



ABN 33 617 821 771

ACCELERATE RESOURCES LIMITED

CORPORATE GOVERNANCE STATEMENT

Accelerate Resources Limited (“the Company”) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company has adopted systems of control and accountability as the basis for the administration of corporate governance.

The Board is committed to administering the policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company’s needs. The Corporate Governance Statement has been structured with reference to the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition to the extent that they are applicable to the Company.

Information about the Company’s corporate governance practices are set out below. This statement was approved by the Board on 30 September 2019 and updated on 6 March 2020.

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

THE BOARD OF DIRECTORS

The Board is ultimately accountable for the performance of the company and provides leadership and sets the strategic objectives of the Company. It appoints all senior executives and assesses their performance on at least an annual basis. It is responsible for overseeing all corporate reporting systems, remuneration frameworks, governance issues, and stakeholder communications. Decisions reserved for the Board relate to those that have a fundamental impact on the company, such as material acquisitions and takeovers, dividends and buybacks, material profits upgrades and downgrades, and significant closures.

Management is responsible for implementing Board strategy, day-to-day operational aspects, and ensuring that all risks and performance issues are brought to the Board’s attention. They must operate within the risk and authorisation parameters set by the Board.

The Company’s Constitution provides that the number of Directors shall not be less than three. There is no requirement for any shareholding qualification. However, to align Directors’ interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the Company’s employee securities incentive plan.

If the Company’s activities increase in size, nature and scope, the size of the Board will be reviewed periodically and the optimum number of Directors required to adequately supervise the Company’s activities will be determined within the limitations imposed by the Constitution and as circumstances demand.

Mr Grant Mooney is Chair of the Board and is considered to be an independent director of the Company.

The Board reviews its performance annually, as well as the performance of individual Committees, individual directors (including the performance of the Chairman as Chairman of the Board) and senior executives. The criteria for determining the identification and application of a suitable candidate for the Board shall include quality of the individual, background of experience and achievement, compatibility with other Board members, credibility within the Company’s scope of activities, intellectual ability to contribute to Board duties and physical ability to undertake Board duties and responsibilities.

THE BOARD OF DIRECTORS (CONTINUED)

The use of an external facilitator may be utilised periodically to assist in the review process. The review for the current financial year has occurred. The process included collective Board discussions and individual interviews conducted by the Chairman. The review of the Chairman's role has been conducted by the rest of the Board.

Directors are initially appointed by the full Board, subject to election by shareholders at the next Annual General Meeting. Under the Company's Constitution the tenure of a Director (other than Managing Director, and only one Managing Director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporations Act, the Board does not subscribe to the principle of retirement age and there is no maximum period of service as a Director. A Managing Director may be appointed for the year and on any terms the Directors think fit and, subject to the terms of any agreement entered into, the appointment may be revoked on notice.

All directors, both executive and non-executive, receive written notifications of their appointment and/or executive service agreement and a new director induction pack which details the terms and conditions of their appointment, remuneration (including superannuation contributions), continuous disclosure requirements (including interests in the company), ongoing confidentiality obligations, Company policies on professional development opportunities and when to seek independent professional advice, and the Company's indemnity and insurance measures.

COMMITTEES OF THE BOARD

Having regard to the size of the Company and the nature of its activities, a separate Audit Committee and Remuneration and Nomination Committee have not been established. Rather the full Board has the responsibility for and performs the function of these committees. Both committees function under a specific charter which details their respective roles, duties and membership requirements.

The Company's Board is responsible for developing policies and procedures for the appointment of Directors and identifying new Director candidates, having regard to their skill, diversity and experience that would complement the experience of the other Board members.

Any appointment made by the Board (other than the MD) will be subject to approval by shareholders.

At commencement of the Non-Executive Director selection process, the Company undertakes appropriate checks on potential candidates to consider their suitability.

Prior to appointment, candidates are required to provide the Chairman with details of other commitments (including an indication of time involved), and to acknowledge that they will have adequate time to fulfil his or her responsibilities as a Non-Executive Director. Directors available for election or re-election at a general meeting will be reviewed by the Board. The Board will provide shareholders with all material information in the possession of the Company in the Notice of Meeting that would be relevant for shareholders to make a decision on whether or not to elect or re-elect a Director, such as whether the Director will qualify as an independent Non-Executive Director and the Director's qualifications and experience.

The role of the Board, acting as the Remuneration and Nomination Committee also includes periodically evaluating the performance of its senior executives, and the Company will disclose in each reporting period whether a performance evaluation was undertaken in accordance with that process.

The Board may obtain independent advice on the appropriateness of remuneration packages.

The role of the Board, functioning as the Audit Committee, is to:

- Monitor the integrity of the financial statements of the Company, reviewing significant financial reporting judgements;
- Review the Company's internal financial control systems and, unless expressly addressed by a separate risk committee or by the Board itself, risk management systems;
- Monitor and review the external audit function including matters concerning appointment and remuneration, independence and non-audit services; and
- Perform such other functions as assigned by law, the Company's constitution, or the Board.

COMMITTEES OF THE BOARD (CONTINUED)

For further information regarding the Remuneration Policy, refer to the Company's Annual Report for the year ended 30 June 2019.

For further information regarding the Audit, Nomination and Remuneration Committee Charters visit the website www.ax8.com.au.

The Company does not have an internal audit function, however the Board has established a framework for the management of the Group including a system of internal controls, a business risk management process and the establishment of appropriate ethical standards. The board encourages the external auditor to attend the Annual General Meeting to address any shareholder questions that may arise.

SKILLS MATRIX

The Board has undertaken an assessment of its mix of skills using a skills matrix to assess strengths and identify weaknesses. As summary of the current blend of skills is set out below:

Expertise	Industry	Qualifications
Mineral resources	Mineral resources	Business and accounting
Capital markets	Capital markets	Engineering
Renewable energy	Renewable energy	Operations management
Energy – other	Energy – other	
Materials	Materials	
Infrastructure	Infrastructure	
Industrial products	Industrial products	

INDEPENDENCE

Given the Company's present size and scope, it is currently not Company policy to have a majority of independent Directors. Directors have been selected to bring specific skills and industry experience to the Company. The Board is considered to have an expansive range of relevant industry experience, financial and other skills and expertise to meet its objectives. Currently three board members are independent Directors and one Director is deemed to not be Independent due to executive employment (in the case of Mrs Yaxi Zhan).

Independent Directors

Grant Mooney – Non-Executive Chairman

Terry Topping – Non-Executive Director

Andrew Haythorpe – Non-Executive Director

Non-Independent Directors

Yaxi Zhan – Managing Director

When determining the independent status of each Director the board has considered whether the Director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company.
- Is employed, or has previously been employed in an executive capacity by the Company, and there has not been a period of at least three years between ceasing such an employment and serving on the board.
- Has within the last three years been a principal of a material professional adviser or a material consultant to the Company, or an employee materially associated with the services provided.
- Is a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with a material supplier or customer.
- Has a material contractual relationship with the Company other than as a Director.

INDEPENDENCE (CONTINUED)

Mr Mooney is a non-executive director of ASX-listed entity Gibb River Diamonds Ltd (previously POZ Minerals Ltd), a substantial shareholder of the Company. Mr Haythorpe was an Executive Director of the Company from 7 September 2017 until 29 May 2019. The Board has assessed these interests and relationships and determined that they do not interfere, and might not reasonably be seen to interfere, with the Directors' capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

APPOINTMENTS TO OTHER BOARDS

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

INDEPENDENT PROFESSIONAL ADVICE

The Board has determined that individual Directors have the right in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to Directors' rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

GENDER DIVERSITY

The Company has not adopted an express policy specifically addressing the achievement of gender diversity. Due to the current limited size of the Board, the Board does not consider it necessary to have an express gender diversity policy, but will consider adopting an express policy in the future. The Company has not set any objectives for achieving gender diversity. Should an express gender diversity policy be considered appropriate for the Company in the future due to increases in size of the organisation, the policy will specifically deal with the objectives for achieving diversity.

The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace. The Group currently has one female board member who is also a senior executive (Mrs Yaxi Zhan).

CONTINUOUS REVIEW OF CORPORATE GOVERNANCE

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as Directors of the Company. Such information must be sufficient to enable the Directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions. The Directors recognise that as a business that there are inherent risks and that operational strategies adopted should, notwithstanding, be directed towards improving or maintaining the net worth of the Company.

CODE OF CONDUCT

The Company has adopted a Code of Conduct for Company directors, executives and employees that promote the highest standards of ethics and integrity in carrying out their duties to the Company.

The Code of Conduct can be found on the Company's website at www.ax8.com.au.

COMPANY SECRETARY

The Company has a Company Secretary that is appointed by the board by resolution. The Company Secretary is accountable directly to the Board, through the Chairman.

COMPANY SECRETARY (CONTINUED)

The role of the Company Secretary is as follows:

- Advising the Board and Committees on governance matters.
- Monitoring adherence of Board and Committees to policies and procedures.
- Coordinating timely completion and despatch of Board and Committee papers.
- Ensuring business at Board and Committee meeting is accurately captured in the minutes.
- Helping to organise and facilitate induction and professional development of Directors

CONTINUOUS DISCLOSURE

The Company Secretary, working closely with the Chairman, have been delegated responsibility for the continuous disclosure of information to the market, to ensure:

- All investors have equal and timely access to material information concerning the Company, including its financial position, performance, ownership and governance.
- Company announcements are factual and presented in clear and a balanced way, requiring the disclosure of both positive and negative information.
- When analysts are briefed on aspects of the Company's operations, the market is forewarned, and the materials used in such presentations are also released to the ASX and posted on the Company's website.
- Any information that a reasonable person would expect to have a material effect on the price or value of the Company's share price (as per Listing Rule 3.1) is immediately notified to the ASX.

The Company has established a documented procedure to handle continuous disclosure requirements which can be found on the Company's website at www.ax8.com.au.

RISK MANAGEMENT SYSTEMS

The identification and management of risk, including calculated risk-taking activity is viewed by management as an essential component in creating shareholder value. Whilst there is currently no risk committee in accordance with recommendation 7.1 (a) the board as a whole is employed to oversee the Company's risk management framework as explained below.

Management is responsible for developing, maintaining and improving the Company's risk management and internal control system. A register of material business risks has been established, risks have been analysed and evaluated, risk management processes and controls are in place and reporting schedules developed. Management provides the board with periodic reports identifying areas of potential risks and the safeguards in place to efficiently manage material business risks. These risk management and internal control systems are in place to protect the financial statements of the entity from potential misstatement, and the Board is responsible for satisfying itself annually, or more frequently as required, that management has developed a sound system of risk management and internal control. A review has taken place during this reporting period.

Strategic and operational risks are reviewed at least annually as part of the forecasting and budgeting process. The Company has identified and actively monitors risks inherent in the industry in which the Company operates.

The Board also receives a written assurance from the CEO and CFO (or performers of those functions) that to the best of their knowledge and belief, the declaration provided to the Board in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control, and that the system is operating effectively in relation to financial reporting risks. The Board notes that due to its nature, internal control assurance from the CEO and CFO (or performers of those functions) can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in internal control procedures.

CORPORATE SUSTAINABILITY

The Company is a mineral exploration company and is inherently exposed to the economic, environmental and social sustainability risks that are associated with that industry. The Company has in place procedures for reporting on significant risks (see above) which are continually being developed and updated to help manage these risks. The Board carefully considers its operations and their impact on the environment and local communities and advises that at this point in the Company's life, there are no material risks.

SECURITY HOLDERS

Investors may inspect the Company's governance and Shareholder Communications policies via the website www.ax8.com.au which lay out the options to receive communications from, and send communications to, the entity and its security registry electronically.

The Board of Directors aims to ensure that shareholders are informed of all major developments affecting the Company's state of affairs. The information is communicated to shareholders, and forms part of the Company's two-way investor relations program:

- By ensuring that all shareholders can elect to receive information and communications from the company's share registry either physically or electronically, and can update their preferences through the share registry.
- By the Annual Report being distributed to all shareholders. The Board ensures the Annual Report contains all relevant information about the operations of the company during the financial year, together with details of future developments and other disclosures required under the Corporations Act 2001.
- By publishing its Notice of Meetings and Explanatory Memorandum for each Annual General Meeting or other such meetings as required from time to time;
- By encouraging shareholders to attend and participate in the company's Annual General Meeting;
- By encouraging shareholders to participate in proxy voting should they be unable to attend the company's Annual General Meeting;
- By the Half Year results report distributed to all shareholders;
- By disclosures forwarded to the ASX under the company's continuous disclosure obligations;

All information communicated by the company is in accordance with its continuous disclosure requirements under ASX Listing Rule 3.1.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE

The Board has reviewed its current practices in light of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations with 2014 Amendments 3rd edition with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the Board and the implementation of any additional formal corporate governance committees will be given further consideration.

ASX PRINCIPLES OF GOOD CORPORATE GOVERNANCE (CONTINUED)

The following table sets out the ASX Corporate Governance Guidelines with which the Company does not comply:

Principles and Recommendations	Explanation for Departures
<p>1.5 A listed entity should have a diversity policy and should disclose at the end of each reporting period the measurable objectives for achieving gender diversity and the progress towards achieving those objectives.</p>	<p>The Company recognises the importance of equal employment opportunity. The Company's corporate code of conduct provides a framework for undertaking ethical conduct in employment. Under the corporate code of conduct, the Company will not tolerate any form of discrimination or harassment in the workplace.</p> <p>However, the Company has determined to not initially adopt a formal express policy and establish measurable objectives for achieving gender diversity (and accordingly, will not initially be in a position to report against measurable objectives). The Board considers that its approach to gender diversity and measurable objectives is justified by the current nature, size and scope of the business, but will consider in the future, once the business operations of the Company mature, whether a more formal approach to diversity is required.</p> <p>The Company currently has two female Officers of the Company, being Ms Yaxi Zhan who is a Director and Miss Deborah Ho who is Company Secretary.</p>
<p>2.1 The board of a listed entity should have a nomination committee.</p>	<p>The Company does not comply with Principle 2.1. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.</p> <p>Nominations of new Directors are considered by the full Board. If any vacancies arise on the Board, all directors are involved in the search and recruitment of a replacement. The Board has taken a view that the full Board will hold special meetings or sessions as required. The Board is confident that this process for selection, including undertaking appropriate checks before appointing a person, or putting forward to Security holders a candidate for election, and review is stringent and full details of all Directors will be provided to Shareholders in the annual report and on the Company's website.</p>
<p>4.1 The board of a listed entity should have an audit committee of at least three members that are non-executive.</p>	<p>The Board has not established a separate audit committee. The full Board carries out the duties that would ordinarily be assigned to the audit committee.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate audit committee.</p>
<p>7.1 The board of a listed entity should have a risk committee.</p>	<p>The Board has not established a separate Risk Management Committee. The Board is ultimately responsible for risk oversight and risk management. Discussions on the recognition and management of risks are considered by the Board.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate risk committee.</p>

Principles and Recommendations	Explanation for Departures
<p>8.1 The board of a listed entity should have a remuneration committee of at least three members, a majority of whom are independent</p>	<p>The Board as a whole performs the function of the Remuneration committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board.</p> <p>The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.</p> <p>The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify having a separate remuneration committee.</p>
<p>8.3 A listed entity which has an equity-based remuneration scheme should have a policy on whether participants are permitted to enter into transaction which limit the economic risk of participating in the scheme and should disclose that policy, or a summary of it.</p>	<p>The Company does not currently have a formal policy, however the Company's existing employee securities incentive plan prohibits participants from entering into any arrangement for the purpose of hedging their economic exposure to a convertible security that has been granted to them under the plan.</p>