rights Issue to raise up to approximately \$10.7 million at \$0.13 per share with a free option for every two new shares. The Rights Issue closed on 8 March 2022 fully subscribed.

On 17 January 2022, at the Company's Annual General Meeting, shareholders approved:

- the issue to directors of 24,000,000 options exercisable at \$0.10 each expiring 17 January 2025 which vest upon the Company acquiring a 55% interest in the Wilconi Project and the average closing price for 10 consecutive trading days is \$0.11;
- 30,000,000 performance rights to directors which will vest to ordinary shares if the following vesting conditions are achieved:
  - (a) 25% will vest if the VWAP of the Company's share price is \$0.14 or more for 10 consecutive trading days;
  - (b) 25% will vest if the VWAP of the Company's share price is \$0.18 or more for 10 consecutive trading days;
  - (c) 25% will vest if the VWAP of the Company's share price is \$0.22 or more for 10 consecutive trading days; and
  - (d) 25% will vest if the VWAP of the Company's share price is \$0.26 or more for 10 consecutive trading days.

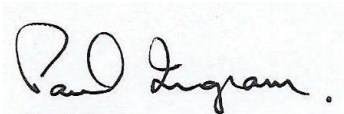
Other than the matters disclosed above, there has not arisen in the interval between the end of the half year and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company to affect the operations of the Consolidated Group, the results of these operations or the state of affairs of the Consolidated Group in subsequent years.

## DIRECTORS DECLARATION

In accordance with a resolution of the directors of A-Cap Energy Limited, the Directors of the Company declare that:

- 1) The accompanying interim financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - a. Complying with Accounting Standard AASB 134: *Interim Financial Reporting and Corporations Regulations 2001*; and
  - b. Giving a true and fair view of the Consolidated Group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

A handwritten signature in black ink, reading "Paul Ingram". The signature is written in a cursive style with a large initial "P" and "I".

Paul Ingram  
Deputy Chairman  
11 March 2022

## Independent auditor's review report

# Report on the Review of the Half-Year Financial Report

### Conclusion

We have reviewed the accompanying half-year financial report of A-Cap Energy Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of A-Cap Energy Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Responsibility of Management for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### ACCOUNTANTS & ADVISORS

Level 20, 181 William Street  
Melbourne VIC 3000

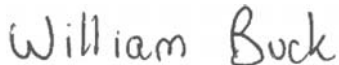
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**Auditor's Responsibilities for the Review of the Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**William Buck Audit (Vic) Pty Ltd**

ABN: 59 116 151 136

**N. S Benbow**

Director

Melbourne, 11<sup>th</sup> March 2022