A-CAP RESOURCES LIMITED

ACN 104 028 542

TO: THE STOCK EXCHANGE OF NEWCASTLE LIMITED

DATE: **20 AUGUST 2004**

ACQUISITION OF EXPLORATION GROUND IN CHINA

The Board of A-CAP is pleased to announce that it's Subsidiary Company in China Gansu Sino-Australian Mineral Resources Development Co. Limited ("GSA") has acquired it's first exploration ground in that country.

Following the receipt in August 2003 of an independent geologists report on prospects in the Zihe County of the Gansu Province, GSA appointed Mr Feng Haowen as General Manager with a mandate to secure prospects in the Province and engaged the services of Chinese Solicitors Wang Jing and Co. to act as the company's legal advisors for the transactions.

Mr. Feng has reported that GSA has acquired 43 sq km of exploration ground in the County known as North Mayuan.

There is a history of gold workings in the County.

Pat Volpe CHAIRMAN