

Quarterly Activities Report For the period ended 31 March 2020

Highlights

Tambellup Kaolin Project

- **Aircore drilling program, 52 holes for 769m completed**
- **The drilling confirms that the kaolin is near surface with continuity and consistency.**
- **Composite drill samples have been dispatched for geochemical analysis and metallurgical testing.**

Corporate

- **Share Placement raises \$120,418 to fund Tambellup Kaolin drilling**
- **Corona Virus (COVID-19) risk assessment and response**

Tambellup Kaolin Project, WA – Accelerate Resources 100%

During the March quarter, Accelerate Resources Limited (“**Accelerate**” or “**the Company**”) completed a 52 hole Aircore drilling program at the Tambellup Kaolin Project, located in the southwest of Western Australia.

The program targeted the Sadlers Kaolin prospect, within E70/4969 and confirmed the presence of near surface kaolin mineralisation as identified in previous historical drilling data.

A total of 52 holes for 769m of drilling was completed, with a total of 761 samples collected for XRF and geochemical analysis. Preliminary results based on handheld portable XRF (pXRF) analysis of 761 individual 1m Aircore drilling samples have been received by the Company.

The PXRF results have been used, in conjunction with data from geological logging, to map the regolith horizons within the drill holes, comprising Upper and Lower Saprolite, Saprock and basement horizons. The definition is based on the proportion of Al and Si plus K and Na, in the samples, which reflects the degree of weathering and kaolinization of the underlying granite.

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Kaolin mineralisation is expected to be well developed in the Upper Saprolite horizon and present within parts of the Lower Saprolite.

Based on the results of the pXRF sampling and the geological logging, a total of 170 one metre samples were selected from 23 Aircore holes and combined into 62 composite and individual samples (1m to 4m).

These 62 samples have been submitted to a Certified Analytical Laboratory for geochemical analysis, by Fusion XRF. An initial 20 of the composite samples, from seven holes spread throughout the prospect, have also been dispatched for metallurgical testing. The Metallurgical testing will provide data on the kaolin yield (%) and ISO Brightness of the kaolin mineralisation. (see ASX Announcement 26th March 2020)

About the Project

The Tambellup Kaolin Project (Figure 1) is located 5 to 10 km west of the township of Tambellup, where the freight railway corridor runs north-south through the centre of the town. The project is located approximately 280 km south-southeast of Perth via The Great Southern Highway. The Tambellup West Road bisects the project from Tambellup and links to the Albany Highway in the west. Two Kaolin prospects have previously been identified by drilling within the tenement (Figure 1), Saddlers in the northwest of the project area, and Hulls in the east.

The Kaolin prospects in the Tambellup area have formed due to in-situ weathering of biotite adamellite, which forms the predominant basement rock type in the area. The degree of weathering and thickness of the weathering profile is related to structural features in the underlying basement geology, such as jointing and fracturing related to deformation of the rock mass.

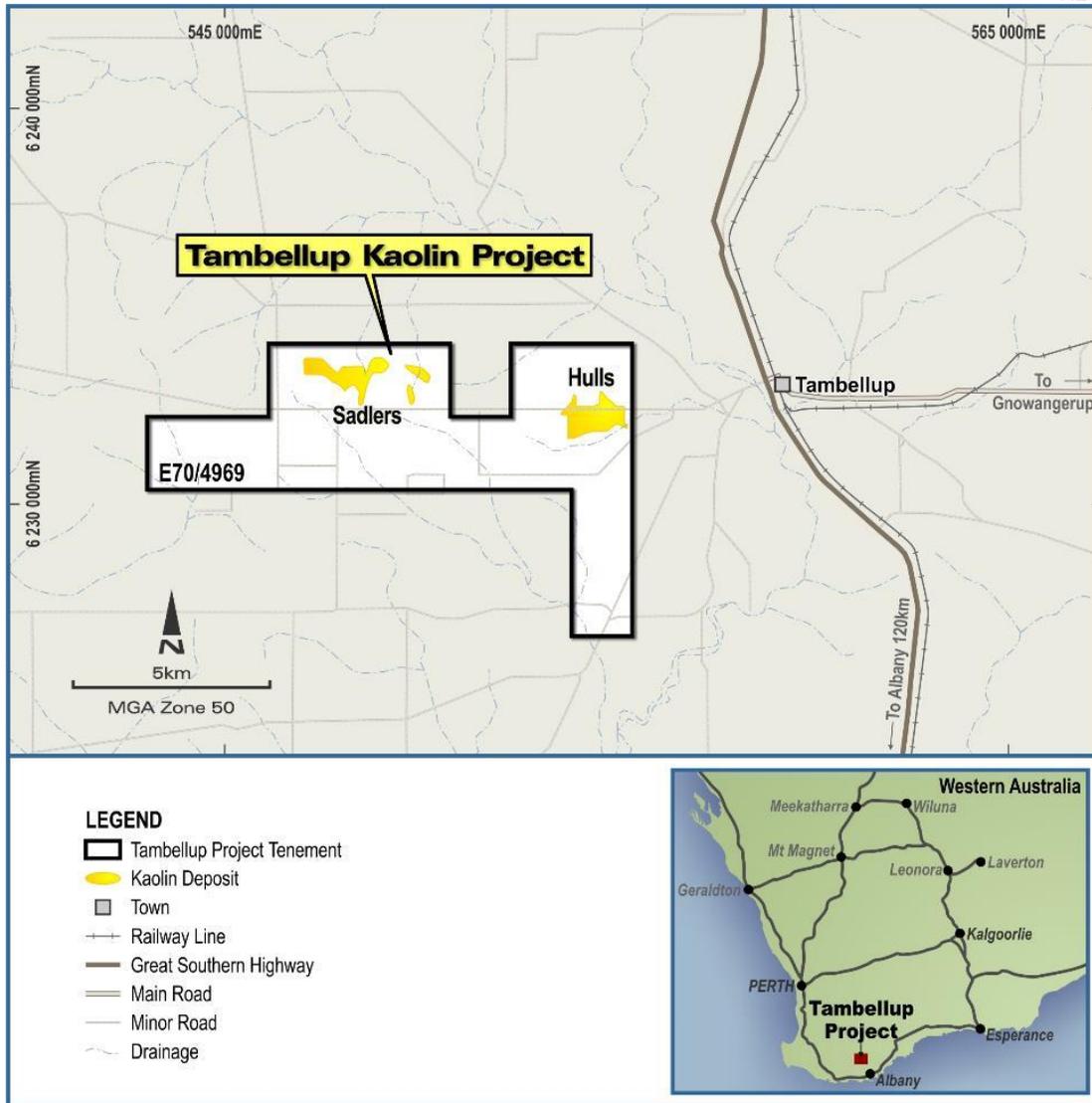


Figure 1: Tambellup Kaolin Project - Location of tenement E 70/4969 and nearby infrastructure; the Saddlers and Hulls prospect wireframes (GM Minerals Consultants, 2017).

Mt Read Project, Tasmania - Accelerate Resources 100%

The Mount Read Project is located on the Sorell Peninsular in western Tasmania. The project encompasses a belt of Cambrian volcano-sedimentary rocks correlated with the Mount Read Volcanics ("MRV") of western Tasmania.

Diamond drilling by Accelerate at the Thomas Creek prospect, during 2018, comprised four holes, TCDD001 to TCDD004. The drilling targeted strong chargeability highs and resistivity lows within a large 3D inversion modelled IP chargeability anomaly, along the eastern margin of an ovoid magnetic body; located below surface copper-cobalt soil anomalism.

The drilling intersected a mineralised system with disseminated sulphides and veining with associated anomalous copper-cobalt grades.

Exploration by Accelerate, indicates the potential for porphyry and VHMS mineralisation within the Mount Read project. Intersections of up to 46m @ 0.11% copper in TCDD002 (see ASX announcement 6th September 2018), illustrates the potential for broad zones of mineralisation within the Thomas Creek prospect.

During the Quarter, the Company relinquished the non-core licence EL8/2018 along the far western side of the Mount Read project.

Corporate

Capital raising to fund the Tambellup Kaolin Project secured

During January 2020, the Company successfully completed a capital raising of \$120,418 (before costs) through a Placement at A\$0.02455 per share to the 708 Sophisticated Investors. (ASX Announcement dated 23 Jan 2020). The Placement utilised the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. The funds raised under the Placement were utilised by the Company to fund the drilling and exploration programs at the Tambellup Kaolin Project.

Request to call General Meeting of Shareholders

On 22 January 2020 the Company received a notice under section 249D of the Corporations Act 2001 (Cth) signed by GTT Global Opportunities Pty Ltd and its related parties.

The Company held the shareholder requisitioned meeting on 20 March 2020. All the proposed resolutions at the shareholder requisitioned meeting were defeated by way of poll. (ASX Announcement dated 20 March 2020)

Takeovers Panel application and orders

On 4 March 2020 and 17 March 2020, the Takeovers Panel received applications from GTT Global Opportunities Pty Ltd (GTT) in relation to the affairs of the Company, including, amongst other things, its acquisition of the Tambellup kaolin project in consideration for Shares as announced 18 November 2019 (Kaolin Acquisition).

Subsequent to the end of the March Quarter, on 16 April 2020, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the affairs of the Company (ASX Announcement dated 16 April 2020) and on 20 April 2020 made final orders, (ASX Announcement dated 20 April 2020) including that (in effect):

- (a) the Vendors are released from their Voting Deeds;
- (b) the Company must inform the Vendors that, as a result of being released from their respective Voting Deeds, they will be free to vote their Shares that were the subject of the Voting Deeds according to their own wishes; and
- (c) the Company must comply with the notice requirements set out in its constitution in respect of reconvening the general meeting initially scheduled to be held on 16 March 2020 and a new

notice of meeting must be prepared and issued to Shareholders detailing the terms of the Voting Deeds and explaining the effect of the declaration and the Takeovers Panel's orders.

The Company confirms that it has advised the Vendors that they are free to vote their Shares that were the subject of the Voting Deeds according to their own wishes and that the Company will shortly provide Shareholders with a new notice of meeting in accordance with the Takeovers Panel orders and the Constitution.

Related party payments

In reference to item 6.1 of the Appendix 5B Quarterly Cashflow Report, the Company recorded \$56,000 worth of payments to related parties and their associates. Specifically, this sum includes payments of salary and wages to the Directors of the Company.

Comparison of the actual use of funds to the IPO Prospectus Use of Funds statement

Company is broadly in line with its use of funds as disclosed in its prospectus. The Company spend close to \$2.9million in exploration in the last 24 months. There is under expenditure on Director Fees due to the implementation of cost reduction measures since May 2019. The over expenditure on Corporate and Administration expenditures is driven by increased corporate advisory fees, corporate activities and legal fees since admission to the official list.

This announcement was authorised for release by the Board of Accelerate Resources Limited.

For further information please contact

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Competent Person Statement:

Information in this release that relates to Exploration Results is based on information compiled by Mr Andrew Rust, who is the Exploration Manager for Accelerate Resources Limited and who is a Member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Rust has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rust consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, costs, dividends, production levels or rates, prices, resources, reserves or potential growth of Accelerate Resources Limited, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors.

—ENDS—

Appendix

In accordance with Listing Rule 5.3.3. Accelerate provides the following information in relation to its mining tenements.

1. The mining tenements held at the end of the quarter and their location

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
Tambellup	E70/4969	Granted	Western Australia	100%
Tambellup	E70/5319	Application	Western Australia	100%
Mount Monger	E25/525	Granted	Western Australia	100%
Mount Monger	E25/565	Granted	Western Australia	100%
Mount Monger	E25/586	Application	Western Australia	100%
Comet	E20/908	Granted	Western Australia	100%
Comet	E21/213	Application	Western Australia	100%
Sandstone	E57/1118	Application	Western Australia	100%
Mt Read	EL 6/2013	Granted	Tasmania	100%
Mt Read	EL 7/2018	Granted	Tasmania	100%
Mt Read	EL 9/2019	Granted	Tasmania	100%

2. Mining tenements acquired during the quarter and their location:

Project	Tenement Number	Status	Location	Comment
Comet	E21/213	Application	Western Australia	100%

3. Mining tenements disposed of during the quarter and their location:

Project	Tenement Number	Status	Location	Comment
Mt Read	EL 8/2018	Granted	Tasmania	100%
Comet	E20/939	Application	Western Australia	100%
Scotia	E24/220	Application	Western Australia	100%