ACAP Energy

New Energy

Annual Report 2022

For the year ended 30 June 2022

New Energy

A-Cap Energy's development of the Letlhakane Uranium Project in Botswana and Wilconi Ni-Co Project in Australia will serve the world's accelerating electrification and decarbonisation.

Corporate Directory

ACN

104 028 542

Directors

Jiandong He, Chairman
Paul Ingram, Deputy Chairman
Andrew Tunks, Managing Director
Michael Liu, Non-Executive Director
Jijing Niu, Non-Executive Director
Mark Syropoulo, Non-Executive Director
Zhenwei Li, Non-Executive Director

Company Secretary

Mal Smartt

Registered Office

Level 38, 123 Eagle Street
Brisbane Queensland 4000

Principal Place of Business

52 Ord Street
West Perth WA 6005
Telephone: +61 (8) 6383 7836
Email: info@acap.com.lau

Website

www.acap.com.au

Stock Exchange

A-Cap Energy Limited is listed on the Australian Securities Exchange (ASX code: ACB) and Frankfurt Stock Exchange (FSE code: VUT).

Share Registry

Advanced Share Registry Limited
150 Stirling Highway
Nedlands Western Australia 6009
Telephone: +61 (8) 9389 8033
Facsimile: +61 (8) 9389 7871

Bankers

Westpac Banking Corporation
109 ST Georges Terrace
Perth Western Australia 6000

Auditors

William Buck
Level 20, 181 William Street
Melbourne Victoria 3000

Solicitors

Ashurst
Level 38, 123 Eagle Street
Brisbane Queensland 4000

Contents

Managing Director's Report

The 2022 financial year saw a series of major milestones and achievements that left A-Cap Energy in a good position to advance its projects amid the world's growing electrification and decarbonisation.

The Letlhakane Uranium Project in Botswana remains as the jewel in A-Cap's crown with several new activities taking place throughout the year. Letlhakane is one of the world's largest undeveloped uranium deposits with a total JORC resource of 365.7 million pounds. In July 2022, A-Cap Energy began a comprehensive program of development activities led by a new country manager to advance Letlhakane. This included a comprehensive beneficiation test work program, involving ore sorting and gravity separation, designed to improve the mill feed grade and reduce operating costs. Ore sorting gives us the ability to look at the ore in detail, using sensors to determine what is radioactive and removing the non-radioactive material before it is put in a mill. This sorting technique plays an integral role in increasing the uranium grade and lowering acid consumption. If A-Cap can build the right team of international experts on uranium and uranium sorting, we are very confident in making a substantial upgrade to our resource, which will have an immediate impact on the economics of the project.

A-Cap's new strategic plan is to commence diamond drilling in September to generate sufficient fresh sample material to redo the sorting study, utilising advances in sorting technology. We have engaged experienced multi-commodity process metallurgist, Mr Noel O'Brien, to supervise the test work. Mr O'Brien has significant uranium experience and was involved in the commissioning of one of the world's first radiometric sorters in South Africa in the 1970's. The testing, which will look at sorting techniques using radiometric, XRT and hyperspectral sensors, as well as beneficiation techniques by gravity separation using spirals and dense media separation, will be carried out at several international laboratories.

While Letlhakane remains the priority, A-Cap Energy remains plugged into the electric vehicle (EV) revolution with several work programs completed at the company's Wilconi Nickel-Cobalt Project in Western Australia. Located 700km from Perth, Wilconi hosts a JORC total mineral resource of 660,000 tonnes of nickel and 46,400 tonnes of cobalt. Nickel and cobalt make up more than 50% of lithium-ion batteries, the most used battery for EVs.

In this financial year, we have seen results from extensive drilling campaigns at Wilconi. This was kickstarted by a three-month 31-hole diamond drilling program completed in January 2022, comprising 31 holes over 1490.7m. The results of which were positive and will be used as the company advances its Pre-Feasibility study (PFS). Subsequent to the end of the financial year, A-Cap also started a 10,000m reverse circulation (RC) drilling campaign in early July in order to convert current indicated resources to measured resources. Other developments included increasing the company's interest in the project from 20% to 55% after fulfilling phase 2 of the second earn-in milestone as part of the Joint Venture with Wiluna Mining (ASX: WMC).

A lot of ground was covered over FY2022. The next 12 months offer incredible upside as we now continue to explore, drill and advance our projects. The Board's strong view is that A-Cap remains well undervalued compared to its peers given the size of our resource, the strength of our assets, and our proven uranium experience.

On behalf of the Board, I thank you for your continued support and look forward to delivering on your investment in A-Cap Energy.

Dr Andrew Tunks
Chief Executive Officer

Review of Operations

Letlhakane Uranium Project

Botswana, Africa
Ownership 100%

The Letlhakane Uranium Project in Botswana is one of the world's largest undeveloped Uranium Deposits. The project has a total JORC resource of 822 million tonnes (Mt) @ 202ppm for 365.7Mt of U_3O_8 y.

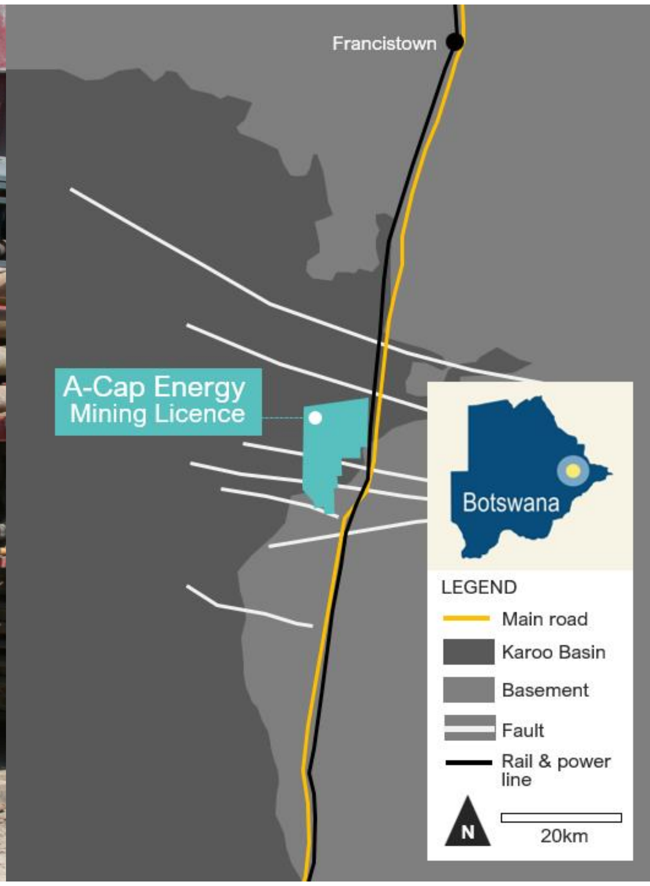
The Letlhakane Uranium Project lies adjacent to Botswana's main North-South infrastructure corridor that includes a sealed all-weather highway (the A1 Highway), railway line and the national power grid, all of which make significant contributions to keeping the capital cost of future developments low. Acap have also tested and secured a plentiful groundwater resource immediately west of the project with ample capacity for all process water needs.

A significant rise in the uranium price and nuclear energy's increasing role in decarbonising the world's power systems underpins a new strategic plan to revitalise Letlhakane. With the company's primary focus involving updating the project's 2016 Feasibility Study to accommodate higher current and projected uranium prices and improved beneficiation technologies.

An Environmental Impact Statement was formally approved by the DEA on the 13 May 2016. Following this, provisional surface rights were granted on the 6 June 2016 over the 144km2 area covering Letlhakane. Finally, on the 8 September 2016, A-Cap received formal confirmation from the Botswana Department of Mines that the Company's application for a mining licence for the Letlhakane Project (PL045/2004) was approved.

Planning for drilling and metallurgical testwork that was suspended back in 2018 is now progressing to further the positive project value-adding results

Letlhakane Uranium Project location



Exploration drilling at Letlhakane Uranium Project , and right, the mining location in close proximity to major infrastructure.

through understanding of the processing acid consumption of different mineralised lenses. These opportunities will focus on new technologies to decrease acid consumption and beneficiation of the run of mine ore to increase the head grade to the process plant with the aim to reduce projected capital and operational costs.

In July 2022, A-Cap Energy began a comprehensive program of development activities led by a new country manager to advance Letlhakane. This included a comprehensive beneficiation test work program, involving ore sorting and gravity separation, designed to improve the process plant feed grade and reduce operating costs. The company engaged the services and experienced Metallugical Consultancy MinAssist who will be supervised by Mr Noel O’Brien, Mr O’Brien has significant uranium experience and was involved in the commissioning of one of the world’s first radiometric sorters in South Africa in the 1970’s. The testing, which will look at beneficiation techniques using radiometric, XRT and hyperspectral sensors, as well as gravity separation using spirals, will be carried out at several international laboratories.

Wilconi Nickel-Cobalt Project

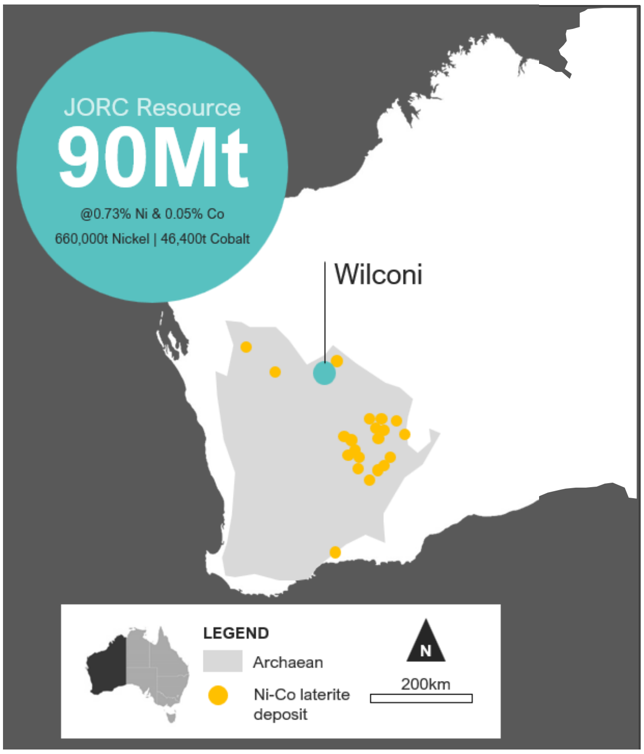
Western Australia, Australia
Ownership 100%

The Wilconi Project will focus on cobalt and nickel materials supply to the global electric vehicle (EV) market through the establishment of key strategic and commercial relationships to take advantage of new materials processing and refinery technologies, particularly in production of cobalt and nickel sulphates products used directly in battery manufacture.

The Company entered into a binding Term Sheet on 28 September 2018 with Blackham Resources Limited to acquire a 75 percent Farm-In Joint Venture Interest in the nickel, cobalt and associated metals of the Wiluna Nickel Cobalt Project (Wilconi Project) in Western Australia. Having cleared the conditions precedent set out in the binding Term Sheet, A-Cap and Blackham formally agreed to the terms set out in the definitive Farm-In Joint Venture agreement.

The Wilconi Project is situated 700km from Perth and has excellent associated infrastructure in the vicinity. BLK has a 280-man camp and operates a fly-in fly-out mining roster for its Wiluna Gold Operation. Power generation is fuelled by a gas pipeline connected to of

Wilconi NiCo drilling on site in July 2022.



Wilconi Project location and drilling on site in July 2022.

the Goldfields Gas transmission line with backup diesel power. The township of Wiluna lies immediately east of the project. The project hosts a JORC total mineral resource of 660,000t of nickel and 46,400t cobalt and is being developed to serve the escalating global electric vehicle (EV) market.

Extensive drilling campaigns have taken place at Wilconi, kickstarted by a three-month 31-hole diamond drilling program completed in January 2022, comprising 31 holes over 1490.7m. The results of which were positive and will be used as the company advances its Pre-Feasibility Study (PFS).

A-Cap also started a 10,000m reverse circulation (RC) drilling campaign in early July in order to convert current indicated resources to measured resources.

The company has also increased its interest in the Wilconi Nickel Cobalt Project in Western Australia from 20% to 55% after fulfilling phase 2 of its second earn-in milestone as part of its Joint Venture with Wiluna Mining (ASX: WMC).

Mineral Resources and Ore Reserves Statement

Letlhakane Uranium Project

JORC 2012 Resource Estimate

	Total Indicated			Total Inferred			Global Total		
Cut-off	Mt	Grade U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)	Mt	Grade U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)	Lbs U_3O_8 (000)	Grade U_3O_8 (ppm)	Contained U_3O_8 (Mlbs)
100	197.1	197	85.5	625	203	280.1	822.1	202	365.7
200	59.2	323	42.2	209.7	321	148.1	268.9	321	190.4
300	22.2	463	22.7	81.6	446	80.3	103.8	450	103.1

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

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

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

Wilconi Nickel-Cobalt Project

JORC 2012 Resource Estimate

Rounding may cause minor inconsistencies

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

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

Tenement Interests

Held as at the end of the 30 June 2022

Tenement Id	Location	Project	Status	Interest at Start of Quarter	Interest at End of Quarter
E53/2076	Wiluna	Wilconi	Granted	20%	20%
E53/1645	Wiluna	Wilconi	Granted	20%	20%
E53/1791	Wiluna	Wilconi	Granted	20%	20%
E53/1794	Wiluna	Wilconi	Granted	20%	20%
E53/1803	Wiluna	Wilconi	Application	20%	20%
E53/1852	Wiluna	Wilconi	Granted	20%	20%
E53/1853	Wiluna	Wilconi	Granted	20%	20%
E53/1864	Wiluna	Wilconi	Application	20%	20%
E53/1908	Wiluna	Wilconi	Granted	20%	20%
E53/1912	Wiluna	Wilconi	Granted	20%	20%
E53/1908	Wiluna	Wilconi	Granted	20%	20%
E53/1912	Wiluna	Wilconi	Granted	20%	20%
E53/2048	Wiluna	Wilconi	Granted	20%	20%
E53/2050	Wiluna	Wilconi	Granted	20%	20%
M53/0024	Wiluna	Wilconi	Granted	20%	20%
M53/0026	Wiluna	Wilconi	Granted	20%	20%
M53/0034	Wiluna	Wilconi	Granted	20%	20%
M53/0041	Wiluna	Wilconi	Granted	20%	20%
M53/0052	Wiluna	Wilconi	Granted	20%	20%
M53/0071	Wiluna	Wilconi	Granted	20%	20%
M53/0092	Wiluna	Wilconi	Granted	20%	20%
M53/0139	Wiluna	Wilconi	Granted	20%	20%
M53/0188	Wiluna	Wilconi	Granted	20%	20%
M53/1098	Wiluna	Wilconi	Granted	20%	20%
P53/1560	Wiluna	Wilconi	Granted	20%	20%
R53/0001	Wikuna	Wilconi	Granted	20%	20%

Directors Report

Directors Report

The Directors present their report on the Consolidated Group consisting of A-Cap Energy Limited ("A-Cap") and the entities it controlled (the "Consolidated Group" or "Company") at the end of, or during the financial year ended 30 June 2022.

Directors

Directors of A-Cap Energy Limited during and since the end of the financial year are listed below.

Mr Jiandong He
Chairman
B.Eng

Mr He is one of the founders of the Shenke Slide Bearing Corporation a Chinese listed company. He was appointed as the vice general manager and general manager of the Shenke Slide Bearing Corporation. He is currently the general manager of Shanghai Shenke Slide Bearing company and director and chairman of Singapore Shenke International Investment Pte. Ltd.

During the past three years Mr He has not served as Director for any other ASX listed companies.

Paul A. Ingram
Deputy Chairman
B. Applied Sc. (Geology), MAusIMM

Mr Ingram is a geologist with extensive experience in corporate and technical management of exploration and mining companies for over 30 years. He has held senior management positions in a number of successful resource companies in the precious metals sector and energy sector and has managed projects in countries throughout East Asia and in Australia.

During the past 3 years, Mr Ingram has also served as Director of the following ASX listed company:

- Impact Minerals Limited (since July 2009)
- Besra Gold Inc (since July 2020)

Dr Andrew Tunks
Managing Director (appointed 20 September 2022)
B.Sc. (Hons), Ph.D. Economic Geology, AIG

Dr Tunks has held numerous leadership and exploration positions during his 30+ year career, with various ASX-listed companies. Most notably, he was Managing Director of A-Cap Resources from 2006 to 2011 where he led the development of the Letlhakane Project from discovery and first drill hold to one of the world's largest uranium resources.

Directors (continued)

During the past 3 years, Dr Tunks has also served as Director of the following ASX listed companies:

- Meteoric Resources NL (since 10 January 2018)
- West Wits Mining Ltd (April 2019 to 19 November 2020)

Michael Liu
Non-Executive Director
MA, MBA

Mr Liu is the current Chairman of East China Capital Investments Ltd and has over 20 years' experience in public company management, corporate investment and finance, and international M&A. In the past 10 years, Mr Liu has overseen several successful acquisitions and divestitures of mining assets including gold, copper, and coal in China and overseas. Mr Liu holds a Master of Arts from the University of New Brunswick and an MBA from The University of British Columbia in Canada.

During the past three years Mr Liu has not served as Director for any other ASX listed companies.

Mr Jijing Niu
Non-Executive Director
MBA

Mr Niu graduated from Hunan University majoring in Economics and Information Management and holds an MBA from Fudan University and an EMBA from Cheung Kong School of Business. Mr Niu brings to the Board a wealth of corporate and investment banking experience, having commenced his investment banking career at United Securities Co., Ltd in 1998. From 2005 Mr Niu joined the Investment Banking Division of Guosen Securities Ltd and was promoted to be the Managing Director of the division until 2015. He was appointed as Chairman of Jiangsu Shengan Resources Group Co Ltd on 8 July 2016.

During the past three years Mr Niu has not served as Director for any other ASX listed companies.

Mr Mark Syropoulo
Non-Executive Director
BSc (Mathematics and Economics); BSc Hons (Economics)

Mr Syropoulo has over 40 years' experience in corporate finance, mainly resources and technology. He has been an Independent Corporate Consultant since 1994 and has during that time provided services to entities in the natural resources, information technology, environmental services and investment sectors, principally in Australia, USA and China where he was resident in Shanghai for six years. Mr Syropoulo also has had considerable investment experience in Africa, Europe and Russia.

Mr Syropoulo has served as an executive or non-executive director on several public companies boards on LSE, AIM, Nasdaq and ASX markets.

During the past three years Mr Syropoulo has not served as Director for any other ASX listed companies.

Directors (continued)

Mr Zhenwei Li
Non-Executive Director
M.Mining Engineering, MAusIMM

Mr Li has over 10 years' experience in mining operation and investment. He worked as a manager of the mining sector in several mining projects (gold, copper, lead and zinc projects, and he was a director of research in a private equity firm in China. Mr Li has professional knowledge in mining exploration and capital markets.

During the past three years Mr Li has not served as Director for any other ASX listed companies.

Interest in the shares, performance rights and options of the Company

As at the date of this report, the interests of the Directors in the shares and options of the Company were:

	J He	P Ingram	A Tunks	M Liu	JJ Niu	M Syropoulo	Z Li
Ordinary Shares	-	10,454,758	272,465	15,595,939	-	505,524	-
Performance Rights	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Options (Unlisted)	4,000,000	6,000,000	7,000,000	3,500,000	3,500,000	3,500,000	3,500,000

Company Secretary

Malcolm Smartt
BA (Accounting), Grad Dip Corporate Management, FCPA, FCIS, FCIM

Mr Smartt is a Corporate Consultant to listed and unlisted public companies. He is a qualified Accountant and Company Secretary having had considerable experience in Directorial, Financial and Company Secretary roles with a number of listed companies in the resource sector in Australia, South East Asia and Africa.

Directors' Meetings

The number of meetings of the Company's Board of Directors held during the year ended 30 June 2022, and the numbers of meetings attended by each Director were:

Director	Board of Directors	
	Held	Attended
J He	4	4
P Ingram	4	4
M Liu	4	4
JJ Niu	4	1
M Syropoulo	4	4
Z Li	4	4

Principal Activities

The Consolidated Group's principal activities during the year have been:

- Farm-in to the exploration joint venture with Wiluna Mining Limited to acquire a 75% farm-in interest in the nickel, cobalt and associated reserved minerals of the Wiluna Nickel-Cobalt Project, Western Australia.
- Recommencement of exploration on the Letlhakane Project, Botswana.

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

Review of Operations

A Review of Operations is provided on pages 4 to 10.

Corporate Activity

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

The Company also completed a Rights Issue raising $10.7 million (before costs) in March 2022.

Likely Developments

Likely developments in the operations of the consolidated group and the expected results of those operations in future years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the consolidated group.

Significant Changes in the State of Affairs

In October 2021, the Company completed a rights issue and follow-on placement raising $17.4 million (before costs) via the issue of 267,971,214 shares. The proceeds were used to fully repay the Company's debt.

In March 2022, the Company completed a rights issue raising $10.7 million (before costs) via the issue of 82,079,006 shares.

On 20 July 2022, FTI Consulting was appointed as voluntary administrators to Wiluna Mining Corporation Limited and its subsidiaries ("Wiluna"). The Company (through its wholly-owned subsidiary, Wilconi Pty Ltd) and Wiluna are parties to a joint venture agreement under which the Company holds a 55% interest in the cobalt, nickel and associated reserve minerals of the Wilconi Nickel Cobalt Project. The voluntary administration of Wiluna does not create any new liabilities for the Company and the Company is engaging with Wiluna's administrators in respect of the Company's rights under the joint venture agreement that have been triggered by the voluntary administration of Wiluna, which include the right for the Company to acquire Wiluna's remaining 45% interest in the joint venture.

There have been other no significant changes in the state of affairs during this financial year.

Financial Results

The consolidated loss for the year attributable to the members of the Consolidated Group was $5,214,624 (2021: $633,562).

The net assets of the Consolidated Group for the financial year ended 30 June 2022 was $45,487,411 (2021: $17,920,649).

Corporate Activity (continued)

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.

Environmental Issues

The Consolidated Group's exploration activities in Botswana are governed by the Botswana Mines and Mineral Act 1999 and the Botswana Environmental Assessment Act 2011. The Department of Environmental Affairs formally approved A-Cap's Environmental Impact Statement for the Letlhakane Uranium Project on 13 May 2016 in accordance with Section 12 (1a) of the Botswana Environmental Assessment Act, No.10, of 2011.

The Department of Mines, Industry Regulation and Safety (DMIRS) ensures the responsible development of Western Australia's (WA) mineral, petroleum and geothermal resources. This includes regulating industry to ensure environmental compliance and implementation of best practice environmental management. Environmental approvals for exploration activities are granted in accordance with the *Mining Act 1978* and include a Programme of Work, submitted when a company plans to disturb the ground with mechanised equipment to explore or prospect for minerals.

To the best of the Directors' knowledge, the Group has adequate systems in place to ensure compliance with the requirements of the applicable environmental legislation and is not aware of any breach of those requirements during the financial year and up to the date of the Directors' Report.

Matters Subsequent to the End of the Financial Year

On 20 July 2022, FTI Consulting was appointed as voluntary administrators to Wiluna Mining Corporation Limited and its subsidiaries ("Wiluna"). The Company (through its wholly-owned subsidiary, Wilconi Pty Ltd) and Wiluna are parties to a joint venture agreement under which the Company holds a 55% interest in the cobalt, nickel and associated reserve minerals of the Wilconi Nickel Cobalt Project. The voluntary administration of Wiluna does not create any new liabilities for the Company and the Company is engaging with Wiluna's administrators in respect of the Company's rights under the joint venture agreement that have been triggered by the voluntary administration of Wiluna, which include the right for the Company to acquire Wiluna's remaining 45% interest in the joint venture.

Other than the matters discussed above, 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 Group, the results of these operations or the state of affairs of the Consolidated Group in subsequent years.

Remuneration Report Audited

Remuneration Policy

Executive Director Remuneration
The remuneration policy of A-Cap Energy Limited has been designed to align Executive Director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of A-Cap Energy Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and Executive 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 Consolidated Group is as follows:

- The remuneration policy, setting the terms and conditions for the Executive Directors and other senior executives was developed internally based on industry-wide benchmarks, and approved by the Board based on the research and information provided.
- All executives receive a base salary (which is based on factors such as length of service and experience).
- The Board reviews executive packages annually by reference to executive performance and remuneration packages for similar positions in comparable companies.

Directors and executives receive a superannuation guarantee contribution in compliance with government requirements. All remuneration paid to Directors and executives is valued at the cost to the Company and expensed.

Non-Executive Director Remuneration
The Board's 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. The maximum aggregate directors' fees (currently set at $400,000 p.a. as of the 2016 Annual General Meeting) 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. The maximum aggregate fees exclude consulting fees paid to Non-Executive Director's for work outside the scope of their role as Non-Executive Directors. Consulting fees paid to Non-Executive Directors are in a Non-Executive capacity and do not impair the impendence of Non-Executive Directors.

A Director Long Term Incentive Plan (DLTIP) was approved by Shareholders at the 2021 Annual General Meeting, (to refresh the previous 2018 DLTIP which expired during the period) designed to provide long term incentives through the issue of Performance Rights to eligible Directors, subject to shareholder approval in order to assist in the motivation and retention of those Directors. The terms of the DLTIP are set out in detail in the remuneration report.

Remuneration Report (continued)

To align Directors' interests with shareholder interest, the Directors are encouraged to hold shares in the Company. Directors performance rights and options are issued in accordance with resolutions passed at the Company's Annual General Meeting.

Company Performance, Shareholders Wealth and Directors' and Executives Remuneration

Remuneration of Directors is not impacted by the following

(i) Dividends paid by the Company to its shareholders during the year;
(ii) Changes in share price at which shares in the Company are traded between the beginning and the end of the year, with the exception to the share hurdles and TSR requirement attaching to some tranches of shares and options, as disclosed in this Remuneration Report;
(iii) Any return of capital by the Company to its shareholders during the year that involves cancellation of shares in the Company and payments to shareholders that exceeds the price at which shares in that class are being traded at the time when the shares are cancelled; and
(iv) Any other relevant matter.

Key Management Personnel (other than Directors) Remuneration Policy

The Board's policy for determining the nature and amount of remuneration of key management (other than directors) for the group follows.

The remuneration structure for key management personnel (other than directors) 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.

For the reporting year, director and executive remuneration packages included performance-based remuneration relating to the issue of performance rights and unlisted options. Performance rights and options issued are commensurate with the level of responsibility held by the director or executive, and aligns the long-term goals and objectives between shareholders, directors and executives.

Service Agreements

As at the date of this report, the Company has the following service agreement with the Chief Executive Officer (appointed Managing Director on 20 September 2022).

Dr Andrew Tunks (CEO/Managing Director)

Fee:	$430,000 per annum inclusive of superannuation
Notice period:	Termination without cause requires 3 months written notice or payment
Redundancy payment:	If there is a material change to the Company's Business Operation, such as the discontinuation or substantial reduction of operations, substantial change in the nature of the Company's operations (eg. to a non-mining Company) and change in the nature of the role of CEO, the Company shall pay a redundancy payment of $165,000

Remuneration Report – Audited (continued)

No executive is entitled to any termination benefits as defined under the Corporations Act 2001.

Use of Remuneration Consultants

Due to the size and nature of the organisation, the Company has not engaged remuneration consultants to review and measure its policy and strategy. The Board reviews remuneration strategy periodically and may engage remuneration consultants in future to assist with this process.

Voting and comments made at the company's 2021 Annual General Meeting ('AGM')

At the 2021 AGM held on 17 January 2022, the 30 June 2021 Remuneration Report was passed by the required majority.

Key Management Personnel

The directors and other key management personnel of the Consolidated Group during or since the end of the financial year were:

Mr Jiandong He	Chairman
Mr Paul Anthony Ingram	Deputy Chairman
Mr Michael Liu	Non-Executive Director
Mr Jijing Niu	Non-Executive Director
Mr Mark Syropoulo	Non-Executive Director
Mr Zhenwei Li	Non-Executive Director
Dr Andrew Tunks	Chief Executive Officer, appointed 6 June 2022 (Managing Director, 13 September 2022)

Remuneration Report (continued)

Directors

Name	Short-term Benefits			Long-term benefits	Post-employment benefits	Share-based payments		Relative proportion of remuneration linked to performance	
	Salary & Fees $	Consulting Fees $	Annual Leave $	Long Service leave $	Superannuation $	Performance Rights & Options $	Total $	Fixed %	Performance based %
30 June 2022									
J He	**30,000**	**-**	**-**	**-**	**-**	**450,875**	**480,875**	**6**	**94**
P Ingram	**30,000**	**230,760**	**-**	**-**	**-**	**645,749**	**906,509**	**29**	**71**
M Liu	**30,000**	**-**	**-**	**-**	**-**	**402,156**	**432,156**	**7**	**93**
JJ Niu	**30,000**	**-**	**-**	**-**	**-**	**402,156**	**432,156**	**7**	**93**
M Syropoulo	**30,000**	**-**	**-**	**-**	**-**	**402,156**	**432,156**	**7**	**93**
Z Li	**30,000**	**-**	**-**	**-**	**-**	**402,156**	**432,156**	**7**	**93**
Total	**180,000**	**230,760**	**-**	**-**	**-**	**2,705,248**	**3,116,008**	**13**	**87**
30 June 2021									
J He	-	-	-	-	-	-	-	100	-
P Ingram	-	115,380	-	-	-	-	115,380	100	-
M Liu	-	-	-	-	-	-	-	100	-
JJ Niu	-	-	-	-	-	-	-	100	-
M Syropoulo	-	-	-	-	-	-	-	100	-
Z Li[1]	-	-	-	-	-	-	-	100	-
M Weijun[2]	-	-	-	-	-	-	-	100	-
Total	-	115,380	-	-	-	-	115,380	100	-

[1] Appointed 1 October 2020
[2] Resigned 1 October 2020

Executives

Name	Short-term Benefits			Long-term Benefits	Post-employment benefits	Share-based payments		Relative proportion of remuneration linked to performance	
	Salary $	Consulting Fees $	Annual leave $	Long service leave $	Superannuation $	Performance Rights & Options $	Total $	Fixed %	Performance Based %
30 June 2022									
A Tunks	**20,000**	**-**	**-**	**-**	**-**	**174,151**	**194,951**	**10**	**90**
Total	**20,000**	**-**	**-**	**-**	**-**	**174,151**	**194,951**	**10**	**90**
30 June 2021									
H Mustard	-	117,000	-	-	-	11,215	128,215	91	9
Total	-	117,000	-	-	-	11,215	128,215	91	9

Performance Rights Issued as part of remuneration of Key Management Personnel

26,000,000 performance rights were issued to directors as part of remuneration during the 2019 financial year, pursuant to the A-Cap Director Long Term Incentive Plan approved by shareholders at the 2018 AGM. 6,250,000 of these performance rights vested as they met the performance hurdle and were exercised during the 2022 financial year. 6,250,000 performance rights were forfeited as they did not meet the performance hurdles.

Name	Balance 1 July 21	Granted	Forfeited	Exercised	Balance 30 June 22	Unvested	Fair Value at Grant Date $	Expiry Date
P Ingram	4,000,000	-	(2,000,000)	(2,000,000)	-	-	$121,067	18/12/2021
M Liu	4,000,000	-	(2,000,000)	(2,000,000)	-	-	$121,067	18/12/2021
JJ Niu	4,500,000	-	(2,250,000)	(2,250,000)	-	-	$136,201	18/12/2021

30,000,000 performance rights were issued to directors as part of remuneration during the 2022 financial year, pursuant to the A-Cap Director Long Term Incentive Plan approved by shareholders at the 2021 AGM. 5,000,000 performance rights were issued to executives as part of remuneration during the 2022 financial year, pursuant to the Company's Share Option Plan approved by shareholders at the 2022 AGM. All of these performance rights remain outstanding at the end of the 2022 financial year.

Name	Balance 1 July 21	Granted	Forfeited	Exercised	Balance 30 June 22	Unvested	Fair Value at Grant Date $	Expiry Date
Directors								
J He	-	5,000,000	-	-	5,000,000	5,000,000	$408,500	17/01/2025
P Ingram	-	5,000,000	-	-	5,000,000	5,000,000	$408,500	17/01/2025
M Liu	-	5,000,000	-	-	5,000,000	5,000,000	$408,500	17/01/2025
JJ Niu	-	5,000,000	-	-	5,000,000	5,000,000	$408,500	17/01/2025
M Syropoulo	-	5,000,000	-	-	5,000,000	5,000,000	$408,500	17/01/2025
Z Li	-	5,000,000	-	-	5,000,000	5,000,000	$408,500	17/01/2025
Total	**-**	**30,000,000**	**-**	**-**	**30,000,000**	**30,000,000**		

Remuneration Report – Audited (continued)

Name	Balance 1 July 21	Granted	Forfeited	Exercised	Balance 30 June 22	Unvested	Fair Value at Grant Date $	Expiry Date
Executive								
A Tunks	-	5,000,000	-	-	5,000,000	5,000,000	$408,500	17/01/2025

Refer Note 13 of the Financial Report for vesting conditions.

Options Issued as part of remuneration of Key Management Personnel

6,000,000 unlisted options were issued to key management personnel as part of remuneration during the 2019 financial year, pursuant to the A-Cap Executive and Consultant Share Option Plan approved by shareholders at the 2018 AGM. Some of these options were forfeited on resignation of the key management personnel in the 2020 financial year. 4,250,000 of these options were exercised in the 2022 financial year.

Grant Date	Vesting Period	Number of Options	Exercise Price	Fair Value of Options at Grant Date $	Expiry Date
18/12/2018	Vesting Period 1	1,500,000	$0.115	$24,375	17/06/2022
18/12/2018	Vesting Period 2	1,500,000	$0.115	$24,375	17/06/2022
18/12/2018	Vesting Period 3	3,000,000	$0.115	$48,750	17/06/2022

24,000,000 unlisted options were issued to directors as part of remuneration during the 2022 financial year, pursuant to the A-Cap Director Long Term Incentive Plan approved by shareholders at the 2021 AGM. 7,000,000 unlisted options were issued to executives as part of remuneration during the 2022 financial year, pursuant to the Company's Share Option Plan approved by shareholders at the 2021 AGM.

Refer Note 13 of the Financial Report for vesting conditions. 27,500,000 options had vested as at the reporting date.

- The options are unlisted but upon exercise will rank equally in all respects with the fully paid ordinary shares in the Company
- The options tabled above are performance related
- No option holder has the right under the options to participate in any other share issue of the Company or any other entity
- No 2022 options were exercised during the financial year to 30 June 2022 and subsequent to the reporting date.

Remuneration Report – Audited (continued)

Number of Shares held by Directors and Key Management Personnel

2022	Balance 1.7.2021	Remuneration	Net Change Other	Balance 30.6.2022
Directors				
J He	-	-	-	-
P Ingram	7,949,234	-	2,505,524	10,454,758
M Liu	11,362,900	-	4,233,039	15,595,939
JJ Niu	-	-	-	-
M Syropoulo	-	-	505,524	505,524
Z Li	-	-	-	-
Executives				
A Tunks	-	-	272,465	272,465
Total	**19,312,134**	**-**	**7,516,552**	**26,828,686**

Director Long Term Incentive Plan

A resolution to establish a Director Long Term Incentive Plan (DLTIP) was approved by Shareholders at the 2021 Annual General Meeting held on 17 January 2022. The Director LTI Plan superseded the A-Cap Directors Share Plan that was previously approved by shareholders at the Annual General Meeting of A-Cap Energy Limited held on the 22 November 2018 (Old Plan).

The DLTIP is designed to provide long term incentives through the issue of Performance Rights and Options to eligible Directors, subject to shareholder approval in order to assist in the motivation and retention of those Directors. The Performance Rights and Options will entitle eligible Directors to Shares, subject to certain performance measures (vesting conditions) being met. The Director LTI Plan seeks to:

i. link the reward of Directors to the performance of the Company and the creation of shareholder value; and

ii. align the interests of Directors more closely with those of shareholders.

A-Cap Employee Share Option Plan

A resolution to establish the A-Cap Executive and Consultant Share Option Plan (ESOP) was approved by Shareholders at the 2021 AGM held on 17 January 2022. The ESOP superseded the A-Cap Share Option Plan (Old Share Plan) previously approved at the AGM of A-Cap Energy Limited on 22 November 2018.

The purpose of the ESOP is to provide certain employees and executives, as determined by the Board, an opportunity to accept an offer from the Company to acquire an option to acquire Shares. Such an employee incentive scheme assists the Company with recruitment, reward, retention and motivation of certain employees and executives of the Company.

Remuneration Report – Audited (continued)

Number of Options Held by Key Management Personnel

2022	Balance 1.7.2021	Remuneration	Options Exercised	Options Expired During the Year	Net Change Other	Balance 30.6.2022	Vested and exercisable 30.6.2022 (Unlisted)	Unvested and unexercisable 30.6.2022 (Unlisted)
Directors								
J He	-	4,000,000	-	-	-	4,000,000	4,000,000	-
P Ingram	-	6,000,000	-	-	-	6,000,000	6,000,000	-
M Liu	-	3,500,000	-	-	-	3,500,000	3,500,000	-
JJ Niu	-	3,500,000	-	-	-	3,500,000	3,500,000	-
M Syropoulo	-	3,500,000	-	-	-	3,500,000	3,500,000	-
Z Li	-	3,500,000	-	-	-	3,500,000	3,500,000	-
Executives								
A Tunks	-	7,000,000	-	-	-	7,000,000	3,500,000	3,500,000
Total	**-**	**31,000,000**	**-**	**-**	**-**	**31,000,000**	**27,500,000**	**3,500,000**

There have been no other transactions involving equity instruments other than those described in the remuneration report. For details of other Key Management Personnel transactions, refer to Note 21: Related Party Information.

Company Performance and its Consequences on Shareholder Wealth

It is currently not possible to accurately determine the Company's performance using generally accepted measures such as profitability and total shareholder return, as the Company is a minerals exploration company with no operating revenue. This assessment will be developed if and when the Company progresses into the mining production phase. The table below shows the gross revenue, losses and loss per share for the last five years for the Company:

		2022	**2021**	**2020**	**2019**	**2018**
Revenue and other income	$	4,825	14,816	97,148	19,991	94,960
Net loss	$	5,214,624	633,562	29,052,604	8,700,450	1,457,842
Loss per share	cents	0.48	0.07	3.33	1.00	0.17
Share price at year end	$	0.063	0.06	0.007	0.031	0.046

This concludes the remuneration report which has been audited.

Options on Issue

48,500,000 unlisted options were issued as part of remuneration during the year (2021: Nil). 4,250,000 unlisted options exercisable at $0.115 expiring 17 June 2022, were exercised during the year.

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

	Date of Expiry	Exercise Price	Number of Options
Listed	15/03/24	$0.20	46,039,445
Unlisted	31/05/24	$0.22	3,500,000
Unlisted	31/10/24	$0.10	8,000,000
Unlisted	31/10/24	$0.11	46,000,000
Total			**103,539,445**

* Refer Note 13 of the Financial Report for vesting conditions. No options vested during the period. No further options or performance rights were exercised from 1 July 2022 through to the date of this financial report.

Indemnification and Insurance of Directors, Officers and Auditors

The Company has agreed to indemnify the current directors and officers of the Company against all liabilities to another person (other than the Company or a related body corporate) that may arise from their designated position of the Company, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulates that the Company will meet to the maximum extent permitted by law, the full amount of any such liabilities, including costs and expenses.

The Company paid a premium during the year in respect of a director and officer liability insurance policy, insuring the directors of the Company, the company secretary, and all executives of the Company against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001.

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor. During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

The amount paid for the indemnification of directors, officers and auditors cannot be disclosed due to commercial confidential reasons.

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 to take responsibility on behalf of the Company for all or any part of those proceedings.

Non-Audit Services

There were no fees for non-audit services paid to the external auditors during the year ended 30 June 2022.

Auditor's Independence Declaration

The lead Auditor's Independence Declaration for the year ended 30 June 2022 has been received and can be found on page 19 of this Report.

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

Paul Ingram
Deputy Chairman
30 September 2022
Perth, Western Australia

William Buck
ACCOUNTANTS & ADVISORS

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2022 there have been:

— no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

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

N. S. Benbow
Director
Melbourne, 30th September 2022

Financial Report

Consolidated statement of profit or loss and other comprehensive income

For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
Revenue		**-**	-
Other income	2	**4,825**	14,816
Administration expense		**(833,157)**	(625,939)
Corporate expense		**(503,776)**	(71,152)
Employment expense		**(92,928)**	(100,725)
Finance cost		**(157,151)**	(432,782)
Share-based payment expense		**(3,461,080)**	(15,888)
FX gain/(loss)		**(171,357)**	598,108
Loss before income tax expense		**(5,214,624)**	(633,562)
Income tax expense	3	-	-
Loss after income tax expense		**(5,214,624)**	(633,562)
Other Comprehensive Income			
Items that may be reclassified to profit & loss			
Losses arising from translation of foreign controlled operation		**1,712,558**	(2,110,375)
Total comprehensive loss		**(3,502,066)**	(2,743,937)
Loss per Share:			
Basic / Diluted loss per Share (cents per share)	11	**(0.48)**	(0.07)

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

Consolidated statement of financial position

as at 30 June 2022

	Notes	2022 $	2021 $
ASSETS			
Current assets			
Cash and cash equivalents	4	**12,216,295**	3,584,498
Security deposits		**61,994**	61,411
Trade and other receivables	5	**82,199**	73,868
Prepayments		**71,715**	29,206
Total current assets		**12,432,203**	3,748,983
Non-current assets			
Plant and equipment		**65,993**	8,568
Capitalised exploration and evaluation	6	**33,476,063**	28,275,826
Total non-current assets		**33,542,056**	28,284,394
TOTAL ASSETS		**45,974,259**	32,033,377
LIABILITIES			
Current liabilities			
Trade & other payables	7	**424,596**	313,870
Provision for employee entitlements		**62,252**	45,375
Interest-bearing liabilities	8	**-**	13,753,483
Total current liabilities		**486,848**	14,112,728
TOTAL LIABILITIES		**486,848**	14,112,728
NET ASSETS		**45,487,411**	17,920,649
EQUITY			
Issued capital	9	**98,507,218**	71,552,320
Reserves	10	**14,620,613**	8,794,125
Accumulated losses		**(67,640,420)**	(62,425,796)
TOTAL EQUITY		**45,487,411**	17,920,649

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

Consolidated statement of changes in equity

For the Year Ended 30 June 2022

	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	$	$	$	$	$
At 1 July 2021	**71,552,320**	**489,002**	**8,305,123**	**(62,425,796)**	**17,920,649**
Loss for the period	-	-	-	(5,214,624)	(5,214,624)
Other comprehensive income	-	-	1,712,558	-	1,712,558
Total comprehensive income for the year	**-**	**-**	**1,712,558**	**(5,214,624)**	**(3,502,066)**
Transactions with owners in their capacity as owners:					
Capital raising	28,088,400	-	-	-	28,088,400
Cost of capital raising	(1,622,252)	652,850	-	-	(969,402)
Option exercise	488,750	-	-	-	488,750
Vesting charge for share-based payments	-	3,461,080	-	-	3,461,080
At 30 June 2022	**98,507,218**	**4,602,932**	**10,017,681**	**(67,640,420)**	**45,487,411**

	Issued capital	Share-based payment reserve	Foreign currency translation reserve	Accumulated losses	Total
	$	$	$	$	$
At 1 July 2020	**71,552,320**	**473,114**	**10,415,498**	**(61,792,234)**	**20,648,698**
Loss for the period	-	-	-	(633,562)	(633,562)
Other comprehensive income	-	-	(2,110,375)	-	(2,110,375)
Total comprehensive income for the year	**-**	**-**	**(2,110,375)**	**(633,562)**	**(2,743,937)**
Transactions with owners in their capacity as owners:					
Vesting charge for share-based payments	-	15,888	-	-	15,888
At 30 June 2021	**71,552,320**	**489,002**	**8,305,123**	**(62,425,796)**	**17,920,649**

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

Consolidated statement of cash flows

For the Year Ended 30 June 2022

	Notes	2022 $	2021 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		**(1,476,416)**	(880,418)
Interest received		**2,161**	817
Interest paid		**-**	(124,726)
Net Cash (Outflow) from Operating Activities	12	**(1,474,255)**	(1,004,327)
Cash Flows from Investing Activities			
Payments for exploration expenditure		**(3,377,162)**	(1,275,500)
Proceeds from sale of plant and equipment		**-**	10,378
Payments for plant and equipment		**(68,163)**	-
Net Cash (Outflow) from Investing Activities		**(3,445,325)**	(1,265,122)
Cash Flows from Financing Activities			
Proceeds from issue of equity securities		**20,965,977**	-
Proceeds from exercise of options		**488,750**	-
Transaction costs relating to issue of equity securities		**(1,018,439)**	-
Proceeds from loans and borrowings		**-**	12,005,825
Repayment of loans and borrowings		**(6,883,987)**	(6,431,152)
Net Cash Inflow from Financing Activities		**13,552,301**	5,574,673
Net (Decrease) / Increase in Cash and Cash Equivalents Held		**8,632,721**	3,305,224
Cash and cash equivalents at the Beginning of the Financial Year		**3,584,498**	280,531
FX impact on cash		**(924)**	(1,257)
Cash and cash equivalents at the End of the Financial Year	4	**12,216,295**	3,584,498

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

Notes to the Financial Statements

Note 1: Statement of Significant Accounting Policies

These financial statements include the consolidated financial statements and notes of A-Cap Energy Limited and controlled entities (‘Consolidated Group’). A-Cap Energy Limited is a for-profit company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Securities Exchange. These financial statements for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 30 September 2022.

Supplementary information about the parent entity is disclosed in Note 15: Parent Entity Information.

(a) Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, ('AASB') and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements 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 the financial statements are presented below. They have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of A-Cap Energy Limited ('company' or 'parent entity') as at 30 June 2022 and the results of all subsidiaries for the year then ended. A-Cap Energy Limited and its subsidiary together are referred to in these financial statements as the ‘Consolidated Group’. Subsidiaries are all those entities over which the Consolidated Group has control. The Consolidated Group controls an entity when the Consolidated Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Group.

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(b) Principles of Consolidation (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Consolidated Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(c) Income Tax

The income tax expense (benefit) 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 on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as 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 and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profits 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.

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(d) Plant and Equipment

Plant and equipment are measured on a cost basis less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on a 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.

(d) Plant and Equipment

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 Consolidated Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income 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.

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 & software	33%
Plant and equipment – furniture and fittings	15%
Plant and equipment – geophysical equipment	20%
Plant and equipment – containers and sheds	15%
Plant and equipment – camp & field establishment	15%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 statement of profit or loss and other comprehensive income.

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(e) Exploration, Evaluation 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 a present value 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.

(f) Financial Instruments

Initial recognition and measurement
Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Consolidated Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement
Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(f) Financial Instruments (continued)

fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

Financial Liabilities

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

Impairment of financial assets
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(g) Impairment of Non-Financial Assets

At the end of each reporting period, the Consolidated Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset’s fair value less costs to sell and value in use, is compared to the asset’s carrying value. Any excess of the asset’s carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Where it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(h) Foreign Currency Transactions and Balances

Functional and presentation currency

The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency. The Directors have determined that an Australian dollar presentation currency will continue to deliver Shareholders with more relevant and reliable information, on the basis that users of A-Cap Energy Limited's financial statements are currently predominantly Australian investors, with the majority of funds raised to date being in line with the presentation currency of the parent entity.

Transaction and balances

Foreign currency transactions are translated into the 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 statement of profit or loss and other comprehensive income, 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 other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the statement of profit or loss and other comprehensive income.

Group companies

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

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

Exchange differences arising on translation of foreign operations are transferred directly to the Consolidated Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

(i) Employee Benefits

Provision is made for the Consolidated Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be wholly settled 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 corporate bonds with terms to maturity that match the expected timing of cash flows.

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(j) Trade & Other Payables

Trade and other payables represent liabilities outstanding at the end of the reporting period for goods and services received by the Consolidated Group during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of liability.

(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.

(l) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(m) Goods and Services Tax (GST) and Value Added Tax (VAT)

Revenues, expenses and assets are recognised net of the amount of GST/VAT, except where the amount of GST/VAT incurred is not recoverable from the Australian Tax Office and Botswana Unified Revenue Services. In these circumstances the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST/VAT.

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

(n) Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(o) Earnings or Loss per Share

Basic earnings or loss per share
Basic earnings or loss per share is calculated by dividing the profit attributable to the owners of A-Cap Energy Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings or loss per share
Diluted earnings or loss per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(o) Earnings or Loss per Share (continued)

potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(p) Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.
The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using Hoadley's ESO Model option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(q) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial statements 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 Consolidated Group.

Notes to the Financial Statements (continued)

Note 1: Statement of Significant Accounting Policies (continued)

(q) Critical Accounting Estimates and Judgements (continued)

Key judgement – Exploration and Evaluation Expenditure
The Consolidated Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the Directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. For further details refer to note 6. The Department of Mines have confirmed that all our other prospecting licences are in good standing and all annual rental payments due have been paid. On this basis, exploration and evaluation costs relating to tenements which have expired and renewal and extension applications have been lodged with the Department of Mines are not considered impaired.

In the event that a portion of a prospecting licence is voluntarily relinquished, an impairment will be considered if the expenditure incurred relates specifically to the area deemed not prospective and therefore relinquished.

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees and advisors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the either of the Black-Scholes or Monte Carlo models taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity

Deferred tax assets
The Directors have determined that it is unreliable to predict when future assessable income will be available to offset against carried-forward losses. On this basis the Consolidated Group has not recognised a net deferred tax asset in the financial statements.

(r) New accounting standards and interpretations

The Group has adopted all new accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning 1 July 2021. The adoption of these new and revised standards and interpretations did not have any effect on the financial position or performance of the Group.

Accounting standards and interpretations issued but not yet effective
Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the reporting year ended 30 June 2022. The Directors have not early adopted any of these new or amended standards or interpretations. The Directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the Group) and interpretations.

Notes to the Financial Statements (continued)

Note 2: Other Income

	2022 $	2021 $
Interest - received	**2,161**	817
Profit on sale of assets	**24**	9,987
Other	**2,640**	4,012
Total other income	**4,825**	14,816

Note 3: Income Tax Expense

	2022 $	2021 $
The prima facie tax on profit before income tax is reconciled to the income tax as follows:		
Loss before income tax expense	**(5,214,624)**	(633,562)
Prima facie tax payable on loss before income tax at the Australian tax rate of 25% (2021: 26%):	**(1,303,656)**	(164,726)
Difference in overseas tax rates (Botswana tax rate: 22% (2021: 22%)	**(563)**	(715)
Add:		
Tax effect of:		
- Non-assessable income	**-**	-
- Non- deductible expenses	**1,249,238**	34,730
Income Tax benefit not recognised	**(54,981)**	(130,711)

There was no current income tax expense for the year ended 30 June 2022 (2021: $nil) due to the loss from operations. At 30 June 2022, the Consolidated Group reviewed the quantum of its unrecognised carry forward tax losses and timing differences. As at that date management has assessed that its carry forward tax losses and timing differences of $5,753,435 (2021: $5,698,454) potentially available to offset against future years' taxable income.

These tax losses have not been brought to account as utilisation of these losses is not probable. Income tax losses can only be recovered by the company deriving future assessable income, conditions for deductibility imposed by law being complied with and no changes in tax legislation adversely affecting the realisation of the benefit from the deductions. Therefore, carry forward losses may not be available to offset future assessable income.

Due to the inherent uncertainty whether or not the Consolidated Group's existing losses can be used going forward, which will be dependent upon satisfaction of the "same business test" as required by the Australian Tax Office, the directors have not estimated the potential carry-forward loss tax credits available to the company.

Notes to the Financial Statements (continued)

Note 4: Cash and Cash Equivalents

	2022 $	2021 $
Cash at bank and on hand	**12,216,295**	3,584,498
	12,216,295	3,584,498

	2022 $	2021 $
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows are reconciled to items in the statement financial position as follows:		
Cash and cash equivalents	**12,216,295**	3,584,498
	12,216,295	3,584,498

Note 5: Trade and Other Receivables

	2022 $	2021 $
Current		
Other receivables	**82,199**	73,868
	82,199	73,868

There were no impaired receivables for the financial year 30 June 2022. There were no receivables past due but not impaired for the financial years ended 30 June 2022 and 30 June 2021.

Note 6: Capitalised Exploration and Evaluation

	2022 $	2021 $
At cost	**33,476,063**	28,275,826
Movements in carrying values		
Balance at beginning of year	**28,275,826**	28,923,966
Expenditure during the year	**3,473,147**	1,454,568
Foreign currency translation	**1,727,090**	(2,102,708)
Balance at end of year	**33,476,063**	28,275,826

Recoverability of the carrying amount of exploration assets is dependent on the successful exploration and sale of nickel, cobalt and uranium. The foreign currency translation movement of $1,727,090 reflects exchange differences between the Australian dollar and the US dollar during the financial year. The functional currency of the Consolidated Group's Controlled Entity, A-Cap Resources Botswana (Pty) Ltd is US dollars. Exchange rates fluctuate from time to time and there is no impact on shareholders as the Financial Statements have been prepared on a going concern basis, with the Parent Entity holding 100% control of the Controlled Entity.

Notes to the Financial Statements (continued)

Note 7: Trade and Other Payables

	2022 $	2021 $
Current *(unsecured liabilities)*		
Trade and Sundry Payables	**424,596**	313,870

Note 8: Interest Bearing Liabilities

	2022 $	2021 $
Current		
Working capital loan 1	-	636,575
Working capital loan 2	-	235,358
Working capital loan – Shenke	-	574,110
Working capital loan – Shenke	-	109,425
Working capital loan – Shenke	-	144,402
Working capital loan – Shenke	-	129,074
Working capital loan – Shenke	-	1,304,452
Working capital loan – Shenke	-	3,985,224
Revolving credit facility – Shenke	-	6,634,863
Total interest-bearing liabilities	-	13,753,483

During the 2022 financial year, the Company repaid in full the working capital loans advanced by Mr Angang Shen in cash, and the working capital loans and revolving credit facility advanced by Singapore Shenke International Pte Ltd repaid part in cash ($6,000,109) and the remainder in shares issued ($7,147,709).

Notes to the Financial Statements (continued)

Note 9: Issued Capital

	2022	2021
	$	$
1,232,435,086 fully paid ordinary shares (2021: 871,884,866) (a)	**98,507,218**	71,552,320

(a) Ordinary Shares

		Number of Shares	$
1 July 2020		871,884,866	71,523,263
30 June 2021		871,884,866	71,552,320
26 October 2021	Entitlement Issue	217,971,214	14,168,129
27 October 2021	Placement	50,000,000	3,250,000
9 November 2021	Performance Rights Conversion	6,250,000	-
9 November 2021	Option conversion	3,000,000	345,000
15 March 2022	Entitlement Issue	82,079,006	10,670,271
15 March 2022	Option conversion	1,250,000	143,750
	Cost of capital raising	-	(1,622,252)
30 June 2022		**1,232,435,086**	**98,507,218**

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.

The Company's ordinary shares have no par value, and the Company does not have a limited amount of authorised capital.

(b) Capital Management

Management controls the capital of the Consolidated Group to maintain a good debt to equity ratio and ensure that the Consolidated Group can fund its operations and continue as a going concern. The Consolidated Group’s debt and capital includes ordinary share capital and financial liabilities.

Management effectively manages the Consolidated Group’s capital by assessing the Consolidated 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.

Notes to the Financial Statements (continued)

Note 10: Reserves

Foreign Currency Translation Reserve

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

Options Reserve

The options reserve records the value of performance rights and unlisted options issued by the Company.

Note 11: Loss Per Share

	2022 $	2021 $
a) Reconciliation of losses to profit or loss		
Loss used to calculate basic EPS	**(5,214,624)**	(633,562)
Loss used to calculate diluted EPS	**(5,214,624)**	(633,562)
b) Weighted average number of ordinary shares used in the calculation of basic earnings per share	**1,084,407,862**	871,884,866
c) Weighted average number of ordinary shares used in the calculation of dilutive earnings per share	**1,084,407,862***	871,884,866*

*Options and performance rights have not been included as they are considered anti-dilutive as the entity is in a loss making position.

Notes to the Financial Statements (continued)

Note 12: Cash Flow Information

	2022 $	2021 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Operating Loss after income tax	(5,214,624)	(633,562)
Non–Cash flows included in loss after tax		
- Depreciation	3,900	4,564
- Share-based remuneration	3,461,080	15,888
- FX (gain)/loss	171,357	(598,108)
Changes in assets and liabilities		
- (Increase)/decrease in trade and other receivables	(8,332)	(60,572)
- (Increase)/decrease in prepayments	(42,509)	69,124
- Increase/(decrease) in trade and other payables	154,873	198,339
Net cash (outflow) from operating activities	(1,474,255)	(1,004,327)

Notes to the Financial Statements (continued)

Note 13: Share-Based Payments

Performance Rights

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

Date	Details	# Performance Rights	Expiry Date
01/07/2021	Opening balance	12,500,000	18/12/2021
09/11/2021	Performance Rights conversion – Tranche 1 and 2	(6,250,000)	18/12/2021
18/11/2021	Expired	(6,250,000)	18/12/2021
17/01/2022	Director Performance Rights	30,000,000	17/01/2025
06/06/2022	CEO Performance Rights	5,000,000	06/06/2025
30/06/2022	**Closing balance**	**35,000,000**	

The vesting conditions for Tranche 1 and 2 of the Performance Rights expiring 18 December 2021 are as follows:

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

The vesting conditions for the Director Performance Rights expiring 17 January 2025 are as follows:

i. Tranche 1 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.14 (10 cents) for 10 consecutive trading days.
ii. Tranche 2 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.18 (10 cents) for 10 consecutive trading days.
iii. Tranche 3 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.22 (10 cents) for 10 consecutive trading days.
iv. Tranche 4 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.26 (10 cents) for 10 consecutive trading days.

The vesting conditions for the CEO Performance Rights expiring 6 June 2025 are as follows:

i. Tranche 1 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.18 (10 cents) for 10 consecutive trading days.
ii. Tranche 2 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.22 (10 cents) for 10 consecutive trading days.
iii. Tranche 3 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.24 (10 cents) for 10 consecutive trading days.
iv. Tranche 4 - 25% of Performance Rights to vested upon the Closing Price of A-Cap Resources Limited is at least $0.26 (10 cents) for 10 consecutive trading days.

Notes to the Financial Statements (continued)

Note 13: Share-Based Payments (continued)

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

Director Performance Rights	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Number of performance rights*	7,500,000	7,500,000	7,500,000	7,500,000
Fair value at measurement date (cents)	9.30	8.48	7.74	7.16
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	80%	80%	80%	80%
Risk free rate (%)	0.886%	0.886%	0.886%	0.886%
Expected life of performance right	3 years	3 years	3 years	3 years
Share price (cents)	10.5	10.5	10.5	10.5
Exercise price (cents)	Nil	Nil	Nil	Nil
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Vesting condition	>$0.14 for 10 consecutive trading days	>$0.18 for 10 consecutive trading days	>$0.22 for 10 consecutive trading days	>$0.26 for 10 consecutive trading days

* Performance rights issued in the period to each Director reflect individual amounts of 1,250,000 per tranche. In total, six Directors received Performance Rights issued in 4 tranches as noted above, being 1,250,000 per tranche, and a total of 30,000,000 performance rights.

CEO Performance Rights	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Number of performance rights	1,250,000	1,250,000	1,250,000	1,250,000
Fair value at measurement date (cents)	7.48	7.12	6.99	6.62
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	110%	110%	110%	110%
Risk free rate (%)	3.003%	3.003%	3.003%	3.003%
Expected life of performance right	3 years	3 years	3 years	3 years
Share price (cents)	8.6	8.6	8.6	8.6
Exercise price (cents)	Nil	Nil	Nil	Nil
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Vesting condition	>$0.18 for 10 consecutive trading days	>$0.22 for 10 consecutive trading days	>$0.24 for 10 consecutive trading days	>$0.26 for 10 consecutive trading days

Notes to the Financial Statements (continued)

Note 13: Share-Based Payments (continued)

Options

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

	2022		2021	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of the year	**4,250,000**	0.115	4,250,000	0.115
Granted	**61,500,000**	0.118	-	-
Forfeited	**-**	-	-	-
Exercised	**(4,250,000)**	0.115	-	-
Expired	**-**	-	-	-
Outstanding at year-end	**61,500,000**	0.122	4,250,000	0.115
Exercisable at year-end	**58,000,000**	0.116	-	-

The weighted average remaining contractual life of the options is based on 36 months from the initial date of option issuance. The following table lists the inputs to the models used for the valuation of the options issued during the period:

	Management (18/10/2021)	**Lead Manager (31/10/2021)**	**Lead Manager (15/03/2022)**
Number of options	13,500,000	8,000,000(b)	5,000,000
Fair value at measurement date (cents)	2.84	5.95	3.54
Dividend yield (%)	Nil	Nil	Nil
Expected volatility (%)	80%	80%	80%
Risk free rate (%)	0.68%	0.84%	1.34%
Expected life of option	3 years	3 years	2 years
Share price (cents)	7.0	11.0	12.0
Exercise price (cents)	11.0	10.0	20.0
Model used	Black - Scholes	Black - Scholes	Black - Scholes
Vesting condition	Refer (a)	None	None

Notes to the Financial Statements (continued)

Note 13: Share-Based Payments (continued)

Options

	Directors (17/01/2022)	CEO (06/06/2022)	Management (06/06/2022)	CEO (06/06/2022)
Number of options	24,000,000	3,500,000	4,000,000	3,500,000
Fair value at measurement date (cents)	9.74	4.66	4.66	4.32
Dividend yield (%)	Nil	Nil	Nil	Nil
Expected volatility (%)	80%	104%	104%	110%
Risk free rate (%)	0.886%	2.828%	2.828%	3.0%
Expected life of option	3 years	2.4 years	2.4 years	3 years
Share price (cents)	10.5	8.6	8.6	8.6
Exercise price (cents)	11.0	11.0	11.0	22.0
Model used	Monte Carlo	Monte Carlo	Monte Carlo	Monte Carlo
Vesting condition	Refer (a)	>$0.11 for 10 consecutive trading days	>$0.11 for 10 consecutive trading days	>$0.22 for 10 consecutive trading days

(a) The options granted to management vested upon the Company acquiring a 55% interest in the Wilconi Project and the average closing price for 10 consecutive trading days is $0.11.
(b) The options granted to the Lead Manager were ratified by shareholders at the Company's Annual General Meeting held on 17 January 2022 and were issued on that date.

Note 14 : Controlled Entities

Entity	Country of Incorporation	Class of Share	Equity Holding		Parent Entity
			2022 %	2021 %	
A-Cap Resources Botswana (Pty) Ltd	Botswana	Ordinary	**100**	100	A-Cap Energy Limited
Pulse Resources Botswana (Pty) Ltd	Botswana	Ordinary	**100**	100	A-Cap Resources Botswana (Pty) Ltd
Wilconi Pty Ltd	Australia	Ordinary	**100**	100	A-Cap Energy Limited

Notes to the Financial Statements (continued)

Note 15: Parent Entity Information

Information relating to the parent entity, A-Cap Energy Limited	2022	2021
	$	$
ASSETS		
Current assets	**12,294,170**	3,669,408
Total assets	**45,733,288**	31,716,750
LIABILITIES		
Current liabilities	**245,877**	13,796,102
Total liabilities	**245,877**	13,796,102
EQUITY		
Issued capital	**98,507,199**	71,552,301
Reserves	**4,468,808**	354,879
Accumulated losses	**(57,488,596)**	(53,986,531)
Total shareholders' equity	**45,487,411**	17,920,649
Loss of the parent entity	**(3,502,065)**	(2,743,938)
Total comprehensive loss of the parent entity	**(3,502,065)**	(2,743,938)

A-Cap Energy Limited holds as security the Consolidated Group's exploration assets in Botswana for financial support provided to the Subsidiary. The parent entity does not have any contingent liabilities or contractual commitments for the acquisition of plant or equipment (2021: Nil).

Note 16: Exploration Commitments

	2022	2021
	$	$
Minimum exploration expenditure		
- not later than 12 months	**1,245,012**	1,245,012

Estimated figures as at the reporting date includes:

i. amounts submitted to the Department of Geological Survey in Botswana in order to maintain the Group's current rights of tenure to exploration tenements and mining licenses.

ii. The Company's expenditure commitments under the Farm-In and Joint Venture Agreement with Blackham Resources Limited on the Wilconi Nickel-Cobalt Project.

Notes to the Financial Statements (continued)

Note 16: Exploration Commitments (continued)

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

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

Note 17: Contingent Liabilities

There are no material contingent liabilities as at 30 June 2022 (2021: Nil).

Note 18: Segment Information

Identification of reportable segments

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

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

2022	**Australia**	**Botswana**	**Eliminations**	**Consolidated**
Revenue				
Other income	**4,796**	**29**	**-**	**4,825**
Total segment revenue	**4,796**	**29**	**-**	**4,825**
Results				
Segment result	**(4,875,747)**	**(338,877)**	**-**	**(5,214,624)**
Assets				
Segment non-current assets	**59,703,697**	**24,628,791**	**(50,790,432)**	**33,542,056**
Segment assets	**72,101,374**	**24,663,317**	**(50,790,432)**	**45,974,259**
Liabilities				
Segment liabilities	**(9,254,200)**	**(42,023,080)**	**50,790,432**	**(486,848)**

Notes to the Financial Statements (continued)

Note 18: Segment Information (continued)

2021	Australia	Botswana	Eliminations	Consolidated
Revenue				
Other income	3,015	11,801	-	14,816
Total segment revenue	3,015	11,801	-	14,816
Results				
Segment result	(311,537)	(322,025)	-	(633,562)
Assets				
Segment assets	55,906,647	22,924,733	(46,798,003)	32,033,377
Liabilities				
Segment liabilities	(19,240,937)	(41,669,794)	46,798,003	(14,112,728)

Note 19: Financial Risk Management

(A) Financial Risk Management Policies

The Consolidated Group's financial instruments consist mainly of cash held at bank, borrowings and accounts receivable and payable.

(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 Consolidated Group is exposed to through its financial instruments are foreign currency risk and liquidity risk.

Foreign Currency Risk

The Consolidated Group is exposed to foreign currency risk arising from:

- USD currency bank account
- USD revolving credit facility

These are subject to fluctuations in exchanges rates between the Australian dollar and the US dollar. Relevant consensus currency rate forecasts are continuously reviewed and analysed by management, and appropriate measures are put in place where necessary to protect the Group's cash from significant fluctuations in foreign currency exchange rates.

Notes to the Financial Statements (continued)

Note 19: Financial Risk Management (continued)

(A) Financial Risk Management Policies (continued)

The following US$ denominated foreign currency amounts are recognised on the balance sheet:

	2022 $	2021 $
Financial Assets		
Cash and cash equivalents	**33,479**	11,268
Financial Liabilities		
Bank loans	**-**	6,709,239
Interest accrued	**-**	70,023

Liquidity Risk

Liquidity risk arises from the possibility that the Consolidated Group might encounter difficulty in settling its debts or otherwise meeting its non-cancellable obligations related to financial liabilities and leases. The Consolidated Group manages liquidity risk by:

- Preparing forward-looking cash flow analyses in relation to its exploration & evaluation, investing and financing activities;
- Where possible, obtaining funding from capital markets rather than debt;
- Only investing surplus cash with major financial institutions;
- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets; and
- Cash flows realised from financial assets reflect management's expectation as to the timing of realisation.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Consolidated Group's exposure to interest rate risk relates primarily to the Consolidated Group's short-term deposits with a floating interest rate. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

Notes to the Financial Statements (continued)

Note 19: Financial Risk Management (continued)

(B) Financial liability and maturity analysis

The contractual maturities of the Consolidated Group's interest-bearing liabilities are set out in Note 8. All other financial liabilities were repayable as at year-end within 60 days (2021: 60 days).

(C) Net Fair Values

The net fair values of financial assets and liabilities approximate their carrying value.

(D) Sensitivity Analysis

The following table illustrates sensitivities to the Consolidated Group's exposures to changes in the value of securities and exchange rates. The table indicates the impact on how profit and asset values reported as at the end of the reporting period would have been affected by changes in relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Consolidated Group Profit or Loss 2022 $
Interest Rate Risk	
Increase in LIBOR by 100 basis points	66,950
Decrease in LIBOR by 100 basis points	(66,950)

	Consolidated Group Other Comprehensive Income $
Foreign Currency Risk	691,088
Increase in AUD to USD by 10%	
Decrease in AUD to USD by 10%	(640,903)

Notes to the Financial Statements (continued)

Note 20: Key Management Personnel

Key management personnel compensation

	2022 $	2021 $
Short-term employee benefits	**430,560**	232,380
Post-employment benefits	**-**	-
Other long-term benefits	**-**	-
Termination benefits	**-**	-
Share-based payment	**2,879,399**	11,215
Total compensation	**3,310,159**	243,595

Refer Note 13: Share-based payments for further information relating to the Company's Director Long Term Incentive Plan and A-Cap Executive and Consultant Share Option Plan.

Note 21: Related Party Information

Refer to Note 8 for details of loans from Singapore Shenke International Investment Pte Ltd of which Mr Jiandong He is a director. These loans were repaid in full in the 2022 financial year. Interest accrued on the related party loans totalled $Nil (2021: $232,308).

Other than the principal and accrued interest on the loans described above, no amounts were due to key management personnel as at the reporting date.

Note 22: Remuneration of Auditors

	2022 $	2021 $
Remuneration of the auditors of the Consolidated Group for:		
Audit and review of the financial report – William Buck Audit (Vic) Pty Ltd	**38,000**	30,000
Audit and review of the financial report of subsidiary entity – Non William Buck audit firm	**14,655**	-
	52,655	30,000

Notes to the Financial Statements (continued)

Note 23: Events Occurring After The Reporting Period

On 20 July 2022, FTI Consulting was appointed as voluntary administrators to Wiluna Mining Corporation Limited and its subsidiaries ("Wiluna"). The Company (through its wholly-owned subsidiary, Wilconi Pty Ltd) and Wiluna are parties to a joint venture agreement under which the Company holds a 55% interest in the cobalt, nickel and associated reserve minerals of the Wilconi Nickel Cobalt Project. The voluntary administration of Wiluna does not create any new liabilities for the Company and the Company is engaging with Wiluna's administrators in respect of the Company's rights under the joint venture agreement that have been triggered by the voluntary administration of Wiluna, which include the right for the Company to acquire Wiluna's remaining 45% interest in the joint venture.

Other than the matters discussed above, 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 Group, the results of these operations or the state of affairs of the Consolidated Group in subsequent years.

Directors' Declaration

The Directors declare that:

(a) 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

(b) In the Directors' opinion, the attached financial statements are compliant with International Financial Reporting Standards, as stated in note 1 to the financial statements

(c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards and the *Corporations Regulations 2001*, giving a true and fair view of the financial position and performance of the Consolidated Group, and

(d) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Board of Directors

Paul Ingram
Deputy Chairman
30 September 2022
Perth, Western Australia

WilliamBuck
ACCOUNTANTS & ADVISORS

A-Cap Energy Limited and its controlled entities
Independent auditor's report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of A-Cap Energy Limited (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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williambuck.com.au

William Buck
ACCOUNTANTS & ADVISORS

KEY AUDIT MATTER	
Share-based payments	**How our audit addressed it**
As disclosed in Note 13 and the Remuneration Report, the Group issued share-based options and performance rights to Directors, Key Management Personnel and management respectively in the period. The arrangements were considered to meet the definition of AASB 2 *Share Based Payments*, with management assessing the arrangements as being equity-settled and measured the fair value of each award on grant date. The options issued were valued using Monte Carlo and Black-Scholes model and $4.1 million was charged to the profit or loss. There is a financial risk that the Group may not have valued these share options and performance rights appropriately and that the expense due to be recognised from these options issued during the year is incorrect. Due to the complexity of the arrangements including the judgements and estimates required in appropriately valuing the share options and performance rights, this matter was considered to be a Key Audit Matter.	Our procedures included, amongst others: — Verifying the key terms of equity settled share-based payments in respect of the award of performance shares and options over common shares for rendering of services by directors, employees, and contractors to the underlying Board approved award documents. — Assessing the fair value calculation of options granted by checking the accuracy of the inputs to the Black Scholes option pricing model adopted for that purpose. — Reviewing the independent valuer's fair value calculation of performance shares awarded for reasonableness of assumptions made and accuracy of model inputs used by the valuation expert, as well as scrutinising the credentials of the expert. — Testing the accuracy of the share-based payments amortisation over the vesting periods and recording of expense in the profit or loss statement and increment to share based payment reserve. — Checking the accuracy of disclosure of share-based payments arrangements in the financial statements.

KEY AUDIT MATTER	
Carrying value of capitalised exploration and evaluation expenditure	**How our audit addressed it**
As at 30 June 2022, the Group has $33.5 million of capitalised exploration and evaluation expenditure related to exploration projects as disclosed in Note 6. The Group holds the right to explore and evaluate those projects through either a direct ownership of the underlying Area of Interest or through Farm-in Arrangements with third parties (who hold the underlying right to the Area of Interest). Specific costs related to such 'Area of Interest' activity are capitalised where the AASB 6 *Exploration for and Evaluation of Mineral Resources* criteria is met. Significant judgement is applied in determining the treatment of exploration and evaluation expenditure including: — Whether the conditions for capitalisation are satisfied;	In order to address this risk, our audit procedures included the following: — Understanding and vouching of the underlying contractual entitlement to explore and evaluate each area of interest, be this through Farm-in Arrangement and/or directly through to the underlying tenement, including an evaluation of the requirement to renew that tenement at its expiry; — Examining project spend per each area of interest and comparing this spend to the minimum expenditure requirements set out in the underlying tenement expenditure plan; — Examining project spend to each area of interest to assess that costs are directly attributable to that area of interest; — Reviewing management's impairment assessment paper including vouching any renewal licenses to support; and

William Buck
ACCOUNTANTS & ADVISORS

KEY AUDIT MATTER	
Carrying value of capitalised exploration and evaluation expenditure	**How our audit addressed it**
— Which elements of exploration and evaluation expenditures qualify for recognition; and — Whether the facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment. Due to the judgements involved in assessing recoverability of capitalised exploration and evaluation assets, this was considered a Key Audit Matter.	— Comparing the market capitalisation of the Group to the net carrying value of its net assets on the statement of financial position to identify any other additional indicators of impairment. We also assessed the adequacy of the Group's disclosures in respect of capitalised exploration costs, its Farm-in arrangements and its planned expenditures for its areas of interest.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

William Buck
ACCOUNTANTS & ADVISORS

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our independent auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of A-Cap Energy Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

William Buck

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

N. S. Benbow
Director
Melbourne, 30th September 2022

Corporate Governance Statement

A copy of the Company's Corporate Governance Statement was lodged with the ASX on 30 September 2022 and is set out on the website, with the Corporate Governance Plan at www.a-cap.com.au.

Shareholder Information

The shareholder information set out below is applicable as at 10 October 2022 unless otherwise stated.

Capital Structure

The Company currently has issued capital of 1,232,435,086 fully paid ordinary shares. The Company has also issued 46,039,445 listed options with an exercise price of $0.20 and an expiry date of 15 March 2024.There are also 57,500,000 unlisted options with various exercise price and expiry dates and 35 million performance rights with various vesting conditions. (See Note 13) The Company has no other class of security or options on issue.

Voting Rights

The Company's Constitution provides that at a meeting of shareholders, and on a show of hands, each shareholder present in person and each other person present as a proxy, attorney or representative of a shareholder has one vote. On a poll, each shareholder present in person has one vote for each fully paid ordinary share held by the shareholder and each person as a proxy, attorney or representative of a shareholder has one vote for each fully paid ordinary share held by the shareholder that person represents.

Distribution Of Equity Securities as at 10 October 2022

The number of holders by size of their holding of fully paid ordinary issued shares in the Company is as follows:

SPREAD OF HOLDINGS	NUMBER OF HOLDERS	NUMBER OF UNITS	% OF TOTAL ISSUED CAPITAL
1 – 1,000	331	100,627	0.008%
1,001 – 5,000	467	1,391,033	0.113 %
5,001 – 10,000	367	2,905,073	0.236 %
10,001 – 100,000	1,037	41,334,014	3.354 %
100,001 >999,999,999	467	1,186,704,339	96.289%
TOTAL	**2,669**	**1,232,435,086**	**100%**

Substantial Shareholders

SINGAPORE SHENKE INTERNATIONAL INVESTMENT PTE LTD	37.95%
WOODROSS NOMINEES PTY LTD	14.92%
ANSHENG INVESTMENT CO LTD	12.28%

Shareholder Information (continued)

Escrow

There are no Company securities subject to voluntary escrow.

Unmarketable Parcels

As at 10 October 2022 there were 932 shareholders with an unmarketable share parcel of less than 6,944 shares at the prevailing share price of 7.2 cents.

Restricted Securities

There are no restricted securities.

Dividends

The Company has not paid any dividends in the period.

Voting Rights

Each ordinary share is entitled to one vote when a poll is called and has one vote if present at a meeting with a show of hands.

Shareholder Information (continued)

Twenty Largest Shareholders

The names and details of the twenty largest quoted shareholdings in the Company as at 10 October 2022 are as follows:

Rank	Name	Address	Units	% of Units
1	SINGAPORE SHENKE INTERNATIONAL INVESTMENT PTE LTD	152 BEACH ROAD #14-03 GATEWAY EAST SINGAPORE 189721 SINGAPORE SGP	467,751,682	37.95
2	WOODROSS NOMINEES PTY LTD	GPO BOX 4294 SYDNEY NSW 1164	183,939,541	14.92
3	ANSHENG INVESTMENT CO LTD	16TH FLOOR NO 988 DINGXI ROAD CHANGNING	151,397,908	12.28
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	PO BOX R209 ROYAL EXCHANGE NSW 1225	62,203,108	5.05
5	BNP PARIBAS NOMINEES PTY LTD ACF	PO BOX R209 ROYAL EXCHANGE NSW 1225	40,574,704	3.29
6	MR MICHAEL MUHAN LIU	EAST EAST 133 ADELAIDE STREET CLAYFIELD QLD 4011	15,595,939	1.27
7	DIMENSIONAL HOLDINGS PTY LTD	SUITE 3/16 COTHAM ROAD KEW VIC 3101	10,000,000	0.81
8	FABIAN ENTERTAINMENT PTY LTD <PAUL INGRAM FAMILY A/C>	133 ADELAIDE STREET EAST CLAYFIELD QLD 4011	8,872,382	0.72
9	CHINA GROWTH MINERALS LIMITED	UNIT 1906 19TH FLOOR CHINA INSURANCE GROUP	7,904,807	0.64
10	CITICORP NOMINEES PTY LIMITED	GPO BOX 764G MELBOURNE VIC 3001	7,785,388	0.63
11	ZERRIN INVESTMENTS PTY LTD	3 LOWANNA WAY CITY BEACH WA 6015	7,500,000	0.61
12	BNP PARIBAS NOMS PTY LTD <DRP>	PO BOX R209 ROYAL EXCHANGE NSW 1225	7,356,413	0.6
13	KLOSTERS HOLDINGS PTY LTD <MILBON HOLDINGS A/C>	308 SALVADO ROAD FLOREAT WA 6014	7,000,000	0.57
14	MR MARTY HENG LAU	87 SANDOWN ROAD SPRINGVALE VIC 3171	6,500,000	0.53
15	MS XUPING SONG	99 DAKAR RD ALGESTER QLD 4115	6,000,000	0.49
16	MR MARK ANTHONY O'SULLIVAN + MRS JAIME JANE O'SULLIVAN <ROOSTER SUPER FUND A/C>	PO BOX 200 CLAREMONT WA 6910	5,993,270	0.49
17	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS	PO BOX R209 ROYAL EXCHANGE NSW 1225	4,445,107	0.36
18	XIN LIN	ROOM 2501 NO 8 LANE 260 JI NAN ROAD HUANGPU	4,310,102	0.35
19	HSBC CUSTODY NOMINEES (AUSTRALIA)	GPO BOX 5302 SYDNEY NSW 2001	3,176,041	0.26
20	MR HARRY SANTAVAS	85 BENKEL AVENUE CHELTENHAM VIC 3192	3,012,372	0.24
Totals: Top 20 holders of ACB ORDINARY FULLY PAID			**1,011,318,764**	**82.06**
Total Remaining Holders Balance			**221,116,322**	**17.94**
Total Holders Balance			**1,232,435,086**	**100**

Shareholder Information (continued)

Twenty Largest Option Holders – ACBO

The names and details of the twenty largest quoted option holders in the Company as at 10 October 2022 are as follows:

Rank	Name	Address	Units	% of Units
1	BNP PARIBAS NOMS PTY LTD <DRP>	PO BOX R209 ROYAL EXCHANGE NSW 1225	10,096,778	21.93
2	EVERMIND PTY LTD <EVERMIND SUPER FUND A/C>	32 DUMBARTON CRES MENORA WA 6050	5,000,000	10.86
3	MR MICHAEL SOUCIK + MRS HEATHER SOUCIK <HMS SUPERANNUATION FUND A/C>	20 GAIRLOCH ST APPLECROSS WA 6153	2,096,335	4.55
4	ZERRIN INVESTMENTS PTY LTD	3 LOWANNA WAY CITY BEACH WA 6015	1,423,077	3.09
5	MATTHEW BURFORD SUPER FUND PTY LTD <BURFORD SUPERFUND A/C>	48 FREDERICK ST GLENGOWRIE SA 5044	1,260,000	2.74
6	TINDINDI CELLARS PTY LTD	3 KENT ST HAWTHORN SA 5062	1,100,000	2.39
7	BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	PO BOX R209 ROYAL EXCHANGE NSW 1225	1,068,090	2.32
8	NORTH OF THE RIVER INVESTMENTS PTY LTD	13 EMMALINE STREET NORTHCOTE VIC 3070	789,655	1.72
9	ROOKHARP CAPITAL PTY LIMITED	8 KINGS PARK WAY DUBBO NSW 2830	769,231	1.67
10	MS MEGAN LOUISE CARTER	28 KING ROAD HORNSBY NSW 2077	750,071	1.63
11	KLOSTERS HOLDINGS PTY LTD <MILBON HOLDINGS A/C>	308 SALVADO ROAD FLOREAT WA 6014	678,571	1.47
12	DEMASIADO PTY LTD <DEMASIADO FAMILY A/C>	PO BOX 722 HEALESVILLE VIC 3777	625,000	1.36
13	ELEVATE 13 PTY LTD <FIONA ROBINSON SMSF A/C>	67 MAYFAIR ST MOUNT CLAREMONT WA 6010	590,599	1.28
14	MR RYAN ANTHONY STEWART + MRS VANESSA ANN STEWART <STEWART SUPER FUND A/C>	C/- EHL GPO BOX Z5225 PERTH ST GEORGES TCE WA 6831	589,285	1.28
15	FOCUS GROUP HOLDINGS PTY LTD	PO BOX 1326 WANGARA DC WA 6947	564,433	1.23
16	MR DAVID STEPHEN MOORE	32 DUMBARTON CRES MENORA WA 6050	563,638	1.22
17	MR ANTHONY JOHN ANDREWS	3 MORRISON RD CLAYFIELD QLD 4011	500,000	1.09
18	MS FIONA KATHLEEN ROBINSON	67 MAYFAIR ST MOUNT CLAREMONT WA 6010	480,000	1.04
19	PDFX CONSULTING PTY LTD <DOWNES FAMILY A/C>	28 BROADFORD CRESCENT MACLEOD VIC 3085	400,000	0.87
20	MR JIM KLIFUNIS <JIMICA INVESTMENT A/C>	51 ELSIE STREET WATERMANS BAY WA 6020	400,000	0.87
Totals: Top 20 holders of ACBO 15032024/$0.20			**29,744,763**	**64.61**
Total Remaining Holders Balance			**16,294,682**	**35.39**
Total Holders Balance			**46,039,445**	**100**

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