

Quarterly Activities Report For the period ended 31 December 2021

Highlights

- Company to Focus on development of East Pilbara Manganese projects
- Historical drill results from Braeside West manganese project confirm near surface high-grade manganese mineralisation.
- Twenty-one Rock Chip samples collected from Braeside West returned 15 manganese grades over 30%Mn
- Bulk ~200kg surface manganese sampled collected for High Grade metallurgical test work
- Drilling preparations underway at Braeside West
- New Exploration License Application extends Braeside West footprint
- Newly discovered historic data opens opportunity for additional drill targets at Comet Gold Project
- Three exploration licence applications lodged in the East Pilbara region of Western Australia covering areas prospective for lithium. Close to Company's Manganese operations.

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BOARD

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Market Data

ASX Code: AX8

Shares on Issue: 245.4M

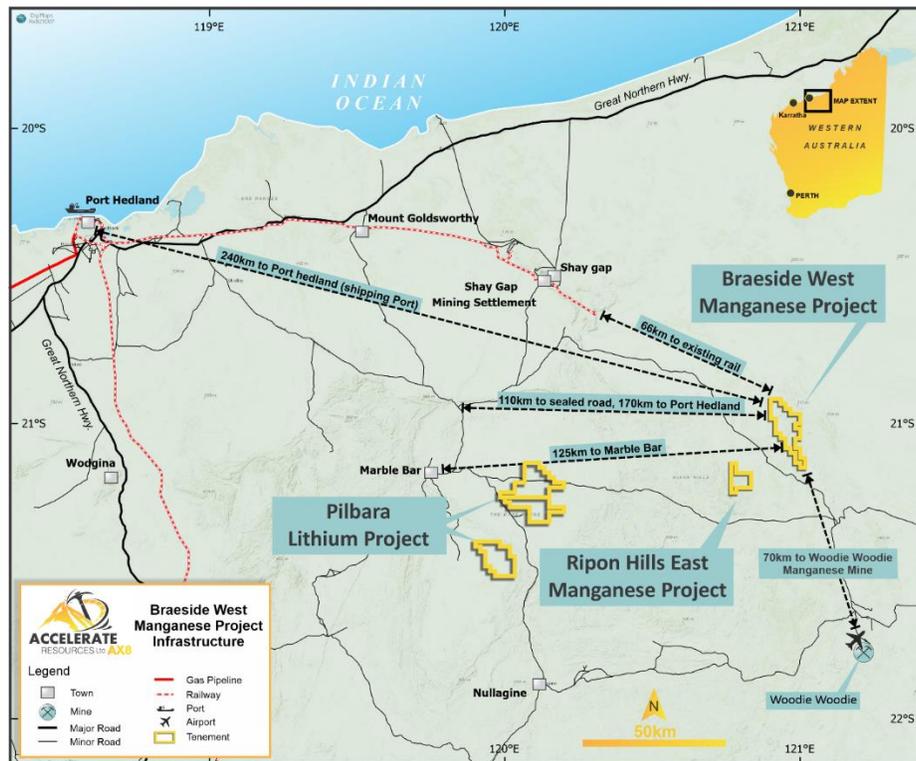


Figure 1: Accelerate Resources Manganese and Lithium Project Locations

1. Braeside West Manganese Project

During the December 2021 quarter, Accelerate Resources Limited (ASX: AX8) ('Accelerate' or 'the Company') commenced field and desktop studies on the recently acquired Braeside West and Ripon Hills East Projects in the East Pilbara Manganese field.

Having elected to acquire the Project, Accelerate has a primary focus on Manganese. The project fundamentals such as grade, structure and proximity to infrastructure, and as well as predicted strong demand for both steel and high grade battery metal, will drive the exploration over the coming months.

During the quarter, activities were focused on building a solid runway for 2022 with the following completed:

- Reporting of historical drill results from Braeside West confirm near surface high-grade manganese mineralisation, Drill results include ([ASX announcement dated 25th October 2021](#)):
 - BX48 -11m @ 28.4% Mn from 1m
 - BX57 – 2m @ 41.8% Mn from surface
 - BX58 – 5m @ 37.3% Mn from surface
 - BX61 – 2m @ 39.3% Mn from surface
 - BX71 – 8m @ 37.4% Mn from surface
 - BX76 – 6m @ 39.9% Mn from surface

- Field reconnaissance has confirmed historical drill hole locations and surface manganese mineralisation, including multiple historical rock chip samples with +50% Mn within the project area.
- Large zones of undrilled manganese outcropping at surface identified during initial reconnaissance mapping.
- Collection of high-grade Manganese Rock Chip samples at proposed drill site. Best results include ([ASX announcement dated 15th Nov 2021](#))
 - Sample 7233 – 55.3% Mn, 1.99% Fe & 1.37% SiO₂
 - Sample 7235 – 53.6% Mn, 1.05% Fe & 5.11% SiO₂
 - Sample 7234 – 48.8% Mn, 2.09% Fe & 11.3% SiO₂
 - Sample 7233 – 47.7% Mn, 5.06% Fe & 8.59% SiO₂
 - Sample 7232 – 47.0% Mn, 12.00% Fe & 1.12% SiO₂

Planned Drilling Program

Program of Work (POW) for a diamond drilling programme at Braeside West Manganese project, has been approved by the Department.

The Company is planning to drill approximately 600m of PQ diamond core across various prospects. Targets identified from the initial review and detailed interpretation from the recently acquired high-resolution imagery. Drilling will also twin some historical intercepts. The diamond drill core will be used for stratigraphic studies and metallurgical test work.

About the Braeside West and Ripon Hills East Projects

The Braeside West Prospect (E45/5854) covers 139km² and offers the opportunity to identify manganese mineralisation of similar nature to the deposits of the nearby (~70km) Woodie Woodie Mine (Figure 1). The tenement area has previously undergone several exploration phases consisting of Geological mapping, rock chip sampling, VTEM geophysics.

Ripon Hills East Prospect (E45/5088) is situated 70 km northwest of the world class Woodie Woodie Manganese deposit and immediately east of the Ripon Hills manganese deposit. The Project covers 48km² and records indicate very little historic exploration within the license area, despite the presence of favourable "Woodie Woodie" N-S structures and mappable surface manganese mineralisation.

Manganese Strategy

Accelerate has identified future supply disruption and metal shortfalls in the Manganese market and has executed a high-grade manganese exploration strategy to meet the future

demand from the battery and steel production markets.

Manganese is a critical element used in steel production. The steel industry is poised to continue growing, providing a steady source of demand for manganese. New demand is arising from clean-energy applications. High purity manganese (HPM) is used as a cheaper substitute for cobalt in nickel-cobalt-manganese (NCM) battery cathodes.

Manganese is increasingly a critical link in the lithium-ion battery supply chain and has been added to the strategic minerals stockpile. There is a high probability of supply disruption from South African production and the winding down of dominant Northern Territory Groote Eyland Manganese Operations.

High-grade deposits capable of producing lump or fines product with grades in excess of 40% manganese are critical in steel and battery market supply chains

2. Comet Gold Project, WA

The Comet Gold Project located in the Murchison Goldfields, approximately 115 km south southwest of Meekatharra and 20 km southeast of Cue, the project covers part of the Meekatharra to Mount Magnet Greenstone belt, located at the southern end of the Tuckabianna Shear Zone.

During the quarter, additional historic data has undergone verification prior to being added to the existing database. This new (historic) data has provided additional insight into the project area, confirming previously identified targets and opening other areas previously considered low priority.

Compilation and analysis of historical RAB and RC drilling data has identified a number of gold targets and anomalous gold trends within the Comet Project area, including extensions to the north and east of the Comet gold mine and along the Antarctica gold trend in the eastern part of the license.

Wide-spaced shallow drilling undertaken at Comet East during the 1990's intersected significant gold mineralisation, including **4m at 7.08 g/t gold** from 27m (PRB305), and **3m at 4.53 g/t gold** from 60m (PRC269)⁽¹⁾ ([See ASX announcement dated 14 July 2020](#)).

During September 2020, Accelerate undertook the first phase of RC drilling (17 holes for 1,212m; 20CORC001 - 017) at the Comet Gold Project, returning highly encouraging assay results from shallow drilling at the Comet East prospect ([See ASX announcement dated 2 November 2020](#)).

Significant drill results included:

- 20CORC002 9m @ 3.89 g/t gold from 34m
- 20CORC003 6m @ 1.11 g/t gold from 30m
- 20CORC006 3m @ 2.23 g/t gold from 27m

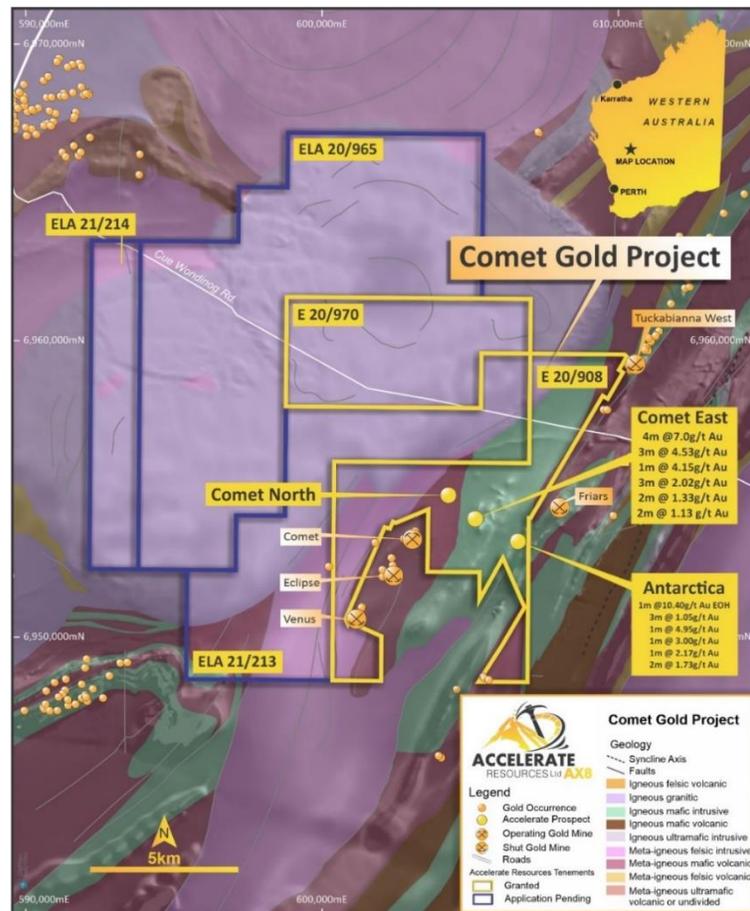


Figure 2: Comet Gold Project Location

Follow up RC drilling was completed in late December 2020. An additional ten RC holes for 702m (20CORC018 – 027) were drilled to infill section spacing to 40m along 160m of strike on the shallow dipping Comet East mineralised structure. All holes returned a significant gold intersection from the targeted gold position.

The Company plans to conduct a targeted geochemical survey over areas identified and also plans to complete a shallow Air Core drilling program to test for blind mineralisation running parallel and along strike for known gold mineralisation.

3. Pilbara Lithium Project, WA

During the December 2021 quarter, the Company identified a potential lithium opportunity to complement its Manganese strategy in the Pilbara region. ([ASX Announcement Dated 1 Nov 2021](#))

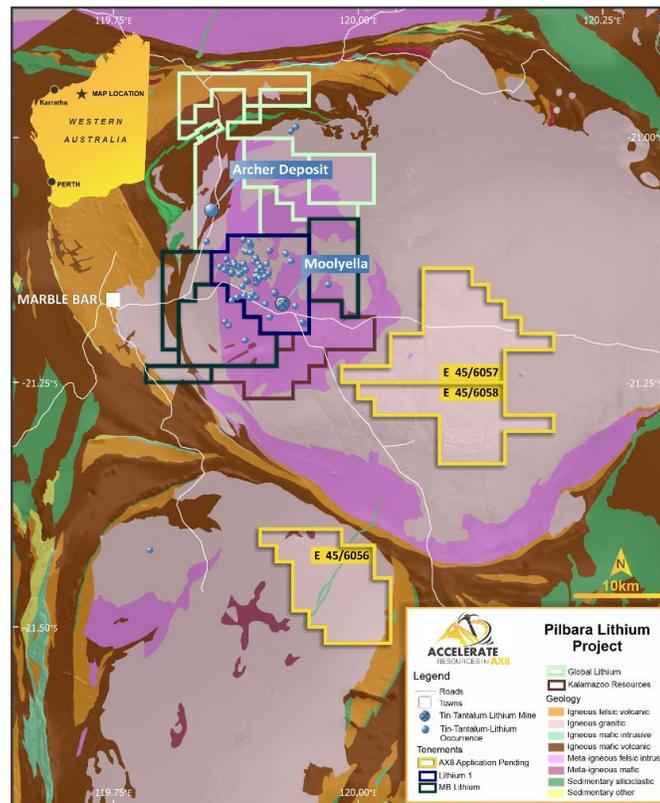


Figure 3. Project Location Map –Pilbara Lithium Project

Three exploration license applications were lodged, covering approximately 369 km² of prospective geology in the East Pilbara region of Western Australia, located 200 km east of Port Hedland, and 30km east and south-east of Marble Bar.

Applications E45/6057 (~146 km²) and E45/6058 (~103km²) cover the central eastern section of the Mt Edgar Batholith, a prominent granitic intrusion with N-S and N-E lineaments and structures identified from Geological Survey data.

Application E45/6056 (120km²) covers the north-east section of the Corunna Downs Batholith with prominent N-S, E-W and NE lineaments with possible widespread fractionation identified by the presence multiple structures located from Geological Survey data.

Both areas are underexplored for lithium minerals but have been the subject of limited historic diamond exploration and historic tin and tantalite exploration activity.

On granting, the Company plans to conduct initial reconnaissance activities including geological mapping, selective surface sampling as well as detailed desk top assessment with a view to generating target areas.

4. Vytas Resources IPO and Tambellup Project update

During the December 2021 quarter, the Company completed the sale of Tambellup to Vytas Resources Pty Ltd ("Vytas"), and received 27,120,000 shares, equal to a 33% interest in Vytas. ([ASX Announcement Dated 30 Nov 2021](#))

Vytas HPA HPQ Strategy

As indicated in the ASX Announcement on the 2 September 2021, both HPA and HPQ have been identified by CSIRO (2021) in the **Critical Energy Minerals Roadmap** as critical minerals needed to transition to a renewable economy. Both materials are in demand due to their manufacturing benefits and use in Solar PV, Wind Turbines, Concentrated Solar Power (CSP), Green Hydrogen Production and Batteries.

In identifying this opportunity, Vytas and Accelerate formed a new technology material venture to place both Vytas and Accelerate at the forefront of becoming a supplier to the renewable technology industry.

Vytas Time-line to IPO

With both the Tambellup Project and the Midwest Silica Sand Project being advanced, Vytas aims to be listed on the ASX around April 2022.

Vytas Resources Projects

Vytas' Projects, including the recently acquired Tambellup Kaolin Project, target the emerging high grade silica market. All projects are strategically located close to infrastructure, including telecommunications, road and rail, and close to major export ports (i.e. Geraldton and Albany).

The Moora Silica Sand Project (Moora Project) is located approximately 20 km northeast of the regional town of Moora, 2 hours north of Perth. The Moora Project covers an area of 10,644 ha (106 km²) and is positioned entirely on freehold agricultural land within the regionally extensive deep sand units of the Dandaragan Plateau.

The White Peaks Silica Project (White Peaks Project) is located 140 km southeast of Exmouth and 240 km southwest of the regional town of Exmouth.

The Ajana Silica Project (Ajana Project) is an early stage project targeting the same geological formation as the White Peaks Silica Project. The Ajana Project is located approximately 30 km southeast of the townsite of Kalbarri, 90 km north of Geraldton and consists of one tenement application (E70/5897) covering approximately 9,400 ha of outcropping Windalia Radiolarite siltstone (or amorphous silica).

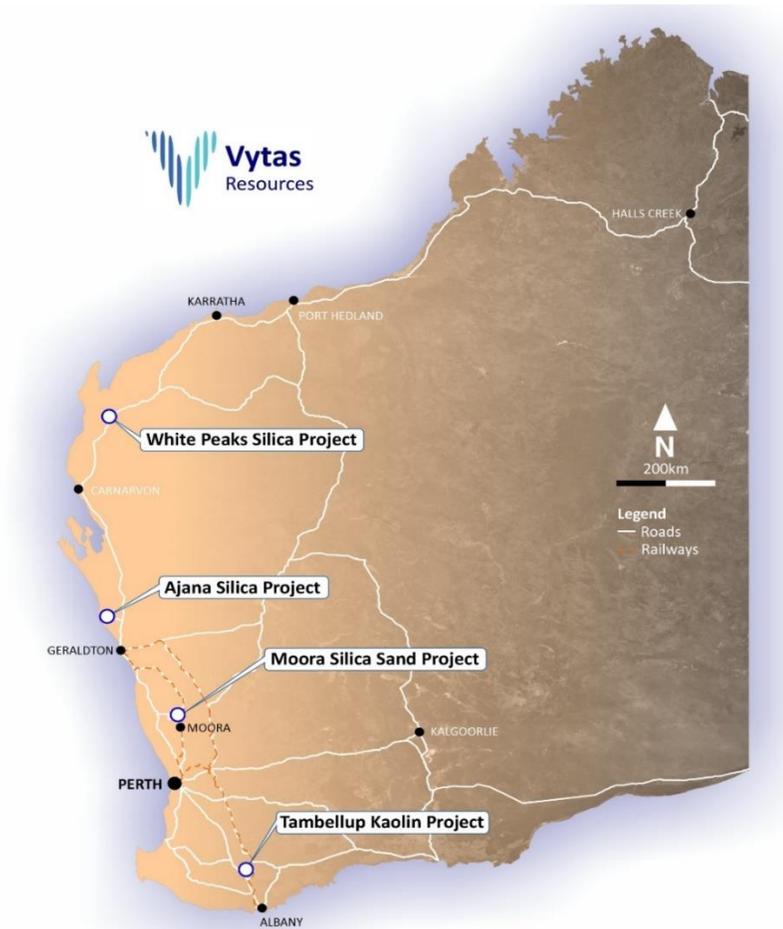


Figure 4: Vytas Resources Project Location

The Tambellup Project's metallurgical testwork confirms the potential for a high-quality Kaolin product.

Kaolin is a versatile material with a wide range of uses, including traditional applications in the paper, ceramics and coatings industries. Kaolin is also a feedstock for High Purity Alumina (HPA), with a minimum purity of 99.99 per cent (4N) alumina. The primary by-product from this conversion is silica, which Vytas intends to upgrade to form HPQ, repurposing this waste stream to improve the project economics of the Tambellup Project.

The Vytas team will also focus on establishing a JORC 2012 resource estimate and additional targeted metallurgical test work directed at developing a process flow sheet while progressing product quality opportunities and off-take agreements.

Corporate update

As approved by shareholders at the Company's annual general meeting held on 8 November 2021, Hall Chadwick has been appointed as auditor for the Company.

Information Required by Listing Rules

Listing rule 5.3.1

During the December 2021 Quarter, the Company spent \$368k on exploration activities including \$118k on the Braeside West and Ripon Hills East Projects. And \$250k to Vytas Resources as Funding amount to progress the Tambellup Kaolin Project as part of Vytas transaction completion payment.

Listing rule 5.3.5

During the December 2021 Quarter, the Company made payments to related parties of \$91k for director Consultancy fees.

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

For further information please contact
Yaxi Zhan
Managing Director

Competent Persons Statement

Information in this release that relates to Exploration Results is based on information compiled by Mr Griffiths, who is the President and CEO of Currie Rose Inc. (TSX-V: CUI). Mr Griffiths is a qualified geologist, a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Griffiths 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 Griffiths 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
Comet	E20/908	Granted	Western Australia	100%
Comet	E20/970	Granted	Western Australia	100%
Comet	E21/213	Granted	Western Australia	100%
Comet	E21/214	Granted	Western Australia	100%
Comet	E20/965	Granted	Western Australia	100%
Comet	E20/999	Application	Western Australia	100%
Comet	E20/1000	Application	Western Australia	100%
Wooleen Project	E59/2628	Application	Western Australia	100%
Wooleen Project	E59/2629	Application	Western Australia	100%
Wooleen Project	E59/2630	Application	Western Australia	100%
Wooleen Project	E59/2632	Application	Western Australia	100%
Wooleen Project	E59/2646	Application	Western Australia	100%
Pilbara Lithium	E45/6056	Application	Western Australia	100%
Pilbara Lithium	E45/6057	Application	Western Australia	100%
Pilbara Lithium	E45/6058	Application	Western Australia	100%
Pilbara Manganese	E45/5854	Application	Western Australia	100% Mn and Iron Right
Pilbara Manganese	E45/5088	Granted	Western Australia	100% Mn and Iron Right
Pilbara Manganese	E45/6100	Application	Western Australia	100%
Tambellup	E70/4969	Granted	Western Australia	Under an Option Agreement to sell 100% Interest
Tambellup	E70/5319	Granted	Western Australia	Under an Option Agreement to sell 100% Interest
Mt Read	EL 6/2013	Granted	Tasmania	Under an Option Agreement to sell 100% Interest

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

Project	Tenement Number	Status	Location	Comment
Pilbara Manganese	E45/6100	Application	Western Australia	100%
Wooleen Project	E59/2646	Application	Western Australia	100%

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

Project	Tenement Number	Status	Location	Comment
-	-	-	-	-