



ASX Release

Tuesday 21 June 2016

ASX : ACB

A-CAP SIGNS \$5 MILLION CONVERTIBLE NOTE AGREEMENT

A-Cap Resources Limited (ASX Code – ACB) (the Company) is pleased to announce that the Company and Jiangsu Chixiang Precision Gear Co., Ltd (Noteholder), have entered into a convertible note subscription deed (Deed) under which the Company has agreed to issue, and the Noteholder has agreed to subscribe for, a convertible note (note) having a total face value (issue price) of A\$5,000,000 (A\$5 million). The directors of the Company consider that the raising of capital by the issue of the note is in the best interests of the Company as it secures, on acceptable terms, a significant funding contribution towards the continued feasibility work required for the Letlhakane Uranium Project (the Project).

The key terms of the note were agreed between the Company and the Noteholder on 8 June 2016, with the Deed signed by both parties on the 20 June 2016. The Deed provides the note will convert into ordinary fully paid shares in the Company subject to shareholder approval having been received and, without shareholder approval, the note will be redeemed by the Company by paying to the Noteholder the issue price and interest accrued on the note on or before the maturity date.

The key terms of the note are summarised as follows:

- **Issue price/face value** – A\$5,000,000.
- **Issue date** – 2 business days after Deed signing.
- **Interest** – 10% per annum on the issue price, accruing on and from the Issue date until the earlier of the conversion and the maturity date, payable on the earlier of conversion and the maturity date.
- **Conversion** – at all times subject to shareholder approval, including for the purposes of item 7 of section 611 of the *Corporations Act 2001* (Cth) and, with shareholder approval having been received, conversion will occur on the maturity date or on any earlier date if the Noteholder elects in writing by providing 2 business days' notice. Issued shares will rank equally in all respects with all other shares then on issue.
- **Conversion price**– 3.15 cents, which represents a 12.75% premium on the trailing VWAP for the period 19 May 2016 to 16 June 2016 of 2.794 cents.
- **Maturity date/redemption** – 180 days after the Issue date. If shareholder approval has been received, the note will automatically convert into shares on the maturity date if there has not been an earlier election. If shareholder approval has not been received, the note will be redeemed by the Company on the maturity date.
- The note is unsecured in nature.

The trading halt in the Company's shares can now be lifted.

Ends

For further information contact:

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