ABN 28 104 028 542

TO: COMPANY ANNOUNCEMENTS OFFICE
ASX LIMITED

DATE: 30 SEPTEMBER 2008

2008 ANNUAL REPORT

Please find attached the Annual Report for the year ended 30 June 2008 for A-Cap Resources Limited and its Controlled Entities.

Pat Volpe
Chairman

A-Cap Resources Limited
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A-CAP RESOURCES LIMITED
AND ITS CONTROLLED ENTITIES
ACN 104 028 542

ANNUAL REPORT
30 JUNE 2008

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CORPORATE DIRECTORY

Directors:	Patrick John Volpe (Executive Chairman) Andrew James Tunks (Managing Director) Paul Woolrich (appointed 18 December 2007) Henry James Stacpoole
Company Secretary:	Richard Charles Baker (appointed 3 July 2007) John Howden Wilson (resigned 3 July 2007)
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Share Registry:	Advanced Share Registry Services Pty Limited 150 Stirling Highway NEDLANDS WA 6009 Telephone (08) 9389 8033 Facsimile (08) 9389 7871
Banker:	National Australia Bank Limited 262 Bridge Road RICHMOND VIC 3121
Auditor:	Webb Audit Pty Ltd Corner Toorak & Auburn Roads, HAWTHORN EAST VIC 3123
Lawyers:	Menzies and Partners Level 9 356 Collins Street MELBOURNE VIC 3000
Stock Exchange:	ASX Limited Level 5, Riverside Centre, 123 Eagle Street BRISBANE QLD 4000

CHAIRMAN'S REPORT

Dear Shareholder

I am pleased to present the 2008 Annual Report of A-Cap Resources Limited ("A-Cap") following another eventful year for our company. During the year A-Cap announced its first Inferred Resource completed in compliance with the JORC code, the details of which follow in the Operational Report.

Corporately, A-Cap completed its strategy of becoming a fully focused Uranium explorer in Botswana following the demerger of its non- Uranium assets through the ASX listing of Botswana Metals Limited in early 2008.

Throughout the year A-Cap continued on its aggressive exploration program at its Letlhakane tenement in Botswana, reporting an Inferred Resource containing 98m lbs of Uranium at a grade of 178ppm U_3O_8 (at a cut-off grade of 100ppm) with the anomaly still remaining open to the north, west and south.

The Letlhakane tenement has proven to be a large scale low-grade mineralized Uranium system and A-Cap will pursue its exploration strategy of adding tonnage to the already defined resource. In addition, a drill program at Serule, 12 km south of the Letlhakane resource, has encountered further Uranium mineralization.

A-Cap has employed the services of SRK Consulting to prepare a Scoping Study on the economic viability of the Letlhakane deposit which encompasses Mokobaesi, Gorgon and Kraken. The results of the Scoping Study will determine the next stage of progress for the Project.

A-Cap has also commenced investigating the potential of its other Uranium exploration tenements in Botswana and will establish an exploration program for the coming year.

Future Outlook

Over the past 12 months, Uranium prices have tumbled from a high of US$138/ lb to US $55/lb with the current spot prices at around US$65/lb. The current price is still many times higher than it was in the 1990's.

A general consensus in the industry is that the price will remain at around current levels until 2011, subject to issues such as such the "Cigar Lake' situation in the USA and the position in India, which is not part of the Nuclear Non-Proliferation Treaty and therefore not able to import Uranium. Should this position change, demand and the spot price could be effected.

Having said this, if you believe that we are in a global Nuclear renaissance period and therefore expect to see substantial growth in clean power via Nuclear production of energy, then there will be a substantial increase in the number of reactors over the next 20 years and beyond.

These factors along with global warming, environmental pressures and the supply of oil and coal as non-sustainable resources into the future presents a solid case for the growth of Uranium as a source for power.

China, India, the USA and the United Kingdom have all expressed their intentions to substantially increase their current capacity to generate Nuclear power over the next 20 years as Nuclear assumes a greater percentage of the energy supply equation as a clean efficient energy alternative.

New Nuclear plants on order are scheduled to be commissioned by 2014 to 2017 which could cause market tightness on the back of strong demand predicted by 2011-2013.

If the above scenario plays out, then A-Cap is in a good position to advance its project through to production over the next 3 to 4 years on the assumption that the Scoping Study shows strong positive economic outcomes.

In A-Cap's favour is the shallow depth of its resource and the soft nature of the top layer of the mineralization which could see a free dig system to a certain depth of the resource. In addition the proximity of the infrastructure including sealed roads, rail line, power lines and water all within kilometres of the resource will be a major contributor to the cost equation. The resource on the other hand, is of low grade but large tonnage.

Botswana is recognized as a politically stable country with a Government that supports and relies on mining. This is backed by a sound Mines and Minerals Act that is enforced by the regulators.

In all, the company achieved all of its milestones during the year and looks forward to another growth year in 2009

I would like to thank all shareholders and our Board, Management and staff for their support and assure you that the next year will be focused on determining whether A-Cap can graduate from exploration status to become Botswana's first Uranium miner.

Pat Volpe
Executive Chairman
30 September 2008

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of A-Cap Resources Limited ("A-Cap") and the entities it controlled ("the Group") at the end of, or during, the year ended 30 June 2008.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year (with the exception of Paul Woolrich who was appointed on 18 December 2007 and Peter Pena who resigned on 18 December 2007) and up to the date of this report:

Patrick John Volpe (Executive Chairman)

Andrew James Tunks (Chief Executive Officer)

Peter Pena (resigned 18 December 2008)

Henry James Stacpoole

Paul Woolrich (appointed 18 December 2008)

COMPANY SECRETARY

The Company Secretary is Richard Charles Baker B.Ec., CPA. Mr Baker has held similar positions with other listed companies over the past 5 years. Prior to that he worked in accounting positions for many years.

PRINCIPAL ACTIVITIES

The Company's principal activities during the year have been the continuing exploration of its tenement portfolio.

There were no significant changes in the nature of the Group's principal activities during the financial year.

OPERATING RESULTS

The consolidated loss for the year attributable to the members of the Company was:

	2008	2007
	$	$
Operating loss after income tax	**(1,338,719)**	(788,064)
Outside equity interests	**-**	-
Net loss attributable to members of the Group	**(1,338,719)**	(788,064)

DIVIDENDS

As the Company's principal activities are minerals exploration it has not as yet paid any dividends and does not see any short –term return to shareholders via dividend payments.

REVIEW OF OPERATIONS

A summary of the company's activities during the year are as follows

BOTSWANA OPERATIONS

OBJECTIVES

A-Cap Resources Limited's ("A-Cap") objective is to build a profitable Uranium mining and exploration company by advancing its attractive exploration assets in Botswana.

STRATEGY

During the last year the Company has enacted a four tiered strategy to achieve its exploration and development goals.

- Continue an aggressive drilling campaign at its Letlhakane Project with the aim of creating a sufficient resource base to contemplate development
- Determine the economic potential of the Letlhakane Project by commissioning a detailed Scoping Study managed by SRK Consulting
- To continue to explore other opportunities across A-Cap's extensive exploration holdings in Botswana
- Continue to build and secure the management and staff at A-Cap ensuring the continuity of project work.

BOTSWANA'S URANIUM PROSPECTIVITY

Geologically Botswana is located in the southern part of the African continent and straddles the contact zone between two important geological domains; the Zimbabwe and Kapvaal cratons. Across southern Africa Uranium deposits are known to occur in four main styles

- Stratabound Uranium within sedimentary rocks of the Karoo Supergroup. The Karoo Supergroup is a regionally extensive group of alluvial and fluviatile sediments that formed during rifting across southern Africa –for example the Kayelekera Uranium Deposit in Malawi
- Associated with calcretised sediments occurring in paleodrainage channels – for example the Langer Heinrich deposit in Namibia
- Associated with a particular type of Intrusive granite known as an Alaskite - for example the Rossing Uranium mine in Namibia
- Uranium occurring within metamorphosed sedimentary rocks of the Witwatersrand Basin in South Africa, in this style the Uranium occurs in close association with the major gold deposits centered on Johannesburg.

Importantly, South Africa and Namibia hold approximately 14% of the worlds known reasonably assured Uranium Resources. Based on a detailed evaluation of Botswana Geology, A-Cap believes it is likely that Botswana has potential for thee styles of Uranium mineralisation, the exception being Uranium associated with Witwatersrand type. Until A-Cap's first Uranium Inferred Resource announcement in December 2007, Botswana had no Uranium Resources simply means that this country is massively underexplored.

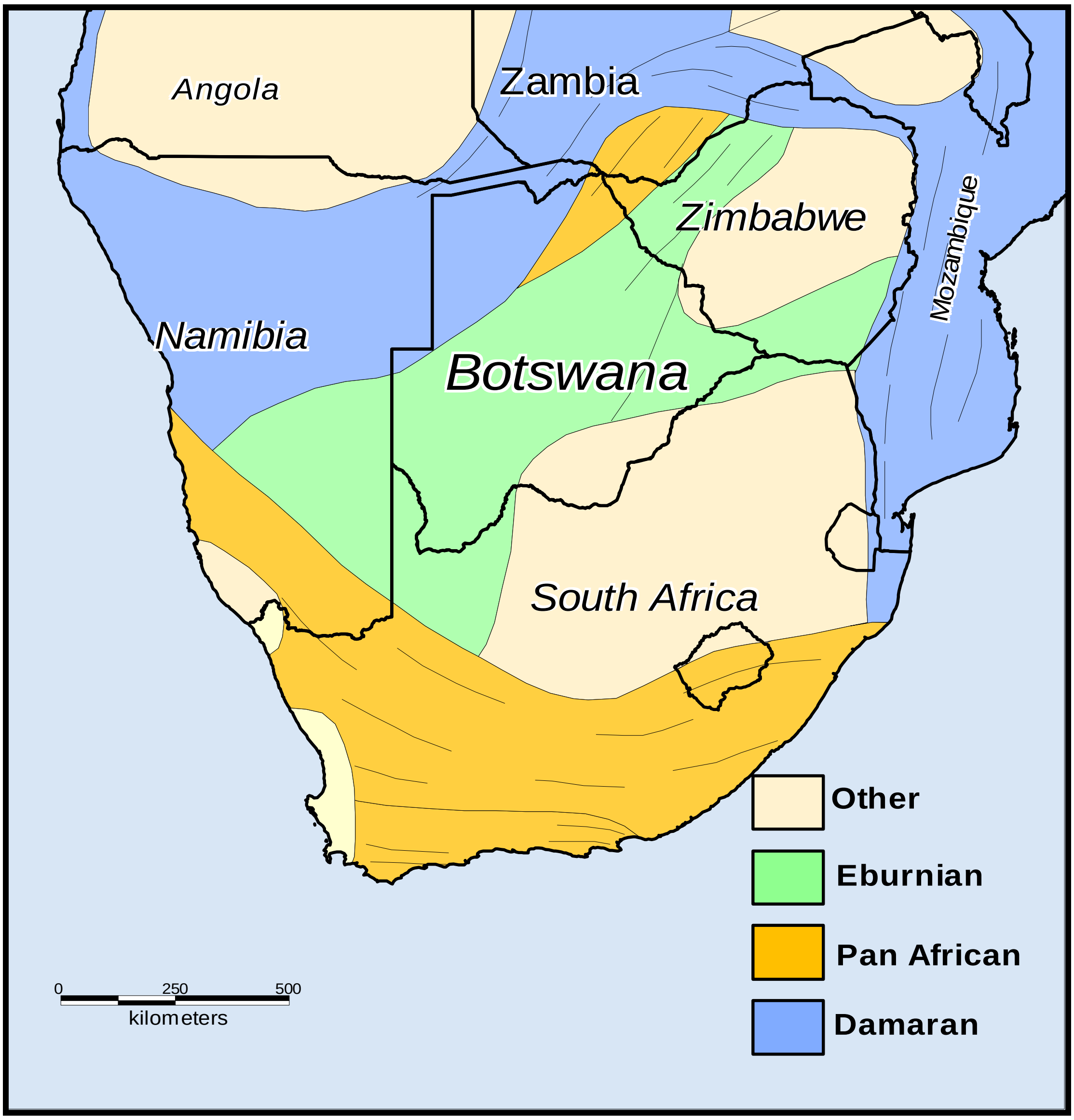

Figure 1: Geology of Southern Africa highlighting the similarities between the Geology of Botswana and neighboring countries where Uranium is.

The geological prospectivity is further backed up by new Uranium discoveries in Zambia, Malawi and Tanzania, again in similar rock types to those seen in Botswana. A-Cap has established an extensive Uranium exploration portfolio covering in excess of 7,000 km² across Botswana and has exciting plans to continue its push towards becoming Botswana's first Uranium producer.

A-CAP PROJECTS
TENEMENT STATUS

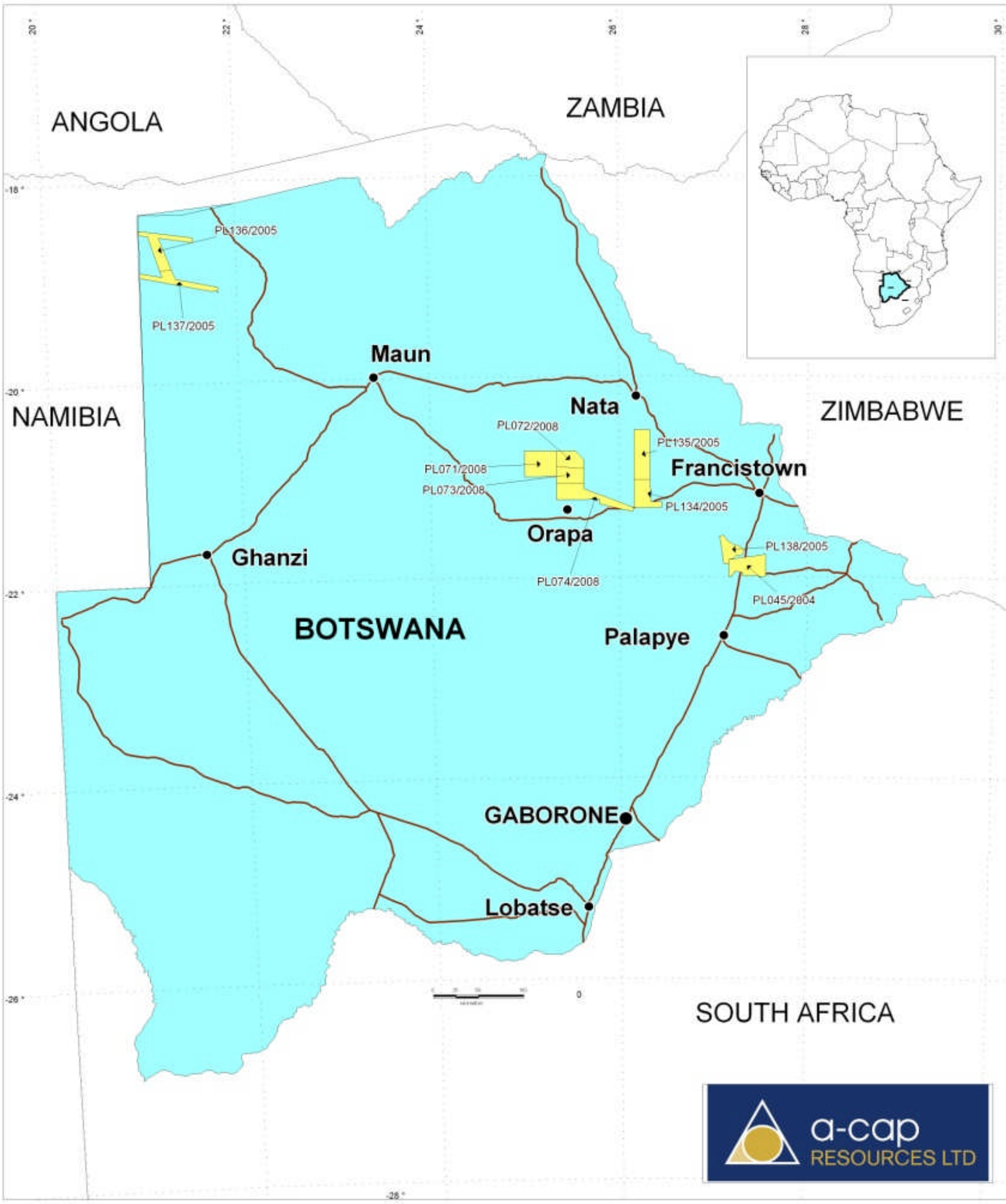

Figure 2: Location Map showing A-Cap's tenement holding across Botswana. A-Cap holds a total of approximately 7,000km² of prospective ground in 10 Prospecting Licences ("PL").

LETLHAKANE PROJECT PL 45/2004 & PL 138/2005

The Letlhakane Project which lies within PL45/2004 Letlhakane and PL 138/2005 Bolau has continued to be the focus of A-Cap's concentrated efforts during the year. Exploration has focused on resource extension drilling to mineralisation first discovered in the 1970's by Falconbridge at the Mokobaesi Prospect. Historical work by Falconbridge focused on extensive radiometric anomalies discovered during airborne surveys. During the last year A-Cap has completed new high resolution detailed geophysical surveys over the project to clearly define the target zones.

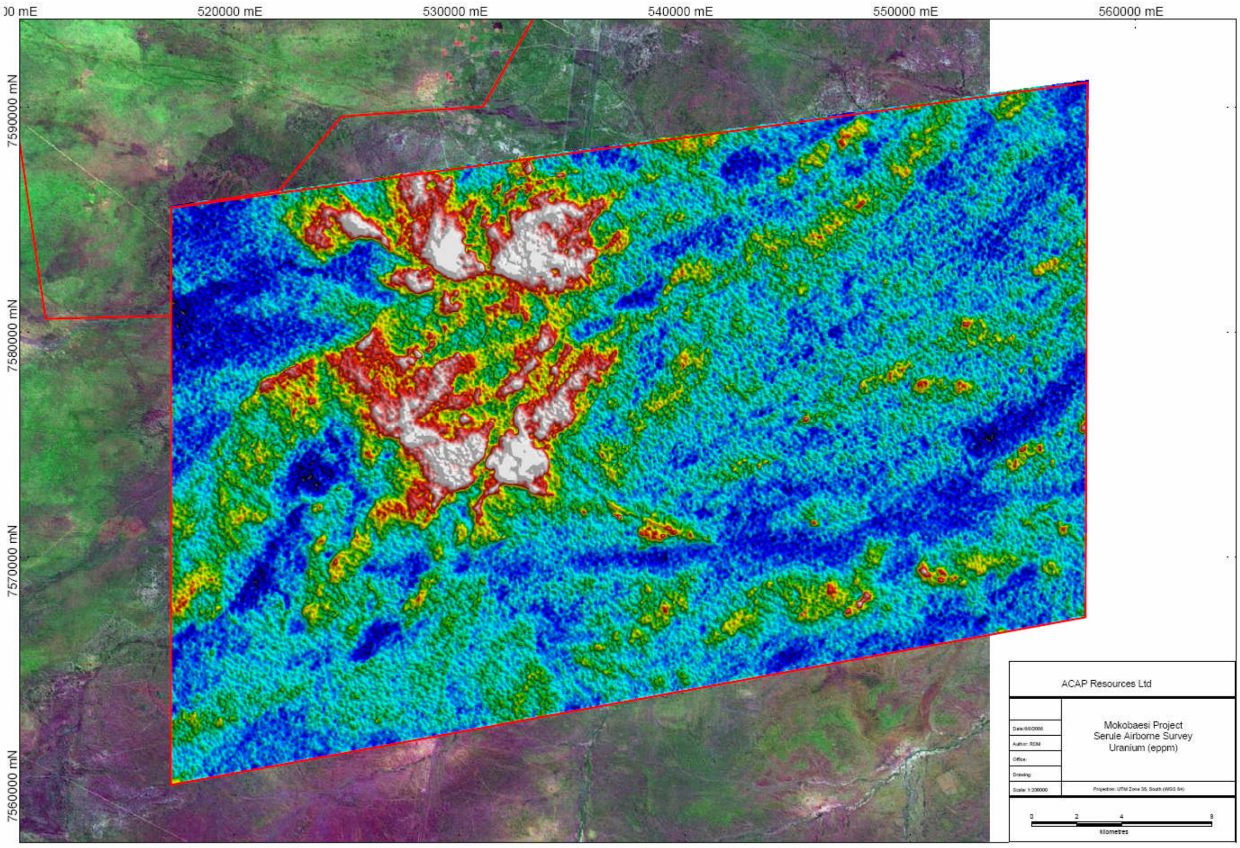

Figure 3: Detailed radiometric image of PL45/2004 Letlhakane illustrating the significant radiometric anomaly which can be seen in the colour image with red and white being areas of anomalism. The radiometrics overlays a standard Landsat Image in the background. The main area of radiometric anomalism covers approximately 150km².

A-Cap first drilled the project in October 2006 commencing with a 10,000m Reverse Circulation ("RC") program at Mokobaesi Prospect. Since January 2007 A-Cap have drilled across the project testing several areas and in the 2007-2008 financial year completed 43 diamond drill holes for 2,645m and 971 RC percussion holes for 45,660m. The main focus of drilling has been the Mokobaesi, Kraken and Gorgon prospects where in December 2007, A-Cap released Botswana's first ever Uranium Resource reported in accordance with the JORC (Joint Ore Reserves Committee) Code. This Inferred Resource was upgraded in July 2008 with a significant increase in both grade and tonnes for a 390% increase in contained Uranium.

LOCATION AND INFRASTRUCTURE

The Letlhakane Project is ideally situated approximately 70km south of Francistown in North East Botswana. The Prospecting Licence ("PL") is bisected by major infrastructure such;

1. North South road link between Gaborone and Francistown (sealed all weather highway)

2. North South railway line linking Botswana to South Africa and Zimbabwe

3. High tension 220,000V Power lines
4. Water pipeline

These factors will have a considerable positive impact on any future development at the Letlhakane Project helping to ensure low Capital Costs for any planned operation.

Importantly there are no villages within or closely adjacent to the main resource area and the land is crown land with no appreciable farming activity.

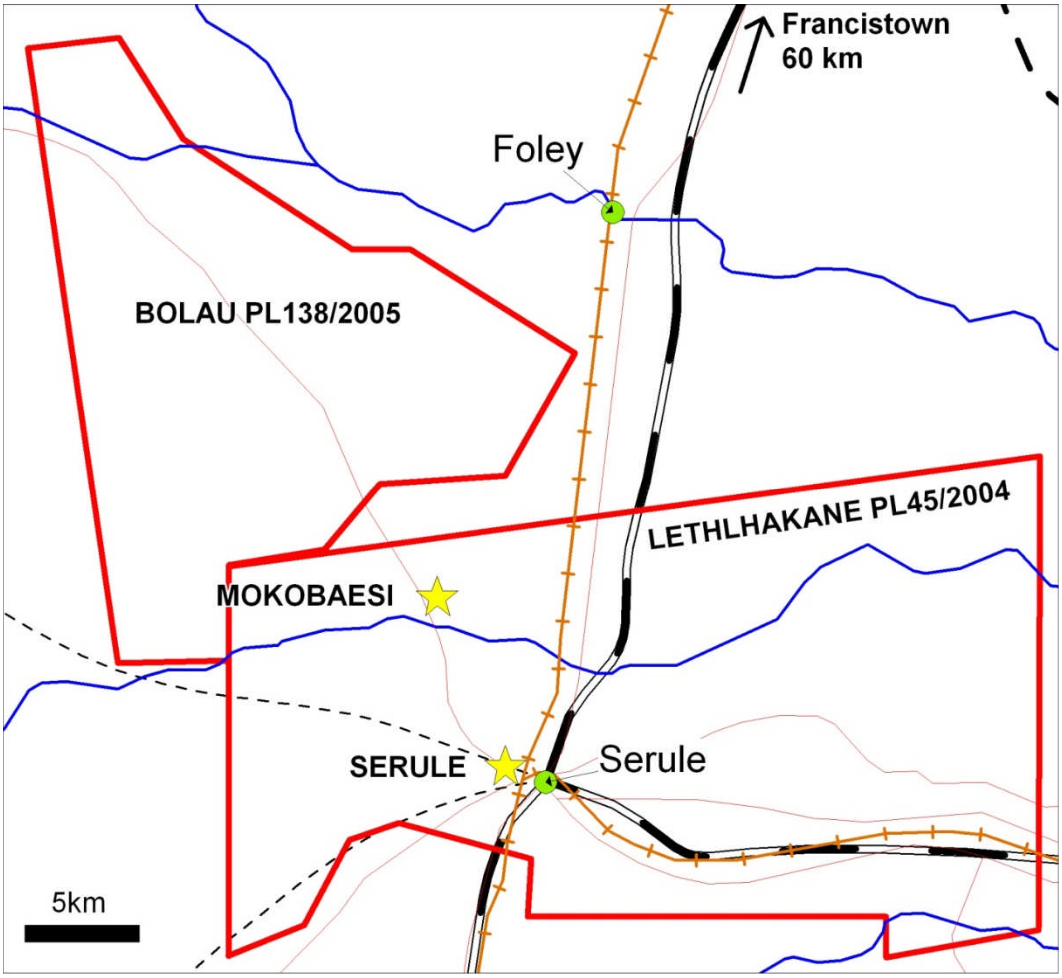

Figure 4: Location and Infrastructure map of the Letlhakane Project

GEOLOGY

Regional Geology

The Letlhakane tenement, within which the Mokobaesi, Kraken, Gorgon and Serule Prospects are located, is underlain by the Archaean aged rocks of Moutlouse Complex which is part of the Limpopo Mobile Belt. On the western portion of the tenement, a thick sequence of fluvial sediments, belonging to the Permian aged, Karoo Supergroup, unconformably overlie the Archaean basement. The Karoo sediments within PL45/2004 comprise a thick, intercalated sequence of poorly sorted, immature sandstone, arkose, lithic conglomerate and carbonaceous mudstones/siltstone with coal interbeds.

The oldest member of the Karoo group observed within the field area is a sequence of immature arkosic breccias/conglomerates. These are overlain by sediments of the Mea Arkose Formation. In the Letlhakane area, the Mea Arkose reaches a stratigraphic thickness of approximately 100m. At the base, the sediments are immature comprising interbedded arkose with narrow mudstone units. This arkosic dominated sedimentary package is rarely more than 20m thick.

Overlying the arkosic member is a sequence of carbonaceous mudstone and coal. This unit, which varies in thickness between 0.5m and 10m, can be used as a marker horizon over a large portion of the project area. The carbonaceous units are overlain by a sequence of upward fining, fluvial facies comprising basal quartz pebble conglomerate, sandstone and mudstone with occasional coal interbeds.

Overlying the Mea Arkose is a distinctive argillaceous dominated facies interpreted to be the Tlapana Formation. This unit, which reaches stratigraphic thickness of up to 100m in the project area, is a sequence of interbedded carbonaceous and non-carbonaceous mudstones, with the occasional coal interval.

The Tlapana formation is in turn overlain by the distinctive red, mature sandstone beds of the Ntane Sandstone. This unit is only observed in the far western portion of the license.

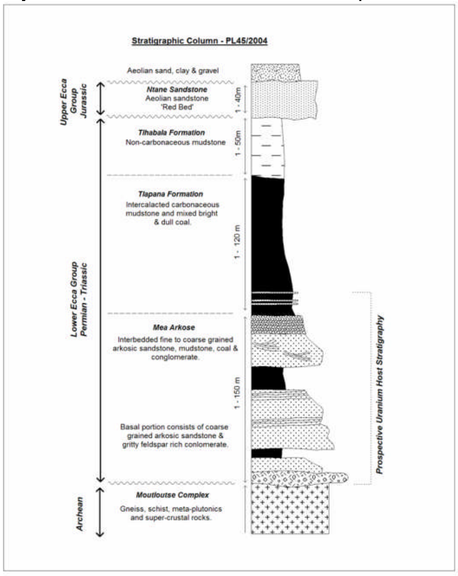

Figure 5: Regional Stratigraphic Column highlighting the position of the Uranium mineralisation within the Karoo sequence

RESOURCES

December 07 Inferred Resource

In December 2007 A-Cap published Botswana's first Uranium resource reported in accordance with the JORC Code The global Inferred Resource at a range of cut off grades is presented in the following table.

Cut off U_3O_8	Tonnes Million	Grade U_3O_8 ppm	Contained U_3O_8 Tonnes	Contained U_3O_8 Million Pounds
80	120	120	14,400	31.7
90	89	130	11,570	25.1
100	**65**	**140**	**9,100**	**20.1**
120	37	160	6,920	13.3
150	18	190	3,420	7.7
200	6	240	1,440	3.2

The Inferred resource covers an area approximately 6km (east-west) by 3km (north south) and extends from surface to 45m depth.

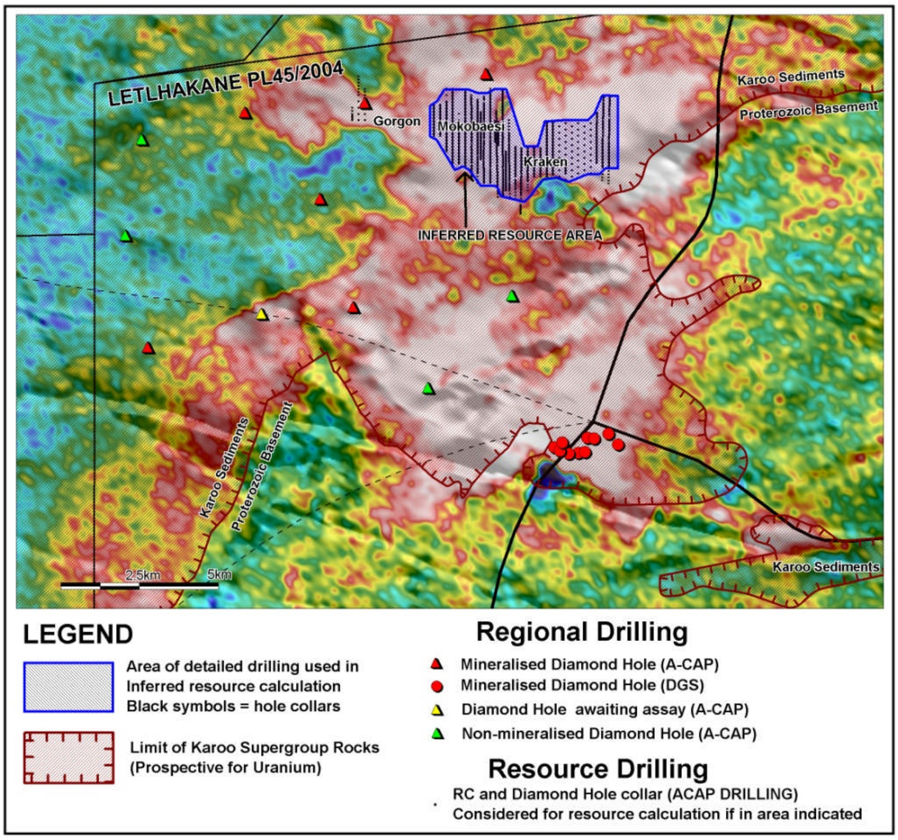

Figure 6: The area used in the December 2007 Inferred resource calculation (outlined in blue), which is approximately 6km long by 3km wide. Also shown is the outcrop limits of the Karoo Sediments which are prospective for Uranium mineralisation.

July 08 Resource

In July 2008 an updated resource was released. The updated resource, again prepared in compliance with the JORC Code, covers approximately 9km by 3km to a maximum depth of 70m and has been calculated by SRK Consulting as part of the Letlhakane Project Scoping Study.

These figures represent a 330% increase in tonnes and a 13 % increase in grade leading to a 390% increase in contained metal at the same cut-off (100ppm) when compared to the previous resource estimate.

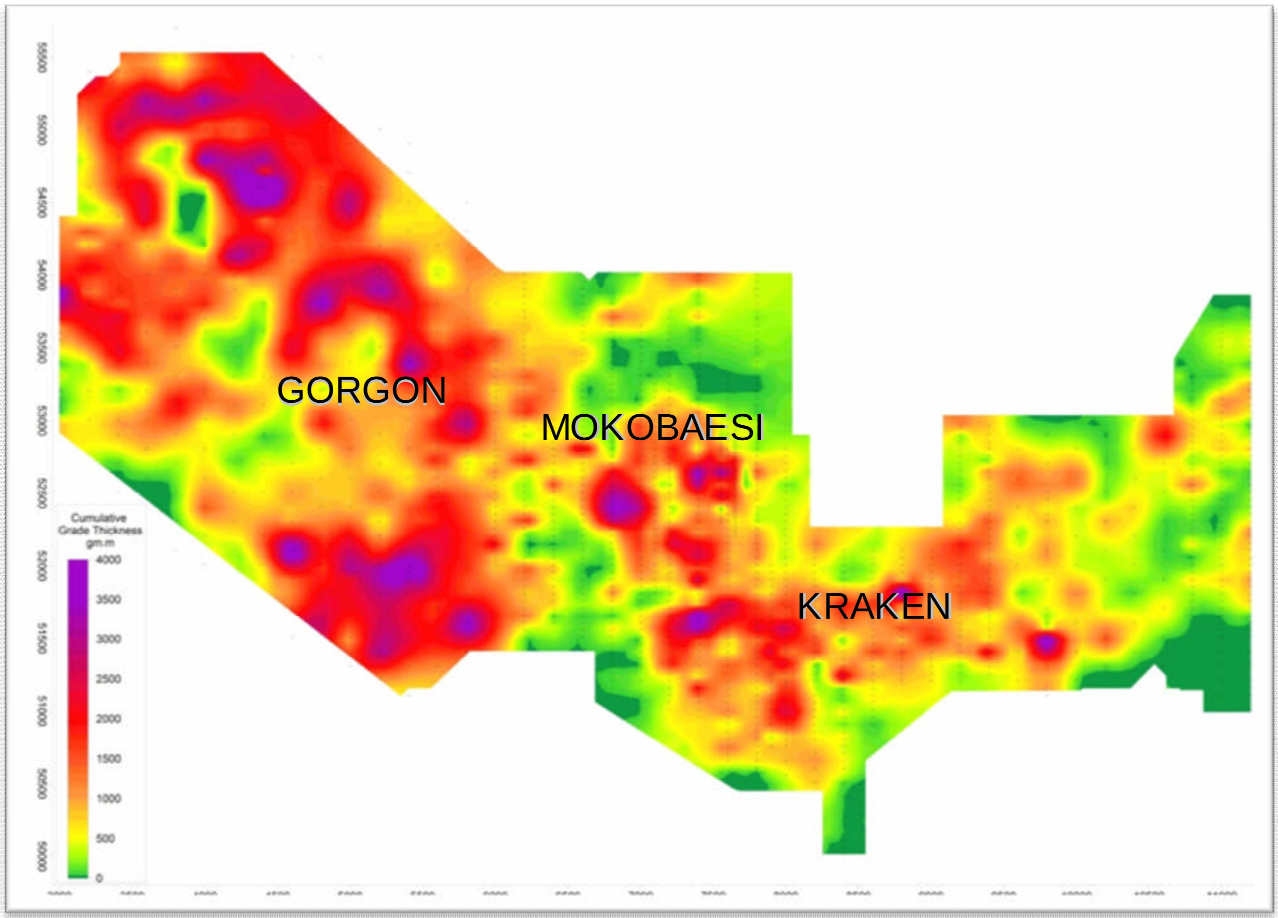

Figure 7: Cumulative grade X thickness (ppm.m) plot of drilling within the main project are at the date of the July resource upgrade. The names of the three major prospects are also highlighted

Letlhakane Global Inferred Resource

Cut off U_3O_8	Contained Tonnes (Million)	Av grade U_3O_8ppm	Contained U_3O_8 Tonnes	Contained U_3O_8 lbs (Millions)
100	280	158	44,690	98
125	231	166	38,380	85
150	140	184	25,720	57
175	71	204	14,560	32
200	31	228	7,110	16
225	14	249	3,410	8
250	5	277	1,290	3

URANIUM MINERALISATION STYLES AT THE LETLHAKANE PROJECT

Three different styles of mineralisation have been noted in the Mokobaesi, Gorgon and Kraken prospect areas. These are calcrete hosted secondary mineralisation, Karoo hosted secondary – oxide mineralisation and Karoo hosted primary mineralisation. Each of these has been considered as a separate domain within the updated resource.

CALCRETE HOSTED SECONDARY MINERALISATION

The calcrete hosted mineralisation was previously identified by earlier explorers and, given its widespread surface exposure in the Mokobaesi area, constituted the initial exploration target. This mineralisation style is limited to the occurrence of calcrete in the immediate Mokobaesi area. The calcrete occurs as nodules, coatings on Karoo sediment fragments and as fracture fill. It is predominantly within the first two metres of the Karoo but can extend up into the base of the unconsolidated sand and clay that now cover the Karoo. The calcrete hosted Uranium mineralisation is all secondary in nature and is composed entirely of canary yellow Uranium vanadates which have precipitated on the outside of the calcrete nodules and within fractures.

Letlhakane (Mokobaesi) Inferred Calcrete Resource

Cut off U3O8	Contained Tonnes (Million)	Av grade U3O8ppm	Contained U3O8 Tonnes	Contained U3O8 lbs (Millions)
100	9	171	1,560	3
125	8	176	1,410	3
150	5	187	1,020	2
175	3	207	530	1
200	1	233	280	1
225	1	266	140	<1
250	0	305	90	<1

KAROO HOSTED SECONDARY MINERALISATION

The Karoo secondary Uranium mineralisation occurs in fractures and coating bedding planes within the finer mudstone/shale. There is also a spatial correlation between Uranium mineralisation and iron oxides (haematitic horizons) in the upper profiles.

As with the calcrete mineralisation the bulk of the Uranium occurs in Uranium vanadates such as Carnotitie and Francevellite.

Letlhakane Inferred Secondary Resource

Cut off U3O8	Contained Tonnes (Million)	Av grade U3O8ppm	Contained U3O8 Tonnes	Contained U3O8 lbs (Millions)
100	96	162	15,480	34
125	78	172	13,490	30
150	53	188	9,910	22
175	31	207	6,380	14
200	15	228	3,460	8
225	7	247	1,780	4
250	2	268	670	1

KAROO HOSTED PRIMARY MINERALISATION:

Examples of primary Uranium mineralisation have been noted in drill cores returned from the Mokobaesi, Kraken and Gorgon prospects. Primary mineralisation is broadly strata bound within fine-grained sandstones and mudstones and often in close proximity to carbonaceous units. Uranium mineralogy is typically dominated by coffinite and uraninite.

Letlhakane INFERRED PRIMARY Resource

Cut off U_3O_8	Contained Tonnes (Million)	Av grade U_3O_8ppm	Contained U_3O_8 Tonnes	Contained U_3O_8 lbs (Millions)
100	179	154	27,520	61
125	150	161	24,120	53
150	84	180	15,240	34
175	40	201	7,950	18
200	16	226	3,510	8
225	6	248	1,530	3
250	2	277	530	1

SCOPE TO GROW

The Inferred Resource upgrade is an exciting milestone A-Cap's quest to become Botswana's first Uranium producer, however, the Board of A-Cap believes that these estimates are only the early stages of discovery of a potentially much larger mineralised field. For example:

1. Regional diamond drill holes up to 10km outside the current resource area reflect the potential for further resource increases with more exploration.
2. The resource is open to the North, West and South with further drilling planned in the coming months.
3. Recently the company has commenced drilling at the Serule prospect with encouraging intersections, as shown below. Serule is approximately 5km south of the existing resource area and demonstrates the scope of the Letlhakane Project to grow quickly.

SERC00210	2.8m	@ 318 ppm and 1.6m @ 1938 ppm
SERC00236	2.2m	@ 1443 ppm
SERC00215	11.4m	@ 775 ppm
SERC00157	6.8m	@ 508 ppm including 0.8m @ 2095 ppm
SERC00161	5.8m	@ 336 ppm and 2.5m @ 1567 ppm
SERC00156	3.4m	@ 581 ppm including 1.5m @ 1111ppm
SERC00165	4.8m	@ 305 ppm including 0.6m @ 897 ppm
SERC00189	5.9m	@ 344 ppm

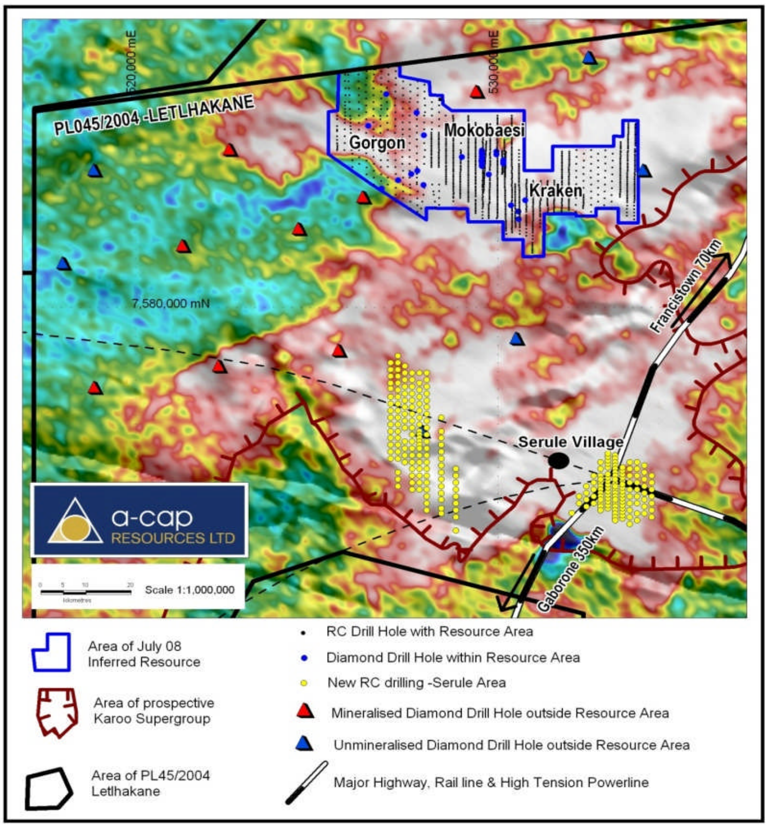

Figure 8: The area of the July 08 updated resource is shown in blue. Less than 25% of the radiometric anomaly has been covered with detailed drilling. The new drilling at the Serule Prospect is shown by the yellow circles

SCOPING STUDY

In early 2008 A-Cap selected SRK Consulting from a field of experienced mining consultancies to manage the Scoping Study on the Letlhakane Project. The aim of the Scoping Study is to investigate the preliminary financial viability of a mining operation on the mineralisation discovered at the Letlhakane Project.

Given the large tonnage low-grade nature of the project the Scope of Work for the A-Cap study encompassed the following investigations:-

Mining

- establish mine layout and access requirements;
- annual ore and waste production schedules for a base case and maximum case;
- development of operating and capital cost models for both schedules,
- preparation of a mine plan;
- mining capital and operating costs to within a 30% accuracy

Metallurgy/Process Options

- Detailed study of ore mineralogy
- Detailed metallurgical testwork including conventional leach tests to decide on the most appropriate process route.
- Determine the capital and operating cost of the optimum processing route

Waste Management

- Design of the waste dump layout and capacities;
- Design of a leach pad facility to match mining/Uranium productions targets.

Infrastructure

- Review of the likely infrastructure requirements for the project including power supply, access roads, camp/accommodations and water supply (potable and process). The required infrastructure will be documented and a cost estimate included in the financial model.

Financial Modelling

- A technical-economic model including both capital and operating costs for the project will be developed.

The results of the Scoping Study are expected to be available in the fourth quarter of 2008.

MAKGHADIGHADI PROJECT

PL134/2005 ,PL135/2005, PL71/2008, PL72/2008, PL73/2008 AND PL74/2008

Mea (134/2005) and Sua (135/2005) are two large PL's that lie on the eastern edge of the Makghadighadi Salt pans of Northern Botswana (see Figure 9 below). The area is approximately one and a half hours drive north of Francistown along sealed roads. Airborne radiometric surveys conducted by Falconbridge along the eastern margin of the salt lake indicate the presence of significant radiometric anomalies associated with the Tlapana Formation a member of the Karroo Supergroup.

During the year A-Cap contracted GeX Surveys to conduct a detailed airborne radiometric and magnetic survey of the Mea and Sua lease areas. The new airborne data is currently being evaluated by A-Cap geological staff in Botswana. It is expected that reconnaissance drilling should commence on high priority targets in 2009.

Also during early 2008, four Prospecting Licences (Pl's 71,72,73,74/2008) covering approximately 3000km² were granted for A-Cap to explore for radioactive minerals along the south edge of the Makghadighadi Salt Pans. The area covers prospective lower Karoo Supergroup rocks that have potential for stratabound and rollfront styles of Uranium deposits similar to those at the Letlhakane Project. At this stage no significant work has been carried out on these projects. Preliminary field visits and reconnaissance geological mapping are planned for 2009.

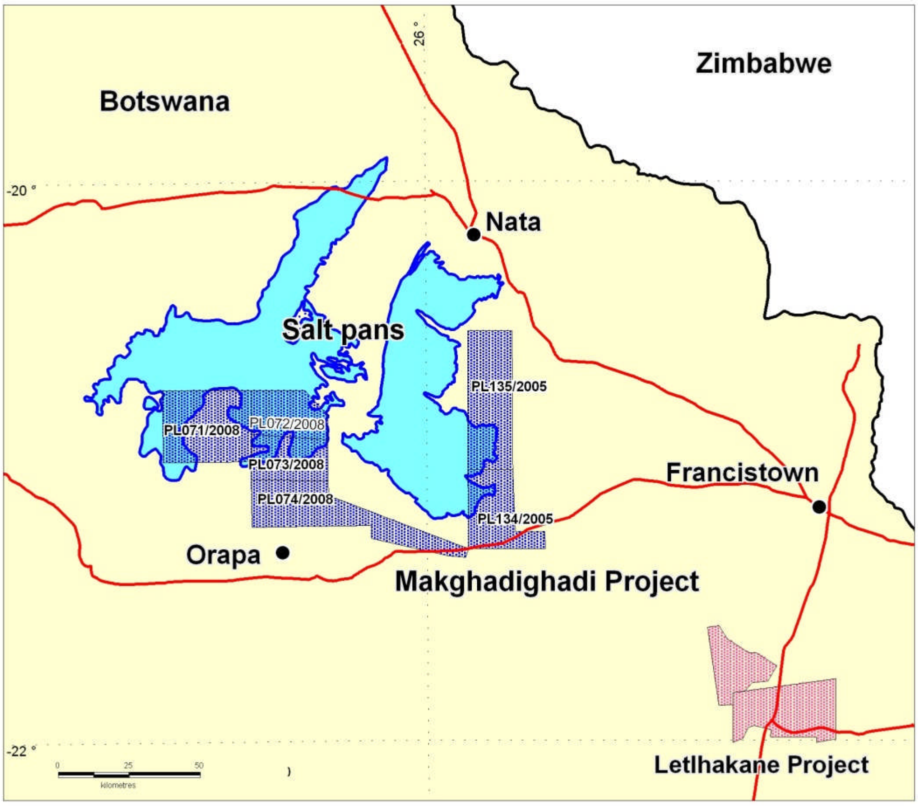

Figure 9: Location map for the 6 PL's that make up the Makghadighadi

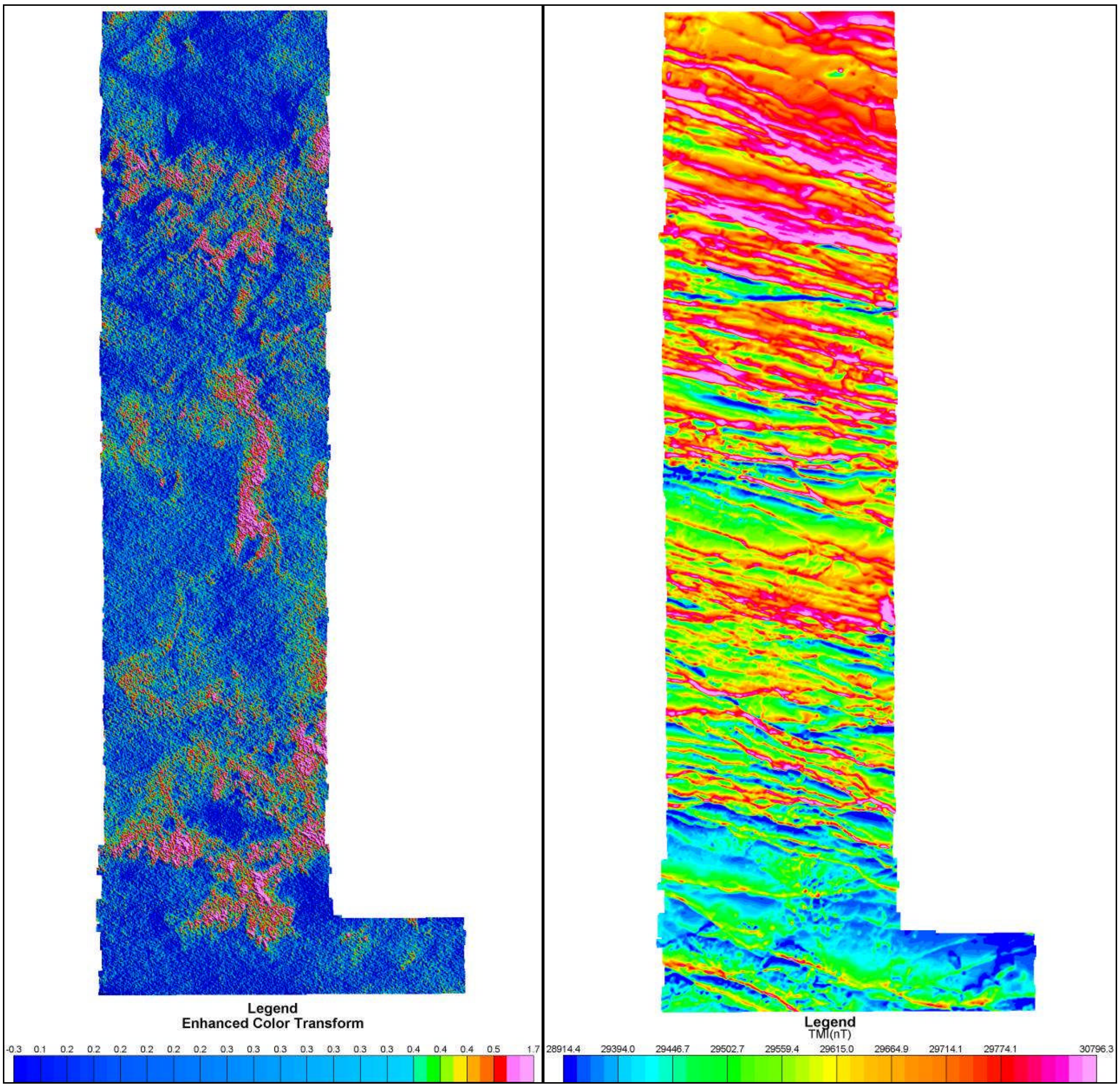

Figure 10: Radiometric image highlighting U anomalies over Mea and Sua tenements. Total Magnetic Intensity (TMI) image over Mea and Sua tenements.

NORTH URAY (PL136/2005) AND SOUTH URAY (PL137/2005)

These two PL's in the north western corner of Botswana focus on past exploration results that discovered surficial Uranium mineralisation thought to be associated with paleodrainage channels. Grab samples with grades of up to 1328 ppm U_3O_8 were collected from these areas by Union Carbide in the 1970's. A field camp was established at North Uray during November 2007. A three-man reconnaissance team conducted scout exploration and collected 371 ground scintillometer readings on a 500m x 500m grid along the east-west axis of the northern extension of the tenement.

Much of the tenement area was found to be covered with thick Kalahari sand, however where channels in the sand were located, anomalous results, similar to those recorded by Falconbridge, were obtained.

A-Cap is confident these areas provide excellent exploration potential for paleochannels Uranium deposits, however due to the focus on the Letlhakane Project further work on these remote PL's has been postponed until 2009.

NON BOTSWANA ACTIVITES

CHINA

No field work was conducted during the year on the company's granted exploration permit. The company has ceased any operations in China.

QUEENSLAND

The company has retained its 4% free-carried interest in the Hodgkinson Basin JV in Queensland with Republic Gold and Gateway Mining NL.

FINANCIAL POSITION

The net assets of the consolidated entity have decreased by $4,376,333 from 30 June 2007 to $ 14,854,709 as at 30 June 2008.

The directors believe the group is in a strong and stable financial position and able to expand and grow its current operations.

CORPORATE ACTIVITY

The main corporate activity undertaken by A-Cap Resources Limited ("A-Cap") during the year was to demerge the non-Uranium assets of the Company to Botswana Metals Limited (ASX code BML) by a return of capital to the shareholders of A-Cap by an "in-specie" distribution of shares in the capital of Botswana Metals Limited under the Scheme of Arrangement approved by the Court on 22 June 2007.

Botswana Metals Limited issued a prospectus resulting in a successful capital raising and its subsequent listing on the Australian Securities Exchange on 18 January 2008. The demerger of A-Cap's non-Uranium assets allows A-Cap to focus on the exploration and development of its substantial Uranium portfolio.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Renewal of Botswana Prospecting Licences

On 18 September 2007, the Company's Prospecting Licence in Botswana, PL 45/2004 – Letlhakane, held by its wholly –owned subsidiary Cardia Mining Botswana (Pty) Ltd was renewed by the Botswana Department of Geological Survey for a further period of 2 years, expiring on 30 June 2009.

New Issue of Securities

On 15 August 2007 the Company announced the issue of 395,000 options to selected staff members of the Company's subsidiary in Botswana as part of the Executive and Employee Option Plan approved by shareholders at the Annual General Meeting on 29 November 2006. The terms and conditions of those options are specified in the Remuneration Report and in Note 21 to the Financial Accounts.

Restructure of the Company's Botswana Operations

During the year A-Cap Resources Limited ("A-Cap") demerged the non-Uranium assets of the Company to Botswana Metals Limited (ASX code BML) by a return of capital to the shareholders of A-Cap by an "in-specie" distribution of shares in the capital of Botswana Metals Limited under the Scheme of Arrangement approved by the Court on 22 June 2007.

Botswana Uranium Exploration

Drilling continued at the Serule Prospect during the period from July to late August. Results of this drilling which have already been released to the market confirm another substantial zone of Uranium mineralisation which is outside the current resource base.

A-Cap also focussed considerable efforts in the completion of the Scoping Study program with lead consultants SRK.

New drilling was completed across the Mokobaesi, Kraken and Gorgon prospects to collect samples for further metallurgical testwork. This phase of work will consider the ores amenability to heap leaching via column testing.

Appointment of New Director

On 18 December 2007 the Company announced the appointment of Dr Paul Woolrich as a non-executive director of the Company. On the same day the Company announced the resignation of Mr Peter Pena from the position of non-executive director.

ADOPTION OF AUSTRALIAN EQUIVALENTS TO IFRS

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS) the Company's financial report has been prepared in accordance with those Standards.

AFTER BALANCE DATE EVENTS

Other than the matters discussed below, there has not arisen in the interval between the end of the financial 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 entity, the results of these operations or the state of affairs of the consolidated entity in subsequent years.

Change of Share Registry

On 28 August 2008 the Company announced that is was changing its share register to Advanced Share Registry Services Limited effective 1 September 2008.

AFTER BALANCE DATE EVENTS (CONTINUED)

New Issue of Securities

On 15 August 2008 the Company announced the issue of 5,750,000 options to purchase ordinary shares to the Directors as approved by shareholders at the General Meeting of the Company held on 30 July 2008. The options are unlisted but upon exercise will rank equally in all respects with the fully paid ordinary shares in the Company. The grantee, number, exercise price and expiry date are detailed in the table below.

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	Last Exercise Date
PJ Volpe	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
HJ Stacpoole	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
P Woolrich	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
P Woolrich	1,000,000	1,000,000	15/08/2008	0.2513	0.552	29/11/2009
AJ Tunks	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
AJ Tunks	750,000	750,000	15/08/2008	0.3490	0.40	30/06/2011
	5,750,000	5,750,000				

FUTURE DEVELOPMENTS

The company's main exploration efforts will be focussed on continuing with its Letlhakane Uranium Project this work will focus on the following min fronts;

- Close spaced drilling across parts of the Letlhakane Project Inferred Resource area to increase geological confidence in resource base
- Continued drilling to expand the current resource base
- Drill testing of other targets in the Letlhakane Project area
- Continuation of detailed metallurgical study of ores at across the Letlhakane Project with specific focus on column testing for heap leach amenability.

The Company will also focus increasing effort on its more grassroots projects including:

- Reconnaissance drilling of priority prospects identified PL's in Mea and Sua based on recent geophysical surveys
- Preliminary field evaluation of the geological prospectivity of PL 71, 72, 73,74/2008 the Makghadighadi Project.
- Continuity Reconnaissance field work at the North and South Uray Pl's
- Monitoring of competitor activities across Botswana with an eye new project opportunities.

ENVIRONMENTAL ISSUES

The consolidated entity holds 100% interest in a number of exploration licences and has participating interests in others. The various authorities granting such licences require the licence holder to comply with directions given to it under the terms of the grant of licence.

There have been no known breaches of the consolidation entity's licence conditions.

INFORMATION ON DIRECTORS

Patrick John Volpe *B.Bus(Acc), P.G.(Tax), CPA*	Experience:	Executive Chairman for 4 years Background in mining, media, transport, manufacturing, banking and stockbroking with a particular emphasis on corporate restructuring, business acquisitions, investment advising and capital raisings.
	Age:	50
	Special Responsibilities:	Corporate finance and investment, Acquisitions and mergers Chairman of the Audit and Compliance Committee
	Interest in Shares:	11,111,849 Ordinary Shares
	Directorships held in other Listed Entities:	He is currently also a Director of, Botswana Metals Limited, Cardia Technologies Limited and a former Director of Dia-B Tech Limited, but has not held any other directorships of listed entities over the last 3 years.
Andrew James Tunks *B.Sc (Hons), PhD*	Experience:	Chief Executive Officer since 29 August 2006 and Executive Director since 17 October 2006 Qualifications in economic geology with 20 years experience in international mining and exploration projects.
	Age:	44
	Special Responsibilities:	Exploration activities
	Interest in Shares:	50,000
	Directorships held in other Listed Entities:	He is currently also a director of Botswana Metals Limited.
Henry James Stacpoole	Experience:	Non-Executive Director for 3 years. Managing Director of Stacpoole Enterprises Pty Ltd, a civil contracting, drilling and mining exploration company based in Launceston in Tasmania. He was a founding Director of Beaconsfield Gold Mines Ltd in 1987 and was closely involved in the development of that company's mine in Tasmania becoming Chairman of the restructured Beaconsfield Gold N.L. in 1992. He resigned as a Director in 2001.

	Age:	73
	Special Responsibilities:	Mining Engineering
	Interest in Shares:	1,434,859
	Directorships held in Other Listed Entities:	He is currently also a non-executive director of Botswana Metals Limited.
Paul Woolrich BSc (honours), MSc, PhD.	Experience:	Non-executive director since 18 December 2007. Dr Woolrich has over 35 years experience in the international exploration and mining industry focussed on gold, base metals and PGEs, with the last 20 years spent in senior management positions with Western Mining Corporation, Ranger Minerals Ltd, Orion Resources, Gallery Gold and Platmin Ltd. He was Project Manager in charge of the feasibility study of Platmin's Pilanesberg PGE Project in South Africa in 2004-2006. He holds degrees in geology (BSc honours), geochemistry (MSc) and metallurgy (PhD), and has been non-executive director since December 2007.
	Special Responsibilities:	Dr Woolrich is managing A-Cap's Scoping Study into the viability of the Letlhakane Uranium Project.
	Age:	63
	Interest in Shares:	50,000
	Directorships held in Other Listed Entities:	He is currently also a non-executive director of Botswana Metals Limited.

DIRECTORS' MEETINGS

The number of meetings of the Company's Board of Directors and the Audit and Compliance Committee held during the year ended 30 June 2008, and the numbers of meetings attended by each director were:

Name	Board		Audit and Compliance Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
P J Volpe	10	10	2	2
P Pena	3	1	-	-
H J Stacpoole	10	10	-	-
A J Tunks	10	10	-	-
P Woolrich	7	7	-	-
R C Baker (Company Secretary)	-	-	2	2

REMUNERATION REPORT

Remuneration Policy

The remuneration policy of A-Cap Resources Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based upon the recommendations of external consultants. The board of A-Cap Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the economic entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed by independent external consultants and approved by the board based on the professional advice of those consultants.
- All executives receive a base salary (which is based on factors such as length of service and experience) and superannuation.
- The board reviews executive packages annually by reference to executive performance and the professional advice of independent external consultants.

Executives are also entitled to participate in the Executive and Employee Option Plan at the discretion of the board.

The directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9%, and do not receive any other retirement benefits.

All remuneration paid to directors and executives is valued at the cost to the company and expensed. Options are valued using the binomial model.

The board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is utilised to do this from independent external consultants. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the Executive and Employee Option Plan at the discretion of the board.

Performance-based Remuneration

Due to the nature of its mineral exploration activities, the Company uses external consultants rather than employees and there is therefore no performance-related remuneration.

Company Performance, Shareholders Wealth and Directors' and Executives Remuneration

Remuneration of directors is determined by the Board within the maximum amount approved by the shareholders from time to time, and the Company's broad remuneration policy is to ensure that remuneration packages properly reflect a person's duties and responsibilities and are set at levels that are intended to attract and retain people of the highest quality.

REMUNERATION REPORT (CONTINUED)

Key Management Personnel Remuneration Policy

The board's policy for determining the nature and amount of remuneration of key management for the group is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service and particular experience of the individual concerned. The contracts for service between the company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued at the date of retirement. Any options not exercised before or on the date of termination lapse.

Details of the nature and amount of each major element of the remuneration of each Director of the Company for the year ended 30 June 2008 are:-

Name	Short-term Benefits	Post-employment Benefits	Share-based Payment	Total
	Cash Salary & Fees	Superannuation	Options	
P J Volpe (Executive Director)	213,720	37,235	-	250,955
H J Stacpoole	50,000	4,500	-	54,500
P Pena (resigned 18 December 2007)	23,300	2,097	-	25,397
P Woolrich (appointed 18 December 2007)	27,083	-	-	27,083
A J Tunks	169,800	13,932	-	183,732
Total	483,903	57,764	-	541,667

Information in respect of specified executive officers within the consolidated entity receiving the highest emoluments for the year ended 30 June 2008 are:-

Name	Cash Salary & Fees
R C Baker (appointed 3 July 2007)	55,904

Details of the nature and amount of each major element of the remuneration of each Director of the Company for the year ended 30 June 2007 are:-

Name	Short-term Benefits	Post-employment Benefits	Share-based Payment	Total
	Cash Salary & Fees	Superannuation	Options	
P J Volpe (Executive Director)	225,000	20,250	500,000	745,250
H J Stacpoole	50,000	4,500	500,000	554,500
P Pena	40,000	3,600	100,000	143,600
A J Tunks	105,505	8,973	437,000	551,478
Total	420,505	37,323	1,537,000	1,994,828

REMUNERATION REPORT (CONTINUED)

Key Management Personnel Remuneration Policy continued

Information in respect of specified executive officers within the consolidated entity receiving the highest emoluments for the year ended 30 June 2007 are:-

Name	Cash Salary & Fees
J H Wilson (resigned 3 July 2007)	21,875

Performance Income as a Proportion of Total Remuneration

No performance based remuneration was paid during the year.

Options Issued as part of remuneration

No options were issued to directors as part of their remuneration during the year. Options were issued to Directors after the year ended 30 June 2008 and are disclosed in the After Balance Date Events section of the Directors Report and in the Note 22 to the Accounts: Events After the Balance Sheet Date.

Shares Issued on Exercise of Options

No options were exercised by Directors during the financial year.

Employment Contracts of Directors and Senior Executives

There are no employment contracts with Directors or executive officers.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company has agreed to indemnify all the current Directors and Officers of the Company and of its controlled entities against all liabilities incurred as an officer except where the liability arises out of conduct involving a lack of good faith. The Indemnity includes costs and expenses in successfully defending any legal proceedings, and applied, from 17 March 2004 when A-Cap ceased to be a controlled entity of Cardia Technologies Ltd.

The Company has not paid or agreed to pay a premium to insure the Directors and Officers against liabilities incurred in their respective capacities.

OPTIONS

At the date of this Report, the unissued ordinary shares of the Company under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
10/10/2006	30/11/2009	$0.40	200,000
29/11/2006	30/11/2009	$0.40	2,000,000
29/11/2006	30/11/2009	$0.45	200,000
29/11/2006	30/11/2009	$0.55	500,000
29/11/2006	30/11/2009	$0.80	300,000
14/08/2007	-	Exercisable at eighty percent (80%) of market price at the time of issue and not exercisable before 14 August 2009 with the grantee required to be in the employ of the Company or subsidiary thereof, at the time of exercise.	170,000
14/08/2007	-	Exercisable at eighty percent (80%) of market price at the time of issue and not exercisable before 14 August 2008 with the grantee required to be in the employ of the Company or subsidiary thereof, at the time of exercise.	150,000
			3,520,000

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001.

The Directors are satisfied that the services disclosed below did not compromise the external auditors' independence for the following reasons;

- all non –audit services are reviewed and approved by the Audit Committee prior to commencement to ensure that they do not adversely affect the integrity and objectively of the auditor ,and

- the nature of the services provided do not compromise the general principles relating to auditor independence as set out in the Institute of Chartered Accountants in Australia and CPA Australia's Professional Statement F1.

The following fees for non-audit services were paid to the external auditors during the year ended 30 June 2008.

Professional advice **$ 9,500**

AUDITOR'S INDEPENDENCE DECLARATION

The lead Auditor's Independence Declaration for the year ended 30 June 2008 has been received and can be found on page 30 of this Report.

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

P J Volpe
Director
Dated this 30th day of September 2008
Hawthorn, Victoria

webb
audit & assurance

30 September 2008

The Board of Directors
A-Cap Resources Limited
Suite 5.10, Level 5, 737 Burwood Road
HAWTHORN VIC 3122

Dear Board Members

AUDITOR'S INDEPENDENCE DECLARATION
IN ACCORDANCE WITH SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF A-CAP RESOURCES LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of A-Cap Resources Limited.

As lead audit partner for the audit of the financial report of A-Cap Resources Limited for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporation Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Jeffrey Luckins
Director
Webb Audit Pty Ltd

Dated in Melbourne, Australia on this 30th day of September 2008

Webb Audit Pty Ltd
ABN 59 116 151 136

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CORPORATE GOVERNANCE STATEMENT

This Statement reflects A-Cap Resources Limited's corporate governance policies and practices as at 30 June 2008 and which were in place throughout the year.

The Board's philosophy is to adopt practices that are consistent with the best practice recommendations of the ASX Corporate Governance Council and in the best interests of the Company. The governance practices are reviewed regularly.

A description of the Company's main corporate governance practices is set out below.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board's responsibilities include:

- Leadership of the organisation
- Strategy formulation
- Overseeing planning activities
- Shareholder liaison
- Monitoring compliance and risk management
- Company finances
- Human resources
- Remuneration policy

The Board has delegated the responsibility for management of the Company to the Managing Director and senior management who implement the Board's strategies and compliance activities. The Board constantly monitors the performance of the Managing Director and senior management in their undertaking of these duties.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

The Board has been formed so that it has an effective mix of personnel who are committed to discharging their responsibilities and duties, and being of value to the Company.

The names of the Directors, and their qualifications and experience are stated on Pages 23 – 24 along with the term of office held by each.

There are no Directors on the Board at present that could be classified as 'Independent'. The number of independent Directors on the Board is likely to increase as the Company develops and the Board believes that it can attract appropriate independent directors with the necessary industry experience.

However, where any Director has material personal interest in a matter and, in accordance with the *Corporations Act 2001,* the Director will not be permitted to be present during discussion or to vote on the matter. The enforcement of this requirement aims to ensure that the interest of shareholders, as a whole, is pursued and that their interest or the Director's independence is not adversely affected.

The Company believes that at this stage in its development, the most appropriate person for the position of Chairman is an Executive Officer of the Company. The Executive Officer's overall expertise has been crucial to the Company's development and negates any perceived lack of independence.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE (CONTINUED)

The Company does not have a Nomination Committee because the Board considers that selection and appointment of Directors is such an important task that it should be the responsibility of the entire Board to consider the nominations process.

The Board is responsible for evaluating its performance and that of individual Directors and key executives and in doing so may engage independent external advisors if thought appropriate to do so. The Company has not established a formal process to evaluating the performance of the board, its committees and individual directors, however the performance of the board, the directors, officers and employees is monitored on a regular basis by the board, with appropriate feedback and necessary training given to those parties.

Directors collectively or individually have the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities. All advice obtained is made available to the full Board.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Due to the size of the Company and the resources available to it, the Board does not consider that a formal Code of Conduct for Directors and other key executives is appropriate. Rather, it is agreed by the Board that all officers of the Company will act ethically and in the best interests of the Company.

The Company has a share trading policy that regulates the dealings by directors, officers and employees, in shares, options and other securities issued by the Company.

Under the Company's Securities Trading Policy, an Executive, including a Director, Company Secretary, or employee (and any employee of any subsidiary) must not trade in any securities of the Company at any time when they are in possession of unpublished price sensitive information in relation to those securities or the Company's operations.

Before commencing to trade, an executive must first obtain the approval of the Board to purchase (including the exercise of any options) or sell any securities of the Company.

The policy has been formulated to ensure that directors, officers, employees and consultants who work on a regular basis for the Company are aware of the legal restrictions on trading in company securities while in possession of unpublished price-sensitive information.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

The Chief Executive Officer and Chief Financial Officer provide written declarations to the Board confirming that the Company's financial reports present a true and fair view of the Company's financial condition and operational results and in accordance with the relevant accounting standards.

As the Company is small with a Board of four members it has not established a series of committees to address specific areas of corporate governance such as risk management, strategic review, operations and remuneration but has established an Audit and Compliance Committee.

The members of the Committee at the date of this report are Patrick Volpe (Chairman) and Richard Baker (Company Secretary) (appointed 3 July 2007). The Audit and Compliance Committee was established by the Board to give additional assurance regarding the quality and reliability of financial information used by the Board and financial information provided by the Company pursuant to its statutory reporting requirements. The members of the committee meet formally twice a year and on an ad hoc basis as required.

The Board selected the members of the Audit and Compliance Committee based upon those members who are considered to have the most expertise in the area and are therefore not necessarily independent or non-executive directors.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to the Australian Securities Exchange ("ASX") as well as communicating with the ASX. In accordance with the ASX's 'Listing Rules' the Company immediately notifies the ASX of information concerning the Company:

1. That a reasonable person would or may expect to have a material effect on the price or value of the Company's securities; and
2. That would, or would be likely to influence persons who commonly invest in securities in deciding whether to acquire or dispose of the Company's securities.

Due to the size of the Company, it achieves compliance with ASX 'Listing Rules' disclosure requirements without the need for formal policies and procedures, however there are specific processes followed by the board and officers with regard to ensuring the Company complies with its disclosure requirements.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Due to the size of the Company, it does not have a formal policy regarding the promotion of effective communications with shareholders and encouraging their participation at general meeting, the Company respects the rights of its Shareholders, and to facilitate the effective exercise of those rights, the Company is committed to:

1. Communicating effectively with shareholders through ongoing releases to the market via the ASX, and the general meetings of the Company;
2. Giving shareholders ready access to balanced and understandable information about the Company and Corporate Proposals;
3. Making it easy for shareholders to participate in general meetings of the Company and providing appropriate notice periods and disclosure for general meetings; and
4. Requesting the External Auditor to attend the Annual General Meeting and be available to answer shareholders' questions about the conduct of the audit, and the preparation and content of the Auditor's Report.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

The Company has not established formal policies for the oversight and management of material business risks. Due to the size of the Company and the size of the Board, the Board monitors all key areas of the Company's risk management on an ongoing basis and keeps shareholders informed of any changes in the risk profile of the Company.

The Board has delegated the responsibility of designing risk management and internal control systems to the Managing Director and senior management who manage the Company's material business risks and report to the Board on the effectiveness of those systems.

The Board seeks assurance from the Managing Director and the Chief Financial Officer that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material aspects in relation to financial reporting risks and discloses accordingly.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Due to the size of the Company, it has not established a Remuneration Committee and it currently uses independent external consultants to determine the level and components of remuneration for the directors. The Company has three employees. The remuneration paid to executive directors and senior executives is distinguished from that paid to non-executive directors.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY (CONTINUED)

Non-Executive directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of non-executive directors. Non-executive directors do not receive performance based bonuses and do not participate in Equity Schemes of the Company without prior shareholder approval.

Current remuneration details are disclosed in the Directors' Report.

INCOME STATEMENT

For the year ended 30 June 2008	Notes	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Revenue from Ordinary Activities	2	**833,784**	391,765	**815,391**	391,765
Administration	3	**(739,866)**	(491,026)	**(476,660)**	(417,733)
Employment & Consultancy		**(908,120)**	(2,019,083)	**(611,766)**	(1,931,232)
Corporate Expenses		**(245,223)**	(349,113)	**(235,735)**	(330,295)
Provision for diminution in value of Investments		**(279,294)**	-	**(279,294)**	-
Loss from Ordinary Activities before Income Tax Expense		**(1,338,719)**	(2,467,457)	**(788,064)**	(2,287,495)
Income Tax Expense/(Credit)	4	**-**	-	-	-
Loss from Ordinary Activities after Income Tax Expense		**(1,338,719)**	(2,467,457)	**(788,064)**	(2,287,495)
Basic Earnings (Loss) per Share (cents per share)	7	**(1.21)**	(2.46)	**-**	**-**
Diluted Earnings (Loss) per Share (cents per share)	7	**(1.18)**	(2.43)	**-**	**-**

There were 3,595,000 options on issue at 30 June 2008.

The accompanying notes form part of these financial Statements.

BALANCE SHEET

At 30 June 2008

	Notes	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Current Assets					
Cash and cash equivalents	8	**8,034,490**	15,295,505	**7,831,451**	15,265,732
Trade and other receivables	9	**1,035,224**	212,680	**940,528**	42,416
Total Current Assets		**9,069,714**	15,508,185	**8,771,979**	15,308,148
Non-Current Assets					
Trade and other receivables	9	**-**	965	**8,269,122**	4,040,765
Investment accounted for using equity method	10	**-**	541,445	**-**	541,445
Investment	11		-	**1**	104,090
Plant and equipment	12	**387,718**	415,531	**28,511**	32,824
Capitalised Exploration and Evaluation	13	**6,010,527**	3,741,097	**-**	17,223
Total Non-Current Assets		**6,398,245**	**4,429,038**	**8,297,634**	**4,736,347**
Total Assets		**15,467,959**	19,937,223	**17,069,613**	20,044,495
Current Liabilities					
Trade & Other Payables	14	**613,250**	706,181	**310,354**	315,076
Total Current Liabilities		**613,250**	706,181	**310,354**	315,076
Non-Current Liabilities		**-**	-	-	-
Total Non-Current Liabilities		**-**	-	-	-
Total Liabilities		**613,250**	706,181	**310,354**	315,076
Net (Deficiency of) Assets		**14,854,709**	19,231,042	**16,759,259**	19,729,419
Equity					
Issued Capital	15	**20,552,126**	22,734,221	**20,552,126**	22,734,221
Reserves		**(1,037,714)**	(182,196)	**-**	-
Accumulated Losses		**(4,659,703)**	(3,320,983)	**(3,792,867)**	(3,004,803)
Parent Entity Interest in Equity		**14,854,709**	19,231,042	**16,759,259**	19,729,418
Minority Equity Interest		**-**	-	-	-
Total (Deficiency of) Equity		**14,854,709**	19,231,042	**16,759,259**	19,729,418

The accompanying notes form part of these financial Statements.

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2008

Consolidated Group

	Issued Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
	$	$	$	$
Balance at 1.7.2006	6,800,159	(853,526)	5,979	5,952,612
Shares/Options issued during the period	17,113,500	-	-	17,113,500
Cost of Capital	(1,179,438)	-	-	(1,179,438)
Movement of foreign currency translation Reserve	-	-	(188,175)	(188,175)
Loss attributable to members of A-Cap Resources Ltd	-	(2,467,457)	-	(2,467,457)
Balance at *30.06.2007*	22,734,221	(3,320,983)	(182,196)	19,231,042
Balance at 1.7.2007	22,734,221	(3,320,983)	(182,196)	19,231,042
Shares/Options issued during the period	262,398	-	-	262,398
Cost of Capital	(22,374)	-	-	(22,374)
Return of Capital	(2,422,119)	-	-	(2,422,119)
Movement of foreign currency translation Reserve	-	-	(855,518)	(857,948)
Loss attributable to members of A-Cap Resources Ltd	-	(1,338,719)	-	(1,336,290)
Balance at 30.06.2008	20,552,126	(4,659,702)	(1,037,714)	14,854,709

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2008

Parent Entity

	Issued Share Capital	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
	$	$	$	$
Balance at 1.7.2006	6,800,159	(717,308)	-	6,082,851
Shares/Options issued during the period	17,113,500	-	-	17,113,500
Cost of Capital	(1,179,438)	-	-	(1,179,438)
Loss attributable to members of A-Cap Resources Ltd	-	(2,287,495)	-	(2,287,495)
Balance at 30.06.2007	22,734,221	(3,004,803)	-	19,729,418
Balance at 1.7.2007	22,734,221	(3,004,803)	-	19,729,418
Shares/Options issued during the period	262,398	-	-	262,398
Cost of Capital	(22,374)	-	-	(22,374)
Return of Capital	(2,422,119)	-	-	(2,422,119)
Movement of foreign currency translation Reserve	-	-	-	-
Loss attributable to members of A-Cap Resources Ltd	-	(788,064)	-	(788,064)
Balance at 30.06.2008	20,552,126	(3,792,867)	-	16,759,259

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENTS

For the Year Ended 30 June 2008

	Notes	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Cash Flows from Operating Activities					
Receipts from customers (inclusive of goods and services tax)		**10,665**	-	-	-
Payments to suppliers and employees (inclusive of goods and services tax)		**(1,669,136)**	(2,509,503)	**(1,107,069)**	(2,605,290)
Interest received		**823,119**	391,765	**815,391**	391,765
Net Cash (Outflow) from Operating Activities	20	**(835,352)**	(2,117,738)	**(269,304)**	(2,213,526)
Exploration Expenditure		**(4,402,063)**	(2,371,644)	**-**	(994,411)
Purchase of plant and equipment		**(59,634)**	(454,477)	**(4,010)**	(35,480)
Loans to related parties		**(806,777)**	(965)	**(7,138,592)**	(3,889,079)
Repayment of loans from related parties		**-**	-	**-**	-
Proceeds from Sale of Investments		**-**	-	**-**	-
Gain in control of a subsidiary ,net of cash inflows		**-**	-	**-**	-
Net Cash (Outflow) from Investing Activities		**(5,268,474)**	(2,827,086)	**(7,142,603)**	(2,930,148)
Cash Flows from Financing Activities					
Proceeds from issues of ordinary shares		**-**	17,113,500	**-**	17,113,500
Payments of share issue costs		**(22,374)**	(1,179,438)	**(22,374)**	(1,179,438)
Net Cash Inflow from Financing Activities		**(22,374)**	15,934,062	**(22,374)**	15,934,062
Net Increase/(Decrease) in Cash Held		**(6,126,201)**	10,989,238	**(7,434,281)**	10,790,389
Cash at the Beginning of the Financial Year		**15,295,505**	4,494,434	**15,265,732**	4,475,343
Effect of exchange rates on cash holding in foreign currencies		**(1,134,815)**	(188,167)	-	-
Cash at the End of the Financial Year	20	**8,034,490**	15,295,505	**7,831,451**	15,265,732
Non-Cash Financing and Investing Activities	20	**(2,701,413)**	60,000	**(2,701,413)**	60,000

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of A-Cap Resources Limited and controlled entities ('Group') and the separate financial statements and notes of A-Cap Resources Limited as an individual parent entity ('Parent Entity').

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity over which A-Cap Resources Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 11 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Minority interests, being that portion of the profit and loss and net assets of subsidiaries attributable to equity interests held by person outside the group, are shown separately within the Equity section of the consolidated Balance Sheet and in the consolidated Income Statement.

(b) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable to taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(b) Income Tax (continued)

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of deferred tax assets can be utilised.

When temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set off exists, the deferred assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(c) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(c) Plant and Equipment continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment - vehicles	25%
Plant and equipment – computer hardware and software	20%
Plant and equipment – furniture and fittings	15%
Plant and equipment – geophysical equipment	20%
Plant and equipment – containers and sheds	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings

(d) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(e) Financial Instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instruments. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit and loss are expensed to profit and loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Financial assets at fair value through profit and loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Financial Liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(e) Financial Instruments (continued)

Impairment

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(f) Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangibles assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(g) Interests in Joint Ventures

The group's share of the assets, liabilities, revenue and expenses of joint venture operations are included in the appropriate items of the consolidated statements of financial performance and financial position.

The group's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint venture entities are brought to account using the cost method.

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(h) Foreign Currency Transactions and Balances (continued)

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date.
- Income and expenses are translated at average exchange rates for the period.
- Retained profits are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

(i) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those benefits are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

(j) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will results and that outflow can be reliably measured.

(k) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(l) Revenue

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognized net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognized as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(o) Rounding of Amounts

The amounts in the financial report and director's report have been rounded off to the nearest $1.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. The directors have evaluated the recoverable amount of Capitalised Exploration and Evaluation expenditure and determined that no impairment trigger exists as at the date of this report.

The financial report was authorised for issue on 30 September 2008 by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 2 REVENUE

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	$	$
Revenue from Ordinary Activities				
Revenue from outside the operating activities				
Interest	**823,119**	391,795	**815,391**	391,765
Hire of equipment	**10,666**	-	**-**	-
Revenue from ordinary activities	**833,784**	391,765	**815,391**	391,765

NOTE 3 EXPENDITURE

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	$	$
Administration				
Office expense	**188,903**	103,595	**73,823**	86,556
Depreciation	**28,071**	28,097	**8,323**	2,656
Rental expense	**38,846**	34,992	**21,046**	22,998
Realised Net Foreign Gain/ (Loss)	**2,429**	3	**2,429**	3
Travel Expenses	**291,316**	238,112	**244,411**	232,223
Other expenses	**190,301**	86,227	**126,628**	73,297
	739,866	491,026	**476,660**	417,733

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 INCOME TAX EXPENSE

	Consolidated Group		Parent Entity	
	2008	2007	**2007**	2007
	$	$	$	$
a) The components of tax expense comprise:				
Current tax	**-**	-	**-**	-
Deferred tax assets not brought to account	**-**	-	**-**	-
	-	**-**	**-**	**-**
b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:				
Profit/(loss) before income tax expense	**(1,338,719)**	(2,467,457)	**(788,064)**	(2,287,495)
Prima facie tax payable on profit / (loss) from ordinary activities before income tax at 30% (2007: 30%)	**(401,616)**	(740,237)	**(236,419)**	(686,249)
Add:				
Tax effect of				
- Non- deductible expenses	**91,807**	403,782	**91,807**	403,782
	309,809	336,455	**144,612**	282,467
Recoupment of prior year tax losses not previously brought to account	**589,807**	253,352	**491,915**	209,448
The Directors estimate that the potential deferred income tax assets at 30 June 2007 in respect of tax losses not brought to account is :	**899,616**	589,807	**636,527**	491,915
Tax benefits not recognised during the year	**(899,616)**	(589,807)	**(636,527)**	(491,915)
Income Tax Expense for the year	**-**	**-**	**-**	**-**

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION

(a) Names and positions held of economic and parent entity key management in office at any time during the financial year are:

Key Management Person	Position
Mr P J Volpe	Chairman – Executive
Mr A J Tunks	Chief Executive Officer – Executive
Mr H J Stacpoole	Director – Non-executive
Mr P Woolrich (appointed 18 December 2008)	Director-Non-executive
Mr P Pena (resigned 18 December 2007)	Director – Non-executive

Key Management Personnel remuneration has been included in the Remuneration Report section of the Director's Report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 5 KEY MANAGEMENT PERSONNEL COMPENSATION (CONTINUED)

(b) Number of Options Held by Key Management Personnel

	Balance 1.7.2007	Granted as Compenstion	Options Exercised	Net Change Other	Balance 30.6.2008	Total Vested 30.6.2008	Total Exercisable 30.6.2008	Total Unexercisable 30.6.2008
Mr PJ Volpe	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
Dr AJ Tunks	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
Mr HJ Stacpoole	1,000,000	-	-	-	1,000,000	1,000,000	1,000,000	-
Dr P Woolrich	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**3,000,000**	**3,000,000**	**3,000,000**	**-**

(c) Number of Shares held by Key Management Personnel

	Balance 1.7.2007	Received as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2008
Mr PJ Volpe	10,611,849	-	-	500,000	11,111,849
Dr AJ Tunks	-	-	-	50,000	50,000
Mr HJ Stacpoole	1,434,859	-	-	-	1,434,859
Dr P Woolrich	-	-	-	50,000	50,000
Total	**12,046,708**	**-**	**-**	**600,000**	**12,646,708**

*Net Change Other refers to shares purchased or sold during the financial year.

NOTE 6 REMUNERATION OF AUDITORS

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Remuneration of the auditor of the parent entity for :				
Audit or review of the financial report	**20,000**	18,000	**20,000**	18,000
Taxation Consulting	**9,500**	-	**9,500**	-
	29,500	18,000	**29,500**	18,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 EARNINGS PER SHARE

	Consolidated Group	
	2008	2007
	$	$
a) **Reconciliation of losses to profit or loss**		
Loss	**(1,338,719)**	(2,467,457)
Profit/Loss attributable to minority equity interest	-	-
Loss used to calculate basic EPS	**(1,338,719)**	(2,467,457)
	No	No
b) **Weighted average number of ordinary shares used in the calculation of basic earnings per share**	**110,095,078**	100,241,831
c) **Weighted average number of ordinary shares used in the calculation of diluted earnings per share**	**113,641,512**	101,622,640

NOTE 8 CASH AND CASH EQUIVALENTS

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Cash at bank and in hand	**158,240**	61,627	**(29,659)**	31,854
Call deposit	**7,876,250**	14,733,878	**7,861,110**	14,733,878
Bank term deposits	**-**	500,000	**-**	500,000
	8,034,490	15,295,505	**7,831,451**	15,265,732
Reconciliation of cash				
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	**8,034,490**	15,295,505	**7,831,451**	15,265,732
Bank overdrafts	**-**	-	**-**	-
	8,034,490	15,295,505	**7,831,451**	15,265,732

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 TRADE AND OTHER RECEIVABLES

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	**$**	**$**	**$**
Current				
Trade & Other Receivables	**123,903**	194,990	**29,207**	36,615
Prepayments	**-**	17,690	**-**	5,801
Related Parties	**911,321**	-	**911,321**	-
Other	**-**	-		**-**
	1,035,224	**212,680**	**940,528**	**42,416**
Non Current				
Amount receivable from :				
- wholly-owned subsidiaries	**-**	965	**8,269,122**	4,040,765
	-	965	**8,269,122**	**4,040,765**

NOTE 10 JOINT VENTURES

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	**$**	$

(a) Interest in Joint Venture Operations

BOTSWANA

Jim's Luck Prospect

A-Cap Resources Limited had a 20% interest in Jim's Luck however this was transferred to Botswana Metals Limited as part of the Scheme of Arrangement implemented on 9 January 2008.

The economic entity's share of assets employed in the joint venture is :

Non –Current Assets				
Exploration development expenditure	**-**	541,455	**-**	541,455

QUEENSLAND

Hodgkinson Basin

The Company holds a 4% working interest in a joint venture with Republic Gold Ltd (90%) and Gateway Mining N.L. (6%) over the Hodgkinson Basin tenements in North Queensland. There was no expenditure for the year ended 30 June 2007. The principle activity is mineral exploration.

There is no value of the shared asset held by the consolidated group and the Joint Venture.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 JOINT VENTURES (CONTINUED)

(b)Interests in Joint Venture Entities

A-Cap Resources Limited incorporated in Australia which is involved in mineral exploration.

NOTE 11 CONTROLLED ENTITIES

	Country of Incorporation	Class of Share	Equity Holding		Cost of Parent Entity's Investment	
			2008	2007	**2008**	2007
			%	%	**$**	$
Gansu Sino-Australian Mineral Resources Development Co. Ltd	China	Ordinary	**0**	100	**-**	104,089
Cardia Mining Botswana (Pty) Ltd	Botswana	Ordinary	**100**	100	**1**	1
					1	104,090

NOTE 12 PLANT AND EQUIPMENT

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Plant and equipment				
At cost	**514,111**	454,477	**39,490**	35,480
Accumulated Depreciation	**(126,393)**	(38,946)	**(10,979)**	(2,656)
	387,718	415,531	**28,511**	32,824

Movements in Carrying Amounts

	Consolidated Group	Parent Entity
	$	$
Balance at 1 July 2007	**415,531**	32,824
Additions	**59,634**	**4,010**
Depreciation expense	**(87,447)**	**(8,323)**
Balance at 30 June 2008	**387,718**	**28,511**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 13 CAPITALISED EXPLORATION AND EVALUATION

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Non Current				
Exploration & Evaluation Expenditure	**6,010,527**	3,741,097	**-**	17,223
	6,010,527	3,741,097	**-**	17,223

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of Uranium.

Capitalised costs amounting to $4,402,063 (2007: $2,371,644) have been included in cash flows from investing activities in the cash flow statement.

NOTE 14 TRADE AND OTHER PAYABLES

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Current				
Unsecured liabilities				
Trade Payables	**496,680**	89,463	**195,549**	79,366
Sundry payables and accrued expenses	**90,037**	616,718	**88,272**	235,710
Amounts payable to				
- Related parties	**6,108**	-	**6,108**	-
- Amount owing to Directors	**8,989**	-	**8,989**	-
- Amount payable to Director related Entity	**11,436**	-	**11,436**	-
	613,250	706,181	**310,354**	315,706

NOTE 15 ISSUED CAPITAL

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
110,095,078 (2007: 110,095,078) fully paid ordinary shares	**18,901,275**	21,336,721	**18,901,275**	21,336,721
3,595,000 (2007: 3,200,000l) options expiring various dates	**1,650,851**	1,397,500	**1,650,851**	1,397,500
	21,552,126	22,734,221	**21,552,126**	22,734,221

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 15 ISSUED CAPITAL (CONTINUED)

(a) Ordinary Shares

Date		Number of Shares	Issue Price	$
At the beginning of the reporting period		**110,095,078**		**21,336,721**
21 December 2007	Return of Capital	-		(2,422,119)
	Costs associated with capital raising			(13,327)
At reporting date		**110,095,078**		**18,901,275**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding-up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Capital Management

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels and share issues.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. The strategy is to ensure that the group's gearing ratio remains between 0% and (350)%. The gearing ratio's for the year ended 30 June 2008 and 30 June 2007 are as follows:

	Note	Consolidated Group		Parent Entity	
		2008	2007	**2008**	2007
		$	$	**$**	$
Total borrowings	14	**613,250**	706,181	**310,354**	315,706
Less cash and cash equivalents	8	**(8,034,490)**	(15,295,505)	**(7,831,451)**	(15,265,732)
Net debt		**(7,421,240)**	(14,589,324)	**(7,521,097)**	(14,950,026)
Total equity		**14,854,709**	19,231,042	**16,759,259**	19,729,418
Total capital		**7,433,469**	4,641,718	**9,238,162**	4,779,392
Gearing ratio		**(99.84%)**	(314.31%)	**(81.41%)**	(312.80%)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 16 RESERVES

Nature and Purpose of Reserves

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary as described in Note 1(h)

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Foreign Currency Translation Reserve	**(1,037,714)**	(182,196)	**-**	-
	(1,037,714)	(182,196)	-	-

NOTE 17 CAPITAL AND LEASING COMMITTMENTS

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Exploration Expenditure Commitments				
Payable				
- not later than 12 months	**1,648,590**	3,233,441	**1,648,590**	3,233,441
- between 12 months and 5 years	**794,096**	2,938,431	**794,096**	2,938,431
- greater than 5 years	**-**	-	**-**	-
	2,442,686	6,171,872	**2,442,686**	6,171,872

The estimated figures include amounts required to maintain the company's current rights of tenure to exploration and mining tenements up until the expiry of the leases including the company's joint venture commitments. These obligations are subject to renegotiation upon expiry of the leases and are not provided for in the financial statements.

The majority of the Company's tenements are however, likely to be joint ventured, farmed out or relinquished, thereby significantly reducing this figure.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 18 CONTINGENT LIABILITIES

The Company is seeking to surrender an expired Mineral Development License (MDL 125) with the Queensland Environmental Protection Agency. It is proposed to use the services of independent external consultants to facilitate this process and co-ordinate any rehabilitation of the site. To date the consultants have not quantified the exact amount of funds required for the site rehabilitation, however it is not expected that it will be significant.

NOTE 19 SEGMENT INFORMATION

Primary Reporting - Business Segments

The consolidated entity only operates within one business segment being that of mineral exploration.

Secondary Reporting - Geographical Segments

Although the consolidated entity's divisions are managed on a global basis they operate in two main geographical areas:

Australia
The home country of the parent entity which is also the main operating entity. The area of operation is in the mineral exploration industry.

Africa
Comprises operations carried on in Botswana.

Asia
Comprises operations carried on in the People's Republic of China which were terminated during the year.

	Segment revenues from sales to external customers		Carrying Amount of Segment assets		Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	
	2008	2007	**2008**	2007	**2008**	2007
	$	$	$	$	$	$
Australia	**815,391**	391,765	**8,800,491**	19,448,402	**4,010**	152,653
Africa	**18,393**	-	**6,667,157**	4,446,235	**2,697,152**	3,787,996
Asia	**-**	-	**-**	186,474	**-**	-
Other/Elimination	**-**	-	**-**	-	**-**	-
	833,784	391,765	**15,467,648**	24,081,111	**2,701,162**	3,940,649

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, capitalised exploration and evaluation expenditure, plant and equipment, net of allowances and accumulated depreciation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits and accrued expenses. Segment assets and liabilities do not include deferred income taxes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 19 SEGMENT INFORMATION CONTINUED

Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. There are no prices charged on intersegment transactions.

NOTE 20 CASH FLOW INFORMATION

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	**$**	**$**	**$**
Reconciliation of cash				
For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts .Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position.				
Cash at bank and on hand	**158,240**	61,627	**(29,659)**	31,854
Call Deposit	**7,876,250**	14,733,878	**7,861,110**	14,733,878
Bank Term deposits	**-**	500,000	**-**	500,000
	8,034,490	15,295,505	**7,831,451**	15,265,732
Reconciliation of Cash Flow from Operations with Profit after Income Tax				
Operating Loss after income tax	**(1,338,719)**	(2,467,457)	**(788,064)**	(2,287,457)
Non –Cash flows in profit				
- Depreciation	**28,071**	38,946	**8,323**	2,656
- Provision for write down of investment	**279,294**	-	**121,313**	-
- Bad debts written off			**157,981**	
- Share-based remuneration	**262,398**	-	**262,398**	-
Changes in assets and liabilities net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in receivables		-	**-**	-
- (Increase)/decrease in other operating assets		(50,564)	**-**	33,668
- Increase/(decrease) in creditors	**(66,396)**	58,330	**(31,255)**	56,764
- Increase/(decrease) in provisions and other liabilities		303,007	**-**	(19,119)
- Increase/(decrease) in loan to subsidiary		-	**-**	-
Net cash (outflow) from operating activities	**(835,352)**	(2,117,738)	**(269,304)**	(2,213,526)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 20 CASH FLOW INFORMATION (CONTINUED)

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	**$**	**$**	**$**
Non-Cash Financing and Investing Activities				
On 9 January 2008 the Company demerged its non-Uranium assets to Botswana Metals Limited under the Scheme of Arrangement approved by the Court on 22 June 2007.	**(2,422,119)**	-	**(2,422,119)**	-
During the year the Company wrote off the carrying value of its investments in China to focus solely on its exploration portfolio in Botswana.	**(279,294)**	-	**(279,294)**	-
On 8 September 2006 the Company issued of 200,000 ordinary shares in consideration for the provision of public relations services to the Company.	**-**	60,000	**-**	60,000

NOTE 21 SHARE-BASED PAYMENTS

The following share-based payment arrangements existed at 30 June 2008.

On 20 August 2007, 395,000 share options were granted to nominated employees of the Company's subsidiary under the Executive and Employee Option Plan. 245,000 of the share options are exercisable at eighty percent (80%) of market price at the time of exercise, however they are not exercisable before 14 August 2009, with the grantee required to be in the employ of the Company or subsidiary thereof at the time of exercise. The remaining 150,000 share options have identical terms as above, however they are not exercisable before 14 August 2008. The options hold no voting or dividend rights and are not transferable. When an employee ceases employment the options are deemed to have lapsed. Since balance date, one employee granted options has ceased their employment.

The company established the Executive and Employee Option Plan on 10 October 2006. All employees are entitled to participate in the scheme at the discretion of the directors and upon terms stipulated by the directors.

All options granted to key management personnel are for ordinary shares in A-Cap Resources Limited, which confer a right of one ordinary share for every option held.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 21 SHARE-BASED PAYMENTS (CONTINUED)

	Consolidated Group		Parent Entity	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	**3,200,000**	0.4(	**3,200,000**	0.4(
Granted	**395,000**	-	**395,000**	--
Forfeited	**-**	-	**-**	-
Exercised	**-**	-	**-**	-
Expired	**-**		**-**	
Outstanding at year-end	**3,595,000**	0.4(	**3,595,000**	0.4(
Exercisable at year-end	**3,200,000**	0.4(	**3,200,000**	0.4(

The options outstanding at 30 June 2008 had a weighted average exercise price of $0.46 and a weighted average remaining contractual life of 1.17 years. Exercise prices range from $0.40 to $0.80 in respect of options outstanding at 30 June 2008.

The weighted average fair value of the options granted during the year was $0.40.

This price was calculated using the Black and Scholes model.

NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE

Other than the matters discussed below, there has not arisen in the interval between the end of the financial 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 entity, the results of these operations or the state of affairs of the consolidated entity in subsequent years.

Application for Renewal of Botswana Prospecting Licences

The Company has applied to the Department of Geological Survey in Botswana for renewal of the following Prospecting Licences which expire on 30 September 2008:

- 134/2005 Mea
- 135/2005 Sua
- 136/2005 North Uray
- 137/2005 South Uray
- 138/2005 Bolau

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 22 EVENTS AFTER THE BALANCE SHEET DATE (CONTINUED)

New Issue of Securities

On 15 August 2008 the Company announced the issue of 5,750,000 options to purchase ordinary shares to the Directors as approved by shareholders at the General Meeting of the Company held on 30 July 2008. The options are unlisted but upon exercise will rank equally in all respects with the fully paid ordinary shares in the Company. The grantee, number, exercise price and expiry date are detailed in the table below.

	Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Exercise Price $	Last Exercise Date
PJ Volpe	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
HJ Stacpoole	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
P Woolrich	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
P Woolrich	1,000,000	1,000,000	15/08/2008	0.2513	0.552	29/11/2009
AJ Tunks	1,000,000	1,000,000	15/08/2008	0.3979	0.30	30/06/2011
AJ Tunks	750,000	750,000	15/08/2008	0.3490	0.40	30/06/2011
	5,750,000	**5,750,000**				

Change of Share Registry

On 8 August 2008 the Company announced that is was changing its share register to Advanced Share Registry Services Limited effective 1 September 2008.

NOTE 23 RELATED PARTY INFORMATION

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	**$**	**$**	**$**
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.				
Key Management Personnel				
Administrative fees paid to Cardia Technologies Limited, a listed public company, in which Mr Patrick Volpe is a director and shareholder.	**17,448**	38,737	**17,448**	38,737
	17,448	38,737	**17,448**	38,737

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 23 RELATED PARTY INFORMATION CONTINUED

Directors

The names of persons who were Directors of A-Cap Resources Limited at any time during the year are as follows: Messrs P J Volpe, H J Stacpoole, P Pena, Dr P Woolrich and Dr A Tunks. Messrs Volpe, Stacpoole and Dr Tunks were also Directors during the year ended 30 June 2007.

Specified Executives

Mr R Baker is the only Specified Executive in his role as Company Secretary during the year.

Remuneration

Information on remuneration of Directors and the Specified Executive is disclosed in the Remuneration Report.

Transactions of Directors and Director-Related Entities concerning Shares

During the year, aggregate numbers of shares of A-Cap Resources Limited acquired or disposed of by Directors of the parent entity or the consolidated entity or their Director-related entities and their holdings at balance date were:

	Balance as at 1/7/07	Acquired	Disposed	Balance as at 30/6/08
P. Volpe	10,611,849	500,000	-	11,111,849
H. Stacpoole	1,434,859	-	-	1,434,859
P. Woolrich	-	50,000	-	50,000
P. Pena	-	-	-	-
A. Tunks	-	50,000	-	50,000
	12,046,708	**600,000**	**-**	**12,646,708**

Other Transactions with Directors and Director-Related Entities

During the year, A-Cap was invoiced $17,448 by Cardia Technologies Ltd for the provision of office and administration facilities.

Amounts owing to Director-related entities are disclosed in Note 14

Aggregate amounts of each of the above types of other transactions with Directors and their Director-related entities:

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	**$**	**$**	**$**
Directors' Fees	**100,383**	165,000	**100,383**	119,008
Wages and Salaries	**383,520**	255,505	**255,505**	255,505
Consulting Fees	**30,000**	-	**-**	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 23 RELATED PARTY INFORMATION (CONTINUED)

Aggregate amounts payable by A-Cap Resources Limited to related-party entities at balance date:

	2008 $	2007 $
Trade Creditors owing to related party	**17,544**	18,313
	17,544	18,313
Repayment	**-**	-
	17,544	18,313

Ownership Interests in Related Parties

Interests held in the following classes of related parties are set out in the following notes:

(a) Controlled Entities Note 11
(b) Joint Ventures Note 10

NOTE 24 FINANCIAL RISK MANAGEMENT

(A) Financial Risk Management Policies

The consolidated group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and loans to subsidiaries.

(i) Treasury Risk Management

The Board of Directors meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Board's overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

(ii) Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

Interest Rate Risk

The group is not presently exposed to any interest bearing debt and as such has not interest rate risk exposure on debt.

Foreign Currency Risk

The group is exposed to fluctuations in foreign currencies arising from the purchase of goods and services in currencies other than the group's measurement currency.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk

The group manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

There are no material amounts of collateral held as security at 30 June 2008.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties:

- only banks and financial institutions with an "A" rating are utilised
- all potential customers are rated for credit-worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the group's credit policies may only purchase in cash or using recognised credit cards.

The consolidated group does not have any material credit risk exposure to any single receivable or group of receivable under financial instruments entered into by consolidated group.

The trade receivables balances as at 30 June 2008 and 30 June 2007 do not include any counter parties with external credit ratings. Customers are assessed for credit worthiness using the criteria detailed above.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(B) Financial Instruments

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Consolidated Group 2008	Weighted average effective interest rate %	Floating interest rate $	Fixed interest rate maturing 1 year or less $	1 to 5 years $	over 5 years $	Non interest bearing $	Total $
From 1 July 2007 to 30 June 2008							
Assets:							
Cash and Bank Balances	7.20	7,876,250	-	-	-	158,240	8,034,490
Term Deposits	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	1,035,224	1,035,224
Total financial assets		7,876,250	-	-	-	1,193,464	9,069,714
Liabilities:							
Trade and other creditors	18.25	46	-	-	-	613,204	613,250
Total financial liabilities		46	-	-	-	613,204	613,250
Net financial assets (liabilities)		7,876,204	-	-	-	580,260	8,456,464

Consolidated Group 2007	Weighted average effective interest rate %	Floating interest rate $	Fixed interest rate maturing 1 year or less $	1 to 5 years $	over 5 years $	Non interest bearing $	Total $
From 1 July 2006 to 30 June 2007							
Assets:							
Cash	3.01	14,806,975	-	-	-	(11,470)	14,795,505
Term Deposits	6.04	-	500,000	-	-	-	500,000
Receivables	-	-	-	-	-	1,035,224	107,295
Total financial assets		14,806,975	500,000	-	-	95,825	15,402,800
Liabilities:							
Trade and other payables	-	-	-	-	-	706,181	706,181
Total financial liabilities		-	-	-	-	706,181	706,181
Net financial assets (liabilities)		14,806,975	500,000	-	-	(610,356)	14,696,619

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

Parent Entity 2008	Weighted average effective interest rate %	Floating interest rate $	Fixed interest rate maturing 1 year or less $	1 to 5 years $	over 5 years $	Non interest bearing $	Total $
From 1 July 2007 to 30 June 2008							
Assets:							
Cash and Bank Balances	7.20	7,861,110	-	-	-	(29,659)	7,831,451
Term Deposits	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	940,528	940,528
Total financial assets		7,861,110	-	-	-	910,869	8,771,979
Liabilities:							
Trade and other creditors	18.25	46	-	-	-	310,308	310,354
Total financial liabilities		46	-	-	-	310,308	310,354
Net financial assets (liabilities)		7,861,064	-	-	-	600,561	8,461,625

Parent Entity 2007	Weighted average effective interest rate %	Floating interest rate $	Fixed interest rate maturing 1 year or less $	1 to 5 years $	over 5 years $	Non interest bearing $	Total $
From 1 July 2006 to 30 June 2007							
Assets:							
Cash and Bank Balances	3.01	14,733,878	-	-	-	31,854	14,765,732
Term Deposits	6.04	-	500,000	-	-	-	500,000
Receivables	-	-	-	-	-	42,416	42,416
Total financial assets		14,733,878	500,000	-	-	74,270	15,308,148
Liabilities:							
Trade and other creditors	-	-	-	-	-	315,706	315,706
Total financial liabilities		-	-	-	-	315,706	315,706
Net financial assets (liabilities)		14,733,878	500,000	-	-	(241,436)	14,992,442

Trade and sundry payables are expected to be paid as follows:

	Consolidated Group		Parent Entity	
	2008	2007	**2008**	2007
	$	$	**$**	$
Less than 6 months	**613,250**	706,181	**310,354**	315,206
6 months to 1 year	**-**	-	**-**	-
1 to 5 years	**-**	-	**-**	-
Over 5 years	**-**	-	**-**	-
	613,250	706,181	**310,354**	315,206

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(C) Net Fair Values

The net fair values of:

- Term receivables are determined by discounting cash flows, at the market interest rates of similar securities, to their present value.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings, to their present value.
- Other assets and other liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form.

	2008		2007	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	$	$	$	$
Financial Assets	**8,862,897**	**8,862,897**	15,402,800	15,402,800
	8,862,897	**8,862,897**	15,402,800	15,402,800
Financial Liabilities	**613,251**	**613,251**	706,181	706,181
	613,251	**613,251**	706,181	706,181

(D) Sensitivity Analysis

The group has performed a sensitivity analysis relating to its exposure to interest rate risk and foreign currency risk at balance date.

Interest Rate Sensitivity Analysis

As the group had interest bearing debt of $47 at 30 June 2008, the sensitivity analysis of interest rate risk indicted no measurable effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant.

Foreign Currency Risk Sensitivity Analysis

At 30 June 2008, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the Botswana Pula, with all other variables remaining constant is as follows:

	Consolidated Group		Parent Entity	
	2008	2007	2008	2007
	$	$	$	$
Change in profit				
- Improvement in AUD to BWP by 5%	**27,533**	-	-	-
- Decline in AUD to BWP by 5%	**(27,533)**	-	-	-
Change in equity				
- Improvement in AUD to BWP by 5%	**27,533**	-	-	-
- Decline in AUD to USD by 5%	**(27,533)**	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

NOTE 25 COMPANY DETAILS

The principal place of business and registered office is:
Suite 5.10, Level 5, 737 Burwood Road,
Hawthorn, Victoria, Australia 3122

DIRECTORS' DECLARATION

1. The Directors declare that the financial statements and notes set out on pages 35 to 67 are in accordance with the *Corporations Act 2001* and:

a. comply with Accounting Standards, the Corporations Regulations 2001; and

b. give a true and fair view of the financial position as at 30 June 2006 and of the performance for the year ended on that date of the company and economic entity.

2. The Executive Chairman and Company Secretary have each declared that:

a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;

b. the financial statements and notes for the financial year comply with the Accounting Standards; and

c. the financial statements and notes for the financial year give a true and fair view.

3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

P J Volpe
Director

Hawthorn
Dated this 30th day of September 2008

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A-CAP RESOURCES LIMITED

webb audit & assurance

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A-CAP RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ACN 104 028 542

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of A-Cap Resources Limited (the company) and A-Cap Resources Limited and Controlled Entities (the consolidated entity), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Directors also are responsible for preparation and presentation of the remuneration disclosures contained in the directors' report in accordance with the Corporations Regulations 2001.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement and that the remuneration disclosures in the directors' report comply with Accounting Standard AASB 124.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risk of material misstatement of the financial report, whether due to fraud or error. In making those assessments, the auditor consider internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the financial report and the remuneration disclosures in the directors' report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Webb Audit Pty Ltd
ABN 59 116 151 136

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
A-CAP RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

ACN 104 028 542
(Continued)

Independence

In conducting our review, we have complied with applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

Auditor's Opinion

In our opinion:

(a) the financial report of A-Cap Resources Limited and A-Cap Resources Limited and Controlled Entities is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2008 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Jeffrey Luckins
Director
Webb Audit Pty Ltd

Dated in Melbourne, Australia on this 30th day of September 2008

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 26th September 2008.

(A) DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

	Ordinary Shares
1 – 1,000	169
1,001 – 5,000	547
5,001 – 10,000	353
10,001 – 100,000	758
100,001 and over	140
	1,967

There were 253 holders of less than a marketable parcel of ordinary shares.

(B) EQUITY SECURITY HOLDERS

The names of the twenty largest holders of quoted equity securities are listed below:

	Ordinary Shares	
	Number Held	Percentage of Issued Shares
VERMAR PTY LTD	11,111,849	10.10
POLARITY B PTY LTD	5,189,721	4.74
BOND STREET CUSTODIANS LIMITED	5,065,000	4.63
FORTIS CLEARING NOMINEES PTY LTD	3,228,801	2.95
SANDHURST TRUSTEES LIMITED	2,092,174	1.91
AMARANT HOLDINGS PTY LTD	1,945,372	1.78
CITICORP NOMINEES PTY LTD	1,762,600	1.61
MR GEOFFREY J FREEMAN	1,762,000	1.61
MR IAN STEWART	1,649,033	1.51
RIOTEK PTY LTD	1,500,000	1.37
MR H STACPOOLE	1,434,859	1.30
THORNTON (NSW) PTY LTD	1,404,000	1.28
CLARIC 182 PTY LTD	1,270,000	1.16
WADHAM NOMINEES PTY LTD	1,150,278	1.05
EKCO INVESTMENTS PTY LTD	1,000,000	0.91
MACJON PTY LTD	1,000,000	0.91
MR P C LANGDON & MRS R M LANGDON	979,436	0.89
NATIONAL NOMINEES LIMITED	855,233	0.78
SECURED ASSETS PTY LTD	830,000	0.76
WHITEHALL CORPORATION PTY LTD	817,055	0.75
	46,047,411	**42.00**

SHAREHOLDER INFORMATION (CONTINUED)

(C) SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are:

	Ordinary Shares	
	Number Held	Percentage of Issued Shares
Vermar Pty Ltd	11,111,849	10.10

(D) VOTING RIGHTS

The voting rights attaching to each class of equity security are set out below:

Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Options

No voting rights.

SCHEDULE OF INTERESTS IN MINING TENEMENTS

Tenement	Expiry Date	Percentage Holding	Title Holder	Comment
<u>Botswana</u> Letlhakane PL 45/2004	30/6/2009	100	Cardia Mining Botswana (Pty) Ltd	Mineral Holdings (Botswana) Pty Ltd Holds 5% net profits share
Mea PL 134/2005	30/9/2008	100	Cardia Mining Botswana (Pty) Ltd	Renewal application submitted
Sua PL 135/2005	30/9/2008	100	Cardia Mining Botswana (Pty) Ltd	Renewal application submitted
North Uray PL 136/2005	30/9/2008	100	Cardia Mining Botswana (Pty) Ltd	Renewal application submitted
South Uray PL 137/2005	30/9/2008	100	Cardia Mining Botswana (Pty) Ltd	Renewal application submitted
Bolau PL 138/2005	30/9/2008	100	Cardia Mining Botswana (Pty) Ltd	Renewal application submitted
PL 71/2008	31/12/2010	100	Cardia Mining Botswana (Pty) Ltd	-
PL 72/2008	31/12/2010	100	Cardia Mining Botswana (Pty) Ltd	-
PL 73/2008	31/12/2010	100	Cardia Mining Botswana (Pty) Ltd	-
PL 74/2008	31/12/2010	100	Cardia Mining Botswana (Pty) Ltd	-
<u>Queensland</u> Reedy EPM 9934	31/12/2008	4	Republic Gold Ltd A-Cap Resources Ltd Gateway Mining N.L.	Republic Gold Ltd 90% Gateway Mining N.L. 6%
Tempest EPM 11765	14/5/2008	4	Cardia Technologies Ltd Gateway Mining N.L.	Republic Gold Ltd 90% Gateway Mining N.L. 6%
Hurricane South EPM 12240	12/6/2007	4	Republic Gold Ltd A-Cap Resources Ltd Gateway Mining N.L.	Republic Gold Ltd 90% Gateway Mining N.L. 6%
Campbell Creek EPM 10026	Application for 3 years to 5/4/2008	4	Republic Gold Ltd A-Cap Resources Ltd Gateway Mining N.L.	Republic Gold Ltd 90% Gateway Mining N.L. 6%