

A-CAP RESOURCES LIMITED
ACN 104 028 542

TO: THE STOCK EXCHANGE OF NEWCASTLE LIMITED

DATE: 27th OCTOBER 2004

NOTICE OF ANNUAL GENERAL MEETING

The Notice of the Annual General Meeting of A-Cap Resources Limited to be held on Tuesday 30th November 2004 together with the accompanying documents and the 2004 Annual Report will be dispatched to shareholders on Friday 29th October 2004.

The Notice and accompanying documents are attached.

JOHN WILSON
Company Secretary

A-CAP RESOURCES LIMITED
ACN 104 028 542

NOTICE OF ANNUAL GENERAL MEETING
PROXY FORM
AND
EXPLANATORY MEMORANDUM

Date of Meeting
Tuesday 30 November 2004

Time of Meeting
11.00am AEST

Place of Meeting
Ground Floor
Pacific Tower
737 Burwood Road
Hawthorn Victoria 3122

A-CAP RESOURCES LIMITED
ACN 104 028 542

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF A-CAP RESOURCES LIMITED (ACN 104 028 542) ("COMPANY") WILL BE HELD AT GROUND FLOOR, PACIFIC TOWER, 737 BURWOOD ROAD, HAWTHORN, MELBOURNE 3122 IN THE STATE OF VICTORIA ON TUESDAY 30 NOVEMBER 2004 AT 11.00AM (AEST).

An Explanatory Memorandum containing information in relation to the resolutions to be put to the meeting accompanies this Notice of Annual General Meeting.

AGENDA

1. Financial Statements and Reports

To receive and consider the Financial Statements and the reports of the Directors and Auditors for the year ended 30 June 2004.

2. Re-election of Directors

To consider and, if thought fit, pass each of the following ordinary resolutions:

- (a) "That Mr Patrick Volpe, a director retiring in accordance with the Company's Constitution and being eligible, is re-elected as a director of the Company".
- (b) "That Mr Desmond Wan, a director retiring in accordance with the Company's Constitution and being eligible, is re-elected as a director of the Company".

3. Increase in Directors Fees

To consider and if thought fit, pass the following resolution as an ordinary resolution with or without modification.

"That the maximum aggregate annual sum payable to Directors of the Company collectively for the year ended 30 June 2005 and subsequent years be increased to \$180,000".

4. Appointment of Auditor

To consider and, if though fit, pass the following ordinary resolution:

“That Bentleys MRI of Level 7, 114 William Street, Melbourne, having been nominated for appointment as the Company’s Auditor and having consented in writing to so act, be appointed as auditor of the Company”.

By Order of the Board of
A-Cap Resources Limited

John Wilson
Company Secretary
Dated: 25 October 2004

NOTES

Voting and Instructions for Appointment of Proxy:

1. The Directors have determined that in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cwth), the shares of the Company that are quoted on the Newcastle Stock Exchange as at 11.00pm on 28 November 2004, will be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time. Accordingly, those persons will be entitled to attend and vote at the meeting.
2. The Company will disregard any votes cast on Resolutions 3 by:
 - (a) any Directors of the Company; and
 - (b) any associates of the Directors of the Company.

However, the Company need not disregard a vote if:

- (1) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions in these notes and on the proxy form; or
- (2) it is cast by the Chairman of the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

3. A Member entitled to attend and vote at a Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where more than one proxy is appointed, such proxy must be allocated a proportion of the Member's voting rights.

If the Member does not specify the proportion of votes the proxy may exercise, then each proxy will be taken to exercise one half of the votes held and subject to the proxy with fractional entitlements to votes being disregarded.

4. A proxy duly appointed need not be a Member. In the case of joint holders all must sign.
5. A form of proxy accompanies this Notice and, to be effective, the form and any document necessary to show the validity of the form of proxy must be lodged at the registered office of the Company not less than 48 hours before the time appointed for the Meeting. Any proxy lodged after that time will be treated as invalid.
6. Directors and Officers of all corporate shareholders should note that unless the corporate shareholder either:
 - (a) completes and lodges with the Company a valid appointment of proxy in accordance with the instructions in these notes; or
 - (b) completes and either lodges with the Company prior to the meeting a form of appointment of or certificate of appointment of a personal representative in accordance with the provisions of Section 250D of the Corporations Law or causes such personal representative to attend the meeting with such form of appointment or certificate; or
 - (c) has appointed an attorney.

and such proxy, personal representative or attorney attends the relevant meeting, then such corporate shareholder will be unable to exercise any votes at the relevant meeting.

7. Proxies and corporate appointment of representative forms may be returned to the Company in either of the following ways:
 - (a) in person or by post to the Company Secretary, A-Cap Resources Limited at:

Suite 510, Level 5
737 Burwood Road
Hawthorn Victoria 3122
 - (b) or facsimile to (03) 9813 2668.

8. Corporate Members should comply with the execution requirements set out in these notes or otherwise comply with the provisions of Section 127 of the Act. Section 127 of the Act provides that a company may execute a document without using its common seal if the document is signed by:

- 2 directors of the company; or
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

For A-Cap Resources Limited to rely on the assumptions set out in Sections 129(5) and (6) of the Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable.

In particular a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

9. Completion of a proxy form will not prevent individual Members from attending the meetings in person if they wish. Where a Member completes and lodges a valid proxy form and attends the meeting in person then the proxy's authority to speak and vote for that Member is suspended while the Member is present at the meeting.
10. Where a proxy form or form of appointment of or certificate of appointment of a personal representative is lodged and is executed under power of attorney the power of attorney must be lodged in like manner as a proxy.
11. Chairman's voting intentions:

All members appointing proxies should note that the Chairman intends to exercise proxies in his favour, and which do not direct the proxy holder how to vote, in favour of all resolutions. If you do not wish to direct your proxy on how to vote please place a mark in the box.

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By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

12. Please refer to other notes appearing on the enclosed Proxy Form.

EXPLANATORY MEMORANDUM

This Explanatory memorandum has been prepared for the information of shareholders of **A-CAP RESOURCES LIMITED** (“A-Cap” or “the Company”) in connection with the business to be transacted at the Annual General Meeting of shareholders of A-Cap to be held at Ground Floor, Pacific Tower, 737 Burwood Road, Hawthorn Victoria 3122 on Tuesday 30 November 2004 at 11.00am AEST.

It forms part of the accompanying Notice of Meeting convening the 2004 Annual General Meeting and contains an explanation of, and information about, the following matters to be considered at the meeting:

- the Financial Statements and Reports;
- re-election of Messrs Volpe and Wan as directors of the Company;
- proposed increase in Director’s fees;
- appointment of Auditor.

The Directors recommend shareholders read the accompanying Notice of General Meeting (“Notice”) and this Explanatory Memorandum in full before making any decision in relation to the resolutions.

1. Financial Statements and Reports

Under the Corporations Act, the directors of a public company that is required to hold an annual general meeting must table the financial statements and reports of the Company for the previous year for discussion by the members at that annual general meeting.

Shareholders have been provided with all relevant information concerning the Company’s financial statements for the year ended 30 June 2004 in the Annual Report.

A copy of the Annual Report is enclosed with this Notice.

Shareholders should note that the sole purpose of tabling the financial statements of the Company at the Annual General Meeting is to provide the shareholders with the opportunity to ask questions or discuss matters arising from the financial statements at the meeting. It is not the purpose of the meeting that the financial statements be approved, rejected or modified in any way. Further as it is not required by the Corporations Act, no resolution to adopt, receive or consider the statements will be put to the meeting.

2. Re-election of Directors

- (i) Mr. Volpe retires by rotation and being eligible for re-election, has consented to be re-elected and presents himself for re-election.

He is 46 years old and was appointed a non-executive director in March 2003. Information about Mr Volpe is contained in the 2004 Annual Report.

- (ii) Mr Wan retires in accordance with the Company's Constitution and being eligible for re-election, has consented to be re-elected and presents himself for re-election.

He is 34 years of age and was appointed a non-executive director in September 2003. Information about Mr Wan is contained in the 2004 Annual Report.

3. Increase in Directors Fees

The Company's Prospectus of 8 January 2004 for its initial public offering of shares to the members of Cardia Technologies Limited included reference to Directors Remuneration of \$7,500 per annum per Director or a total of \$22,500 per annum.

With the Company's exploration interests extending from Australia to Botswana and China and to enable the Board to expand and to attract and retain well qualified directors, it is proposed that the maximum aggregate annual sum be increased to \$180,000.

The Board has agreed however, that the new aggregate figure of \$180,000 will be accrued from 1 July 2004 and not paid until A-Cap's next capital raising. In the meantime the current figure of \$22,500 will continue to be paid.

4. Appointment of Auditor

Within one month of its incorporation on 11 March 2003 the Directors of the Company appointed Mr Ian Riley as its Auditor under Sections 327(1) and (2) of the Corporations Act 2001 ("the Act"), such appointment being effective only until the 2004 annual general meeting of the Company.

The Company has received a notice of nomination of Bentleys MRI as the Company's Auditor from the annual general meeting on 30 November 2004 and the directors recommend that they be appointed from that date under Section 327(3) of the Act. As required by Section 328 (3) of the Act, a copy of that notice of nomination is enclosed with this notice of meeting and is being sent to Bentleys MRI, Mr Ian Riley and each person entitled to receive notice of general meetings of the Company.

With established Botswana and Chinese Subsidiary Companies and increasing activity in both of those countries, the directors of A-Cap recommend the appointment of Bentleys MRI as auditor on the basis that they can provide a most responsive and cost effective service, both in Australia and internationally.

Bentleys MRI are part of a national network of Chartered Accounting firms and officiated with one of the world's top 10 associations of independent accounting firms, Moores Rowland International (MRI)

20 October 2004

Mr. John Wilson
Company Secretary
A-Cap Resources Limited
Suite 5.10, Level 5
737 Burwood Road
Hawthorn, VIC 3122

Dear Sir

Nomination of Auditor

Rochelle Olenski of 1-138 Bambra Road, Caulfield, VIC 3162, a member of A-Cap Resources Limited ("the Company") hereby nominates Bentley MRI to be appointed as auditor of the Company at the Annual General Meeting to be held on 30 November 2004.

Yours faithfully,


Rochelle Olenski

A-CAP RESOURCES LIMITED
ACN 104 028 542

PROXY FORM

The Company Secretary
A-Cap Resources Limited
Suite 510, Level 5
737 Burwood Road
Hawthorn Victoria 3122

I/We (name of shareholder).....

Of (address).....

Being a member/members of A-Cap Resources Limited Hereby Appoint:

(Name).....

of (Address).....

and/or failing him (Name).....

of (Address).....

or failing that person then the Chairman of the General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Ground Floor, Pacific Tower, 737 Burwood Road, Hawthorn Victoria 3122 at 11.00am AEST and at any adjournment of the meeting.

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. Otherwise the Proxy is to vote for or against the resolutions referred to in the notice convening the General Meeting as follows:

| | | | |
|--|--------------------------|--------------------------|--------------------------|
| | FOR | AGAINST | ABSTAIN |
| Resolution 1 - Re-election of Mr Patrick Volpe | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | FOR | AGAINST | ABSTAIN |
| Resolution 2 - Re-election of Mr Desmond Wan | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | FOR | AGAINST | ABSTAIN |
| Resolution 3 - Increase in Directors Fees | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | FOR | AGAINST | ABSTAIN |
| Resolution 4 - Appointment of Auditor | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

This Proxy is appointed to represent ____% of my voting right, or if 2 proxies are appointed Proxy 1 represents ____% and Proxy 2 represents ____% of my total votes. My total voting right is ____ shares. If no direction is given above or if more than one box is marked, I/we authorise my/our proxy to vote or abstain as my/our proxy thinks fit in respect of the resolution to be considered by the meeting and any adjournment of the meeting.

Signature(s)

Date

Individual or Joint Shareholder 1

Director/Company Secretary

Joint Shareholder 2

Director

Joint Shareholder 3

Sole Director & Sole
Company Secretary