

A-CAP RESOURCES LIMITED
ACN 104 028 542

TO: THE STOCK EXCHANGE OF NEWCASTLE LIMITED

DATE: 22nd December 2004

UPDATE ON MA YUAN NORTH GOLD TENEMENT IN CHINA

On 20th August 2004 A-Cap announced that its wholly owned subsidiary in China, Gansu Sino-Australian Mineral Resources Development Co. Ltd (“GSA”) had been granted a 43 sq km exploration tenement in the Zihe County of the Gansu Province of China known as “Ma Yuan North”.

The tenement was granted by the Gansu Provincial Department of Land and Resources (“Department”) and some background information on it was obtained from the Department and summarised in A-Cap’s 2004 Annual Report.

In November A-Cap appointed an independent geologist, Mr T.G. Summons, who is a Member of the Australian Institute of Geoscientists, to review the data obtained from the Department.

In a preliminary report on his findings Mr. Summons advised the Company that the procedure used to estimate the gold resource at Ma Yuan North did not comply with the Australasian Code for Reporting of Mineral Resources and Ore Reserves (The JORC Code), and that further work would be needed to verify the potential of the tenement.

The market will be informed upon receipt of the full independent report.

In the meantime, A-Cap is seeking further opportunities in surrounding areas of the Gansu Province.

PAT VOLPE
Chairman

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