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**ACCELERATE RESOURCES LIMITED**  
**ACN 617 821 771**  
**NOTICE OF EXTRAORDINARY GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 10:00 AM  
**DATE:** 31 January 2024  
**PLACE:** 16 Ord Street, West Perth, WA 6005

*The business of the Meeting affects your shareholding and your vote is important.*

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.*

*The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00pm (WST) on 29 January 2024.*

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. RESOLUTION 1 – APPROVAL OF THE ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purpose of ASX Listing Rule 10.1 and for all other purposes, approval is given for the Company to complete the Acquisition, on the terms and conditions set out in the Explanatory Statement.”*

**Short Explanation:** The Company has entered into the Share Sale Agreement with the Vendors and Mt Sholl, pursuant to which the Company has agreed to acquire 100% of the issued capital of Mt Sholl. ASX has determined that, as Director, Grant Mooney is a director and shareholder of Mt Sholl, the Acquisition must be approved by Shareholders in accordance with Listing Rule 10.1.

**Independent Expert’s Report:** Shareholders should carefully consider the Independent Expert’s Report included with this Notice of Meeting, prepared by the Independent Expert for the purposes of the Shareholder approval required under ASX Listing Rule 10.1. The Independent Expert’s Report comments on the fairness and reasonableness of the Acquisition the subject of this Resolution to the non-associated Shareholders. The Independent Expert has determined that the Acquisition is **fair and reasonable** to the non-associated Shareholders.

A voting exclusion statement applies to this Resolution. Please see below.

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#### 2. RESOLUTION 2 - CREATION OF A NEW CLASS OF SECURITIES –PERFORMANCE SHARES

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*“That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of section 246B of the Corporations Act and for all other purposes, the Company is authorised to issue Performance Shares as a new class of shares on the terms and conditions set out in the Explanatory Statement.”*

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#### 3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES AND PERFORMANCE SHARES TO UNRELATED VENDORS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject to and conditional upon the passing of the Acquisition Resolutions, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 19,021,741 Shares and 84,963,768 Performance Shares to the Unrelated Vendors (or their nominees) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**4. RESOLUTION 4 – APPROVAL TO ISSUE SHARES AND PERFORMANCE SHARES TO RELATED VENDORS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, subject and conditional upon to the passing of the Acquisition Resolutions, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 16,847,824 Shares and 75,253,623 Performance Shares to the Related Vendors (or their nominees) on the terms and conditions set out in the Explanatory Memorandum.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**5. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 2,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 6 - APPROVAL OF POTENTIAL TERMINATION BENEFITS TO BE GIVEN TO RICHARD HILL**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 200B and 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, approval is given for the Potential Termination Benefits to be given to Richard Hill (or his/her nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**7. RESOLUTION 7 - APPROVAL OF POTENTIAL TERMINATION BENEFITS TO BE GIVEN TO STEPHEN BODON**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 200B and 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, approval is given for the Potential Termination Benefits to be given to Stephen Bodon (or his/her nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**8. RESOLUTION 8 – APPROVAL OF POTENTIAL TERMINATION BENEFITS TO BE GIVEN TO YAXI ZHAN**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 200B and 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, approval is given for Potential Termination Benefits to be given to Yaxi Zhan (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

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**9. RESOLUTION 9 – APPROVAL OF POTENTIAL TERMINATION BENEFITS TO BE GIVEN TO LUKE METER**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purposes of section 200B and 200E of the Corporations Act, Listing Rule 10.19 and for all other purposes, approval is given for Potential Termination Benefits to be given to Luke Meter (or their nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement and voting prohibition statement applies to this Resolution. Please see below.

## Voting Prohibition Statement:

<b>Resolution 6 – Approval of Potential Termination Benefits to be given to Richard Hill</b>	In accordance with section 250BD and section 200E(2A) of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if: (a) the proxy is either: (i) a member of the Key Management Personnel; or (ii) a Closely Related Party of such a member; and (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if: (a) the proxy is the Chair; and (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.
<b>Resolution 7 – Approval of Potential Termination Benefits to be given to Stephen Bodon</b>	
<b>Resolution 8 – Approval of Potential Termination Benefits to be given to Yaxi Zhan</b>	
<b>Resolution 9 – Approval of Potential Termination Benefits to be given to Luke Meter</b>	

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the Resolution set out below by or on behalf of the following persons:

<b>Resolution 1 – Approval of the Acquisition</b>	The Vendors (or any of their associates) or any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the entity).
<b>Resolution 3 – Approval to issue Shares and Performance Shares to Unrelated Vendors</b>	The Unrelated Vendors and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 4 – Approval to issue Shares and Performance Shares to Related Vendors</b>	The Related Vendors and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.
<b>Resolution 5 – Ratification of prior issue of Shares</b>	The EL Vendors or any other person who participated in the issue or is a counterparty to the agreement being approved or an associate of that person or those persons.
<b>Resolution 6 – Approval of Potential Termination Benefits to be given to Richard Hill</b>	Richard Hill or any other officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit or an associate of that person or those persons.
<b>Resolution 7 – Approval of Potential Termination Benefits in be given to Stephen Bodon</b>	Stephen Bodon or any other officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit or an associate of that person or those persons.
<b>Resolution 8 - Approval of Potential Termination Benefits to be given to Yaxi Zhan</b>	Yaxi Zhan or any other officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit or an associate of that person or those persons.
<b>Resolution 9 - Approval of Potential Termination Benefits to be given to Luke Meter</b>	Luke Meter or any other officer of the Company or any of its child entities (as defined in the Listing Rules) who is entitled to participate in a termination benefit or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or

- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting by proxy**

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To vote by proxy, please complete proxy form and sign the enclosed proxy form and return by the time and in accordance with the instructions set out on the proxy form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

### **Voting in person**

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To vote in person, attend the Meeting at the time, date and place set out above.

***Should you wish to discuss the matters in this Notice please do not hesitate to contact the Company Secretary on +61 6248 9663.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND TO RESOLUTIONS 1 TO 4

#### 1.1 Overview

On 6 October 2023, the Company announced it had entered into a binding agreement with Mt Sholl Holdings Pty Ltd (ACN 623 492 893) (**Mt Sholl**) and the shareholders of Mt Sholl (**Vendors**) to acquire 100% of the issued capital of Mt Sholl (**Share Sale Agreement**). A summary of the material terms and conditions of the Share Sale Agreement is set out in Section 1.3.

Mt Sholl holds a 100% interest in the Prinsep Lithium Project and the Mt Sholl Project (together, the **Projects**). Further information in relation to the Projects is set out in Section 1.2 and the ASX announcement released on 6 October 2023.

#### 1.2 Overview of the Projects

The Prinsep Lithium Project hosts the most advanced target within Accelerate's broader Karratha Lithium Projects, which comprises circa 90km<sup>2</sup> of prospective ground located in close proximity to mining services, workforce and major infrastructure in the nearby mining centres of Karratha and Dampier.

At Prinsep, recent field work by Accelerate's exploration team has identified at least two parallel zones of spodumene-rich, lithium-bearing pegmatite systems spanning the entire width of the tenement area. Coarse spodumene crystals are present within the pegmatites resulting in significant lithium grades. These mineralised zones represent a new lithium discovery 15km from Karratha that have never been drilled. At Mt Sholl East, preliminary investigations have identified broad zones of pegmatitic granite and discrete pegmatite dykes. Preliminary rock chip samples have been taken and submitted for assay.

#### 1.3 Share Sale Agreement

The material terms and conditions of the Share Sale Agreement are as follows:

<b>Acquisition</b>	The Company agrees to acquire and the Vendors each agree to sell all of their fully paid ordinary shares in the capital of Mt Sholl, free from encumbrances for the consideration set out below ( <b>Acquisition</b> ).
<b>Conditions Precedent</b>	Completion of the Acquisition ( <b>Completion</b> ) is conditional upon the satisfaction (or waiver by the Company) of the following conditions precedent on or before on 31 January 2024:  (a) <b>Due diligence:</b> completion of financial, legal and technical due diligence by the Company on the tenements held by Mt Sholl and Mt Sholl, to the absolute satisfaction of the Company (acting reasonably);  (b) <b>Transfer:</b> the registration of Mt Sholl as the 100% legal and beneficial owner of L47/779;  (c) <b>Shareholder approval:</b> Shareholder approval of the transactions contemplated by the Share Sale Agreement (which approval is being sought pursuant to Resolutions 1 to 4); and  (d) <b>Regulatory approvals:</b> the parties obtaining all necessary regulatory approvals or waivers pursuant to the ASX Listing

	Rules, Corporations Act or any other law.																								
<b>Consideration</b>	<p>In consideration for the Acquisition, the Company has agreed:</p> <p>(a) to issue the Vendors (or their nominees):</p> <p>(i) an aggregate of 35,869,565 Shares (<b>Consideration Shares</b>); and</p> <p>(ii) an aggregate of 160,217,391 Performance Shares; and</p> <p>(b) to pay to the Vendors a 2% net smelter royalty,</p> <p>in consideration for the Acquisition (<b>Consideration</b>).</p> <p>The Consideration Shares and Performance Shares issued to Grant Mooney, Samantha Mooney and Ocean Flyers Pty Ltd (ACN 142 799 906) &lt;S&amp;G Mooney Super Fund A/C&gt; (<b>Ocean Flyers</b>), (together, the <b>Related Vendors</b>) will be subject to a 12 month ASX escrow period.</p> <p>The other Vendors are by unrelated parties (<b>Unrelated Vendors</b>). Approximately 70% of the Initial Consideration Shares and the Class A Performance Shares issued to Unrelated Vendors will be subject to a 12 month voluntary escrow period.</p> <p>Further details of the consideration payable to the Vendors of Mt Sholl and the number of securities subject to escrow is set out in the table below.</p> <table border="1"> <thead> <tr> <th></th> <th>Related Vendors<sup>1</sup></th> <th>Unrelated Vendors<sup>2</sup></th> <th>Total</th> </tr> </thead> <tbody> <tr> <td><b>Consideration Shares</b></td> <td>16,847,824</td> <td>19,021,741</td> <td>35,869,565</td> </tr> <tr> <td><b>Class A Performance Shares</b></td> <td>23,586,956</td> <td>26,630,435</td> <td>50,217,391</td> </tr> <tr> <td><b>Class B Performance Shares</b></td> <td>16,439,394</td> <td>18,560,606</td> <td>35,000,000</td> </tr> <tr> <td><b>Class C Performance Shares</b></td> <td>16,439,394</td> <td>18,560,606</td> <td>35,000,000</td> </tr> <tr> <td><b>Class D Performance Shares</b></td> <td>18,787,879</td> <td>21,212,121</td> <td>40,000,000</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <p>1. Subject to a 12-month ASX escrow period.</p> <p>2. Comprising:</p> <p>a. 13,257,148 Consideration Shares and 18,560,007 Class A Performance Shares which are subject to a 12-month voluntary escrow period; and</p> <p>b. 5,764,593 Consideration Shares and 8,070,428 Class A Performance Shares which are freely tradeable.</p>		Related Vendors <sup>1</sup>	Unrelated Vendors <sup>2</sup>	Total	<b>Consideration Shares</b>	16,847,824	19,021,741	35,869,565	<b>Class A Performance Shares</b>	23,586,956	26,630,435	50,217,391	<b>Class B Performance Shares</b>	16,439,394	18,560,606	35,000,000	<b>Class C Performance Shares</b>	16,439,394	18,560,606	35,000,000	<b>Class D Performance Shares</b>	18,787,879	21,212,121	40,000,000
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<b>Other Terms</b>	The Share Sale Agreement otherwise contains provisions considered standard for an agreement of this type.																								

## 1.4 Summary of Acquisition Resolutions

Director, Grant Mooney is one of the two directors of Mt Sholl and has a relevant interest of 46.98% in the capital of Mt Sholl through:

- (a) his direct shareholding; and
- (b) his indirect interest in shares held by his wife, Samantha Mooney and Ocean Flyers, an entity which he controls.

ASX has determined that as Grant Mooney is a director and shareholder of Mt Sholl, the Acquisition must be approved by Shareholders in accordance with Listing Rule 10.1.

This Notice of Meeting set out the Resolutions necessary to complete the Acquisition, being Resolutions 1 to 4 (**Acquisition Resolutions**). Each of the Essential Resolutions are conditional upon the approval by Shareholders of each of the other Acquisition Resolutions. If any of the Acquisition Resolutions are not approved by Shareholders, all the Acquisition Resolutions will fail, and Completion will not occur.

A summary of the Acquisition Resolutions is as follows:

- (a) Resolution 1 seeks Shareholder approval for the purpose of Listing Rule 10.1 and all other purposes to enable the Company to complete the Acquisition;
- (b) Resolution 2 seeks Shareholder approval for the Company to be authorised to create the necessary class of and issue the Performance Shares as consideration under the Share Sale Agreement;
- (c) Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of an aggregate of 19,021,741 Consideration Shares and 84,963,768 Performance Shares to the Unrelated Vendors; and
- (d) Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.11 for the issue of an aggregate of 16,847,824 Shares and 75,253,623 Performance Shares to the Related Vendors.

## 1.5 Advantages of the Acquisition

The Directors (other than Mr Grant Mooney) are of the view that the following non-exhaustive list of advantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions:

- (a) the Independent Expert has determined that the Acquisition is fair for Shareholders;
- (b) as the consideration payable for the Acquisition comprises the Consideration Shares, the Performance Shares and the Royalty (i.e., no cash is payable), the Company's existing cash balance is preserved so that it can be utilised for the development of the Company's portfolio of mineral assets;
- (c) the Acquisition diversifies the Company's portfolio by providing the Company with additional tenements with lithium prospects;
- (d) the Company's projects are within close proximity to pre-existing infrastructure;
- (e) the Acquisition provides the Company with greater exposure to the Australian lithium industry;
- (f) the Company may benefit from the potential upside from future transactions with neighbouring tenement holders; and
- (g) the structure of the Consideration partially protects Shareholders, should the Projects not be economically viable.

Further information in relation to the advantages of the Acquisition is set out in section 13.3 of the Independent Expert's Report.

## 1.6 Disadvantages of the Acquisition

The Directors (other than Mr Grant Mooney) are of the view that the following non-exhaustive list of disadvantages may be relevant to a Shareholder's decision on how to vote on the Acquisition Resolutions:

- (a) the issue of the Consideration Shares (and the issue of Shares on conversion of the Performance Shares if the relevant milestones are satisfied) will dilute Shareholders' interests and reduce the level of control of existing Shareholders over the Company; and
- (b) the Acquisition will result in the Company having a greater exposure to lithium assets, which may not align with the risk preferences of Shareholders.

## 1.7 Capital Structure

The capital structure of the Company, on completion of the Acquisition is set out below:

	Shares	Options	Performance Rights	Performance Shares
Current issued capital	567,101,756	86,321,376 <sup>1</sup>	27,500,000 <sup>2</sup>	Nil
Issued pursuant to the Acquisition <sup>3</sup>	35,869,565	Nil	Nil	160,217,391
<b>Total</b>	<b>602,971,321</b>	<b>86,321,376</b>	<b>27,500,000<sup>3</sup></b>	<b>160,217,391</b>

### Notes:

1. Comprising:
  - a. 58,571,376 Options exercisable at \$0.05, expiring on 28 December 2024;
  - b. 10,000,000 Options exercisable at \$0.10, expiring on 22 October 2024;
  - c. 2,250,000 Options exercisable at \$0.05, expiring on 27 January 2025;
  - d. 1,000,000 Options exercisable at \$0.05, expiring on 1 December 2024;
  - e. 9,000,000 Options exercisable at \$0.0957, expiring on 27 November 2024;
  - f. 1,000,000 Options exercisable at \$0.059, expiring on 1 February 2025; and
  - g. 4,500,000 Options exercisable at \$0.0593, expiring on 16 November 2024.
2. Refer to the Notice of Annual General Meeting released on 30 October 2023 for the terms and conditions of these Performance Rights.
3. The Company has also agreed to issue 6,000,000 Performance Rights to Luke Meter. Details of these Performance Rights including the milestones and expiry dates are set out in the AXS announcement released on 21 November 2023.

## 1.8 Indicative timetable

Event	Date
Company announces Acquisition	6 October 2023
Company despatches the Notice of Meeting	21 December 2023

Event	Date
Shareholders approve the Acquisition	31 January 2023
Issue of Consideration Securities to the Vendors	31 January 2023
Completion of the Acquisition	31 January 2023

The above dates are indicative only and are subject to change at the Board's discretion in accordance with the Corporations Act and Listing Rules.

## 1.9 Board Recommendation

The Company has consistently stated that it intends to investigate exploration and acquisition opportunities to build its portfolio and create and capture value within its projects to further the growth of the Company and to create value for its Shareholders. The Board (with Mr Mooney abstaining) believes that the completion of the Acquisition is consistent with the stated objectives of the Company.

Accordingly, the Directors (with Mr Mooney abstaining) recommend that Shareholders vote in favour of Resolutions 1 to 4 set out in this Notice of Meeting to enable Completion to occur.

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## 2. RESOLUTION 1 – APPROVAL OF THE ACQUISITION

**The Independent Expert has concluded that the Acquisition is fair and reasonable to the non-associated Shareholders of the Company. Further details are set out in the Independent Expert's Report at Annexure A of this Notice.**

### 2.1 General Background

As set out at Section 1.1, the Company has entered into the Share Sale Agreement under which it will acquire 100% of the issued share capital in Mt Sholl and has agreed to issue the Consideration to the Vendors.

Director, Mr Grant Mooney is a director and shareholder of Mt Sholl, with a relevant interest in 46.98% of the issued capital of Mt Sholl. Accordingly, Mr Mooney and the other Related Vendors are considered to be related parties of the Company for the purposes of Listing Rule 10.1.1.

The Acquisition requires Shareholder approval in accordance with ASX Listing Rule 10.1 as the Projects constitute a 'substantial asset', as the value of the Consideration is greater than the total of 5% of the Company's equity interests as set out in the Company's annual report for the financial year ended 30 June 2023 (being \$7,613,688).

A summary of the material terms of the Acquisition are set out at Section 1.3.

Resolution 1 seeks Shareholder approval for the purpose of Listing Rule 10.1 and all other purposes to enable the Company to complete the Acquisition pursuant to the Share Sale Agreement.

### 2.2 Independent Expert's Report

Listing Rule 10.5.10 requires a notice of meeting containing a resolution to approve a transaction under Listing Rule 10.1 to include a report on the acquisition from an independent expert.

The Independent Expert's Report prepared by BDO Corporate Finance (WA) Pty Ltd (**Independent Expert**) (a copy of which is attached as Annexure A to this Notice) sets out a detailed independent examination of the Share Sale Agreement to enable non-associated Shareholders to assess the merits and decide whether to approve Resolution 1. The Independent Expert has concluded that the Acquisition the subject of Resolution 1 is **fair and reasonable** to the non-associated Shareholders.

Shareholders are urged to carefully read the Independent Expert's Report to understand the scope of the report, the methodology of the valuation and the sources of information and assumptions made.

### **2.3 ASX Listing Rule 10.1**

ASX Listing Rule 10.1 provides that an entity (or any of its subsidiaries) must not acquire a substantial asset from:

- 10.1.1 a related party;
- 10.1.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.1.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company;
- 10.1.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.1.5 a person whose relationship with the company or a person referred to in Listing Rules 10.1.1 to 10.1.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

Director, Mr Grant Mooney is a director and shareholder of Mt Sholl, with a relevant interest in 46.98% of the issued capital of Mt Sholl. Accordingly, Mr Mooney and the other Related Vendors are considered to be related parties of the Company for the purposes of Listing Rule 10.1.1.

#### **Requirement for Shareholder Approval**

ASX Listing Rule 10.5.10 requires a notice of meeting containing a resolution under ASX Listing Rule 10.1 to include a report on the acquisition from an independent expert.

The Independent Expert has been asked to prepare a report, for the purpose of ASX Listing Rule 10.5.10, on whether the Acquisition is fair and reasonable.

The Independent Expert has considered the Share Sale Agreement and has concluded that the Acquisition, the subject of Resolution 1, is **fair and reasonable** to non-associated Shareholders.

### **2.4 Technical information required by ASX Listing Rule 10.5**

Pursuant to and in accordance with ASX Listing Rule 10.5 the following information is provided in relation to Resolution 1:

- (a) the Company is entering into the Share Sale Agreement with the Vendors (including Grant Mooney and the other Related Vendors);

- (b) Director Mr Grant Mooney is a director and shareholder of Mt Sholl, with a relevant interest in 46.98% of the issued capital of Mt Sholl. Accordingly, Mr Mooney and the other Related Vendors are considered to be related parties of the Company for the purposes of Listing Rule 10.1.1;
- (c) the purpose of the Share Sale Agreement is to allow the Company to acquire Mt Sholl the intention to integrate the Projects into the Company's current portfolio;
- (d) the consideration payable to Mr Grant Mooney and the other Vendors is set out in Section 1.3;
- (e) a summary of the material terms of the Share Sale Agreement is set out at Section 1.3;
- (f) an indicative timetable is set out at Section 1.8;
- (g) a voting exclusion statement is included in Resolution 1 of this Notice; and
- (h) the Independent Expert's Report is included at Annexure A of the Notice.

## 2.5 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Directors (other than Mr Grant Mooney), consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Share Sale Agreement as the Share Sale Agreement is on the same or better terms as the Company would otherwise have entered into with non-related parties and as such the giving of the financial benefit is on arm's length terms.

This conclusion has been reached, inter alia, due to the Independent Expert in its Independent Expert's Report confirming that the acquisition of Mt Sholl pursuant to the Share Sale Agreement is **fair and reasonable** to the non-associated Shareholders. Accordingly, the Company is not seeking Shareholder approval under Chapter 2E of the Corporations Act.

## 2.6 Technical Information required by Listing Rule 14.1A

If the Acquisition Resolutions are passed, the Company will be able to proceed with the Share Sale Agreement.

If any of the Acquisition Resolutions are not passed, Company will not be able to proceed with the Acquisition.

## **2.7 Board Recommendation**

After carefully considering all aspects of the Share Sale Agreement including the advantages and disadvantages referred to in Sections 1.5 and 1.6, the Independent Expert's Report and the alternatives available to the Company, each Director (other than Mr Grant Mooney) considers that the Acquisition is in the best interests of Shareholders. Accordingly, each Director (other than Mr Grant Mooney) recommends that the Shareholders vote in favour of Resolution 1.

The Directors are not aware of any other information other than as set out in this Notice of Meeting that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 1.

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## **3. RESOLUTION 2 – CREATION OF NEW CLASS OF SECURITIES – MT SHOLL PERFORMANCE SHARES**

### **3.1 Overview**

Resolution 2 seeks Shareholder approval for the Company to be authorised to create the necessary class of and issue the Performance Shares.

A company with a single class of shares on issue which proposes to issue new shares not having the same rights as its existing shares, is taken to vary the rights of existing shareholders unless the Constitution already provides for such an issue.

Under clause 2.2 of the Constitution and, subject to the Corporations Act and the Listing Rules, the Company may issue Shares on any terms and for any consideration as the Directors resolve.

As noted in Sections 1.3 above, Company has entered into the Share Sale Agreement under which it has agreed to issue 35,869,565 Consideration Shares and 160,217,391 Performance Shares to the Vendors.

The Performance Shares, which will convert into Shares on the achievement of the Milestones as set out in Schedule 1.

Settlement of the Acquisition is conditional on the Company receiving shareholder approval for the Acquisition Resolutions.

### **3.2 Legal requirements**

Section 246C(5) of the Corporations Act confirms that if a company with only one class of shares issues a new class of shares, the issue of the new class of shares is taken to vary the rights attached to shares in the existing class if:

- (a) the rights attaching to the new class of shares are not the same as the rights attached to the existing class of shares; and
- (b) the rights attaching to the new class of shares are not provided for in:
  - (i) the company's constitution (if any); or
  - (ii) a notice, document or resolution that is lodged with ASIC.

Section 246B of the Corporations Act and clause 6.3 of the Constitution provides that the rights attaching to a class of shares may be varied:

- (a) with the written consent of the holders of 75% of the issued shares of the affected class; or
- (b) by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

The Company must give written notice of the variation to the members of the affected class within 7 days after the variation is made.

### **3.3 Application to the Company**

The Company currently has only one class of shares on issue being fully paid ordinary shares. The terms of the Performance Shares are not the same as the Shares. Accordingly, the Company seeks approval from Shareholders for the issue of the Performance Shares.

Resolution 2 is a special resolution which requires at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 2 for it to be passed. In the event Resolution 2 is passed by the requisite majority the Company will give written notice of the variation to the rights attaching to Shares to Shareholders within 7 days.

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## **4. RESOLUTION 3 – APPROVAL TO ISSUE SHARES AND PERFORMANCE SHARES TO UNRELATED VENDORS – MT SHOLL ACQUISITION**

### **4.1 General**

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of an aggregate of 19,021,741 Consideration Shares and 84,963,768 Performance Shares (**Unrelated Vendor Securities**) to the Unrelated Vendors. Further information in relation to the Acquisition is set out in Section 1.

### **4.2 Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Unrelated Vendor Securities falls within exception 17 of Listing Rule 7.2. It therefore requires the approval of Shareholders under Listing Rule 7.1.

### **4.3 Technical information required by Listing Rule 14.1A**

If the Acquisition Resolutions are passed, the Company will be able to proceed with the issue of Unrelated Vendor Securities. In addition, the issue of the Unrelated Vendor Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If any of the Acquisition Resolutions are not passed, Company will not be able to proceed with the issue of the Unrelated Vendor Securities and the Company will not be able to proceed with the Acquisition.

#### **4.4 Technical information required by Listing Rule 7.1**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Unrelated Vendor Securities will be issued to the Unrelated Vendors. In accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be Material Persons and will be issued more than 1% of the issued capital of the Company;
- (b) the maximum number of Securities to be issued is 19,021,741 Shares and 84,963,768 Performance Shares, comprising of:
  - (i) 26,630,435 Class A Performance Shares;
  - (ii) 18,560,606 Class B Performance Shares;
  - (iii) 18,560,606 Class C Performance Shares;
  - (iv) 21,212,121 Class D Performance Shares;
- (c) the Consideration Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Performance Shares will be issued on the terms and conditions set out in Schedule 1;
- (d) as set out in Section 1.3, a portion of the Consideration Shares and the Class A Performance Shares will be subject to a 12 month voluntary escrow period;
- (e) the Unrelated Vendor Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the Unrelated Vendor Securities will occur on the same date;
- (f) the Unrelated Vendor Securities will be issued at a nil issue price, in consideration for the Acquisition;
- (g) the purpose of the issue of the Unrelated Vendor Securities is to satisfy the Company's obligations under the Share Sale Agreement;
- (h) the Unrelated Vendor Securities are being issued under the Share Sale Agreement, a summary of the material terms is set out above at Section 1.3; and
- (i) the Unrelated Vendor Securities are not being issued under, or to fund, a reverse takeover.

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#### **5. RESOLUTION 4 – APPROVAL TO ISSUE SHARES AND PERFORMANCE SHARES TO RELATED VENDORS – SHARE SALE AGREEMENT**

##### **5.1 General**

Resolution 4 seeks Shareholder approval for the purposes of Listing Rule 10.11 for the issue of an aggregate of 16,847,824 Shares and 75,253,623 Performance

Shares (**Related Vendor Securities**) to the Related Vendors in the proportions set out in the table below.

Related Vendor	Consideration Shares	Performance Shares			
		Class A	Class B	Class C	Class D
Samantha Jane Mooney	2,717,391	3,804,348	2,651,515	2,651,515	3,030,303
Ocean Flyers Pty Ltd (ACN 142 799 906) <S&G Mooney Super Fund A/C>	543,478	760,870	530,303	530,303	606,061
Grant Jonathan Mooney	13,586,955	19,021,738	13,257,576	13,257,576	15,151,515
<b>TOTAL</b>	<b>16,847,824</b>	<b>23,586,956</b>	<b>16,439,394</b>	<b>16,439,394</b>	<b>18,787,879</b>

Further information in relation to the Acquisition and the issue of the Related Vendor Securities is set out in Section 1.

## 5.2 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 2.5 above.

The issue of the Related Vendor Securities constitutes the giving of a financial benefit and the Related Vendors are related parties of the Company by virtue of being a Director, the spouse of a Director or an entity controlled by a Director.

The Directors (other than Mr Grant Mooney who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Vendor Securities because the Related Vendor Securities will be issued to the Related Vendors on the basis that the giving of the financial benefit has been negotiated on arm's length terms.

## 5.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Vendor Securities falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

#### **5.4 Technical information required by Listing Rule 14.1A**

If the Acquisition Resolutions are passed, the Company will be able to proceed with the issue of Related Vendor Securities within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Vendor Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Related Vendor Securities will not use up any of the Company's 15% annual placement capacity.

If any of the Acquisition Resolutions are not passed, the Company will not be able to proceed with the issue of the Related Vendor Securities and the Company will not be able to proceed with the Acquisition.

#### **5.5 Technical Information required by Listing Rule 10.13**

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolution 4:

- (a) the Shares will be issued the Related Vendors (or their nominees), who fall within the category set out in Listing Rule 10.11.1 as:
  - (i) Grant Mooney is a related party of the Company by virtue of being a Director;
  - (ii) Samantha Mooney is a related party of the Company by virtue of being the spouse of Grant Mooney, a Director; and
  - (iii) Ocean Flyers is a related party of the Company by virtue of being an entity controlled by Grant Mooney, a Director;
- (b) the maximum number of Securities to be issued is 16,847,824 Shares and 75,253,623 Performance Shares as set out in the table included at Section 5.1;
- (c) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. The Performance Shares will be issued on the terms and conditions set out in Schedule 1;
- (d) the Related Vendor Securities will be subject to a 12 month ASX escrow period;
- (e) the Related Vendor Securities will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is anticipated the Securities will be issued on the same date;
- (f) the Related Vendor Securities will be issued at a nil issue price, in consideration for the Acquisition. The Company will not receive any consideration for the issue of the Related Vendor Securities;
- (g) the purpose of the issue of the Related Vendor Securities is to satisfy the Company's obligations under the Share Sale Agreement;

- (h) the Related Vendor Securities are not intended to remunerate or incentivise a Director;
- (i) the Related Vendor Securities are being issued under the Share Sale Agreement, a summary of the material terms of which is set out in Section 1.3; and
- (j) a voting exclusion statement is included in Resolution 4 of the Notice.

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## 6. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES – RED MULGA

### 6.1 General

On 9 June 2023, the Company issued 2,000,000 Shares in consideration for the acquisition of exploration licenses E45/5942 and E45/5907 from Red Mulga Minerals Pty Ltd (ACN 649 656 119) and Great Sandy Pty Ltd (ACN 139 440 403) (together, the **EL Vendors**).

A summary of the material terms and conditions of the acquisition is set out below:

<b>Option</b>	<p>The Company was granted an option to acquire exploration licenses E45/5942 and E45/5907, which option was exercisable within three months of the date of execution of the agreement.</p> <p>In consideration for the grant of the option, the Company made a cash payment of \$10,000 and committed to spending a minimum of \$20,000 on each of the licenses within a prescribed period.</p>
<b>Acquisition</b>	<p>The Company exercised the option to acquire the exploration licenses and making a cash payment of \$20,000 to the EL Vendors and issuing 2,000,000 Shares to the EL Vendors (or their nominees).</p>
<b>Deferred Consideration</b>	<p>Subject to the Company bringing either of the exploration licenses to production, upon the Company completing production of 50,000t manganese concentrate produced from either of the exploration license areas within five years from the date of the agreement (<b>First Production</b>), the Company agrees:</p> <ul style="list-style-type: none"> <li>(a) subject to Shareholder approval being obtained, to issue 1,500,000 Shares; and</li> <li>(b) to make a cash payment of \$50,000 (plus GST), to the EL Vendors on a 50/50 basis.</li> </ul>

Resolution 5 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of these Shares.

### 6.2 Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 is set out in Section 4.2 above.

The issue of the Shares did not breach Listing Rule 7.1 at the time of the issue.

The issue of the Shares does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Shares.

### **6.3 Technical information required by Listing Rule 14.1A**

If Resolution 5 is passed, the Shares will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

If Resolution 5 is not passed, the Shares will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Shares.

### **6.4 Technical information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

- (a) the Shares were issued to the EL Vendors;
- (b) 2,000,000 Shares were issued and the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Shares were issued on 9 June 2023;
- (d) the Shares were issued at a nil issue price, in consideration for the acquisition of acquisition of exploration tenements E45/5942 and E45/5907 from the EL Vendors. The Company has not and will not receive any other consideration for the issue of the Shares;
- (e) the purpose of the issue of the Shares was to satisfy the Company's obligations under its agreement with the EL Vendors; and
- (f) the Shares were issued under an acquisition agreement entered into between the Company and the EL Vendors, a summary of the material terms of which is set out in Section 6.1 above.

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## **7. RESOLUTIONS 6, 7, 8 AND 9 – APPROVAL OF POTENTIAL TERMINATION BENEFITS TO DIRECTORS AND CEO**

### **7.1 General**

Resolutions 6 to 9 seek Shareholder approval in accordance with Part 2D.2 of the Corporations Act (including sections 200B and 200E of the Corporations Act) and Listing Rule 10.19 for the Potential Termination Benefits that Mr Richard Hill, Mr Stephen Bodon and Ms Yaxi Zhan (together, the **Related Parties**) and Mr Luke

Meter may be entitled to receive upon ceasing to be an officer of, or ceasing to hold a managerial or executive office in, the Company or a related body corporate.

## **7.2 Part 2D.2 of the Corporations Act and Listing Rule 10.19**

The Corporations Act contains certain limitations concerning the payment of 'termination benefits' to persons who hold a 'managerial or executive office'. The Listing Rules also provide certain limitations on the payment of 'termination benefits' to officers of listed entities.

Each Related Party holds a 'managerial or executive offices' as their details are included in the Directors' report for 30 June 2023 (**Directors Report**) by virtue of being directors. Although Luke Meter does not technically hold a 'managerial or executive office' for the purposes of section 200AA of the Corporations act (as they were appointed following the publication of the Director's Report for the previous financial year, it is acknowledged by the Company that they do hold such an office.

The term 'benefit' has a wide operation and includes any automatic and accelerated vesting of incentive securities upon termination or cessation of employment in accordance with their terms, or the exercise of any Board discretion to determine such automatic or accelerated vesting will occur.

### **7.2.1 Part 2D.2 of the Corporations Act**

The Corporations Act restricts the benefits which can be given to individuals who hold a managerial or executive office (as defined in the Corporations Act) in connection with the retirement from their position in the Company or its related bodies corporate, unless an exception applies.

In accordance with section 200B of the Corporations Act, to give a benefit in connection with a relevant person's retirement from an office, the Company must, subject to various exceptions, obtain the approval of Shareholders in the manner set out in section 200E of the Corporations Act.

Provided shareholder approval is given, the value of the termination benefits may be disregarded when applying section 200F(2)(b) or section 200G(1)(c) of the Corporations Act (i.e., the approved benefit will not count towards the statutory cap under the Corporations Act).

### **7.2.2 Listing Rule 10.19**

Listing Rule 10.19 provides that without shareholder approval, an entity must ensure that no officer of the entity or any of its child entities will be, or may be, entitled to termination benefits if the value of those benefits and the termination benefits that may become payable to all officers together exceed 5% of the equity interests of the entity as set out in the latest accounts given to ASX under the Listing Rules (**5% Threshold**).

Depending on the value of the Potential Termination Benefits (as detailed above), and the equity interests of the Company at the time such benefits may crystallize, it is uncertain if the value of the Potential Termination Benefits payable to the each Related Party would exceed the 5% Threshold. Shareholder approval is being sought under Listing Rule 10.19 in order to give the Company flexibility, in case the value of the Potential Termination Benefits exceeds this 5% Threshold.

### **7.3 Potential Termination Benefits**

On cessation of their employment or retirement from office with the Company, the Related Parties and Luke Meter may be entitled to receive certain benefits granted under their contracts of employment with the Company and/or as a result of their holdings of Securities issued under the Company's Employee Securities Incentive Plan (the **Potential Termination Benefits**).

A summary of the Potential Termination Benefits is set out in Schedule 2.

The Potential Termination Benefits may constitute a 'benefit' for the purposes of section 200B of the Corporations Act and/or exceed the 5% Threshold.

Depending on the value of the Potential Termination Benefits, and the equity interests of the Company at the time such benefits may crystallize, it is uncertain if the value of the Potential Termination Benefits payable to the Related Parties and Luke Meter would exceed the statutory cap under the Corporations Act or the 5% Threshold. Shareholder approval is therefore being sought under both Part 2D of the Corporations Act and Listing Rule 10.19 in order to give the Company flexibility.

### **7.4 Technical information required by Listing Rule 14.1A**

If Resolutions 6 to 9 are approved at the Meeting, each Related Party will be entitled to be paid the Potential Termination Benefits and the value may exceed the 5% Threshold.

If Resolutions 6 to 9 are not approved at the Meeting, each Related Party will not be entitled to be paid any Potential Termination Benefits, unless they fall within an exception under the Corporations Act or do not breach the 5% Threshold.

The Chair intends to vote all available proxies in favour of Resolutions 6 to 9.

Voting exclusion statements and voting prohibition statements are included in Resolutions 6 to 9 of the Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**Acquisition** has the meaning given in Section 1.3.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

**Company** means Accelerate Resources Limited (ACN 617 821 771).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

**Independent Expert** means BDO Corporate Finance (WA) Pty Ltd.

**Independent Expert's Report** means the report prepared by the Independent Expert attached as Annexure A.

**Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Listing Rules** means the Listing Rules of ASX.

**Material Person** means a related party of the Company, member of the Company's Key Management Personnel, substantial holder of the Company, adviser of the Company or an associate of any of these parties.

**Meeting** means the meeting convened by the Notice.

**Mt Sholl** means Mt Sholl Holdings Pty Ltd (ACN 623 492 893).

**Notice** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Performance Right** means a right to acquire a Share following satisfaction of a performance milestone.

**Performance Shares** means a performance share with the terms and conditions set out in Schedule 1.

**Proxy Form** means the proxy form accompanying the Notice.

**Related Party** has the meaning set out in Section 7.1.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

**Security** means a Share, Option, Performance Right or Performance Share (as applicable).

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Sale Agreement** means the agreement for the Company to acquire 100% of the issued capital of Mt Sholl from the Vendors dated on or about 4 October 2023 (as amended).

**Shareholder** means a registered holder of a Share.

**Vendors** means the shareholders of Mt Sholl.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS OF PERFORMANCE SHARES

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The terms of the Performance Shares are set out as follows:

(a) **Performance Shares**

Each Performance Share is a share in the capital of the Company.

(b) **General Meetings**

Performance Shares shall confer on the holder (**Holder**) the right to receive notices of general meetings and financial reports and accounts of Accelerate that are circulated to the Company's shareholders. Holders have the right to attend general meetings of the Company's shareholders.

(c) **No Voting Rights**

Performance Shares do not entitle the Holder to vote on any resolutions proposed at a general meeting of the Company's shareholders, subject to any voting rights under the Corporations Act or the ASX Listing Rules where such rights cannot be excluded by these terms.

(d) **No Dividend Rights**

Performance Shares do not entitle the Holder to any dividends.

(e) **No Return of Capital Rights**

Performance Shares do not entitle the Holder to any right to a return of capital, whether on a winding up, upon a capital reduction or otherwise.

(f) **No Rights on Winding Up**

Upon winding up of the Company, Performance Shares may not participate in the surplus profits or assets of the Company.

(g) **Transfer of Performance Shares**

Performance Shares are not transferable.

(h) **Reorganisation of Capital**

In the event that the issued capital of the Company is reconstructed, all rights of a Holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation.

(i) **Application to ASX**

The Performance Shares will not be quoted on ASX. However, the Company must apply for the Official Quotation of a Share issued on conversion of a Performance Share on ASX within the time period required by the ASX Listing Rules.

(j) **Participation in Entitlements and Bonus Issues**

Subject always to the rights under paragraph 1.1(h)(h) , Holders will not be entitled to participate in new issues of capital offered to holders of the Company Shares such as bonus issues and entitlement issues.

(k) **Amendments required by ASX**

Subject to agreement between the Company and Mt Sholl, the terms of the Performance Shares may be amended as necessary by the board of directors of the Company in order to comply with the ASX Listing Rules, or any directions of ASX regarding the terms.

(l) **No Other Rights**

Performance Shares give the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(m) **Milestones**

The respective milestones upon which Performance Shares will convert into Shares (one a one for basis subject to paragraph (h)) are as follows:

- (i) **Class A Performance Shares:** The approval by the Minister of a programme of work for a drilling programme on the Tenements and the grant of a heritage clearance on the Tenements (if required), within 2 years of the date of issue of the Performance Shares (**Issue Date**);
- (ii) **Class B Performance Shares:** The announcement by the Company to the ASX of a drill intercept (downhole) of at least 20 metres of at least 1.0% Li<sub>2</sub>O on any of the Tenements within 3 years of the Issue Date;
- (iii) **Class C Performance Shares:** The date of announcement by the Company to the ASX of a maiden JORC compliant Lithium resource on the Tenements within 5 years of the Issue Date;
- (iv) **Class D Performance Shares:** The date of announcement by the Company to the ASX of a JORC compliant mineral resource estimate on the Tenements of a minimum of 10 million tonnes. within 5 years of the Issue Date

(each, a **Milestone**).

(n) **Conversion of the Performance Shares**

Subject to paragraphs (h) and (q), each Performance Share, that has not lapsed in accordance with paragraph (o), will convert into one Share upon the relevant Milestone being achieved and on conversion the Company will make an announcement to ASX. The Holder is not required to pay a fee in order to convert the Performance Share.

(o) **Lapse if Milestone not achieved**

If the applicable Milestone for a class of Performance Shares is not achieved within the deadlines outlined in paragraph (m) (**Expiry Date**) all Performance Shares in that class held by the Holder will automatically convert into one Share. For the avoidance of doubt, a Performance Share will not lapse in the event the Milestone is met before the Expiry Date and the Shares the subject of a conversion are deferred in accordance with paragraph (q).

(p) **Change in Control**

Upon:

- (i) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:
  - (A) having received acceptances for not less than 50.1% of the Company's shares on issue; and
  - (B) having been declared unconditional by the bidder (except any condition in relation to the cancellation or conversion of the Performance Shares); or
- (ii) a Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme of arrangement for the

reconstruction of the Company or its amalgamation with any other company or companies; or

- (iii) a third party (being an entity or person other than the Shareholders or any Associate (as defined in section 12 of the Corporations Act) of the Shareholders) who does not control the Company at the time the Performance Shares are issued acquiring a Relevant Interest (as defined in the Corporations Act) in 50.1% or more of the issued share capital of the Company,

then, to the extent Performance Shares have not converted into Shares due to satisfaction of a Milestone, subject to paragraph (h) Performance Shares automatically convert to that number of Shares equal to one Share per Performance Share.

(q) **Deferral of conversion if resulting in a prohibited acquisition of the Company's Shares**

If the conversion of a Performance Share under paragraphs (n) or (p) would result in any person being in contravention of section 606(1) of the Corporations Act (**General Prohibition**) then the conversion of that Performance Share shall be deferred until such later time or times that the conversion would not result in a contravention of the General Prohibition. In assessing whether a conversion of a Performance Share would result in a contravention of the General Prohibition:

- (i) Holders may give written notification to the Company if they consider that the conversion of a Performance Share may result in the contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition; and
- (ii) the Company may (but is not obliged to) by written notice to a Holder request a Holder to provide the written notice referred to in paragraph (q)(i) within seven days if the Company considers that the conversion of a Performance Share may result in a contravention of the General Prohibition. The absence of such written notification from the Holder will entitle the Company to assume the conversion of a Performance Share will not result in any person being in contravention of the General Prohibition.

(r) **After Conversion**

As soon as practicable after the conversion of the Performance Shares, the Company will issue to the Holder the number of Shares into which the relevant Performance Shares convert.

Shares issued on conversion of Performance Shares will, upon and from their issue, rank equally with and confer rights identical with all other Shares then on issue and application will be made by the Company to ASX for official quotation of Shares issued upon conversion (subject to complying with any restriction periods required by the ASX).

(s) **Conversion Procedure**

The Company will issue the Holder with a new holding statement for Shares as soon as practicable following the conversion of Performance Shares into Shares.

**SCHEDULE 2 – SUMMARY OF POTENTIAL TERMINATION BENEFITS**

<p><b>Executive Services Agreement</b></p>	<p>Yaxi Zhan and Luke Meter (each, an <b>Executive</b>) are parties to executive services agreements with the Company (<b>ESAs</b>).</p> <p>The ESAs contains the following termination provisions:</p> <ul style="list-style-type: none"> <li>(a) The Company may terminate an ESA: <ul style="list-style-type: none"> <li>(i) without cause by giving 6 months' notice of termination to Yaxi Zhan or 3 months' notice of termination to Luke Meter;</li> <li>(ii) if an Executive is unable to perform their duties due to illness, accident or any other cause, by providing three month's written notice for three consecutive months or any period aggregating three months in any twelve month period; or</li> <li>(iii) summarily without notice if an event occurs which gives the Company a right of summary dismissal at common law, including if an Executive materially breaches a term of the ESA, commits gross or wilful misconduct, dis-honesty, insubordination or neglect, is bankrupt, of unsound mind, is guilty of conduct or is charged with a criminal offence which may injure the reputation of the business of the Company or fails to meet performance objectives following a performance management process.</li> </ul> </li> <li>(b) Ms Zhan may terminate her ESA without cause by giving the Company 6 months' notice of termination or immediately if the Company is in breach of a material term of her ESA.</li> <li>(c) Mr Meter may terminate his ESA without cause by giving the Company 3 months' notice of termination or immediately if the Company is in breach of a material term of his ESA.</li> <li>(d) The Company may at its sole discretion dispose with the written notice period and immediately terminate the ESA by making a payment to the Executive equal to the salary payable for the relevant period of notice.</li> </ul> <p>It is also possible that an Executive may be entitled to accrued contractual benefits (such as unused annual leave) at the time they cease employment.</p> <p>The following would not be included as a 'termination benefit':</p> <ul style="list-style-type: none"> <li>(a) the payment of any salary for the period up to the date of termination of employment; or</li> <li>(b) the payment of any pro-rated cash performance bonuses for the period up to the date of termination of employment.</li> </ul> <p>The Board considers it prudent to obtain Shareholder approval under section 200B of the Corporations Act for any Potential Termination Benefits to an Executive under their ESA in case those benefits do not technically fall within one of the statutory exemptions under the Corporations Act.</p> <p>The amount or value of any benefits required to be paid or otherwise given under the ESA will depend on:</p> <ul style="list-style-type: none"> <li>(a) the Executive's total fixed remuneration (including their cash salary, superannuation contributions; and/ or other non-cash benefits agreed between the Executive and the Company from time to time);</li> <li>(b) the circumstances in which the Executive leaves office; and</li> <li>(c) the nature of the Company's operations at the relevant time.</li> </ul> <p>The amount or value of any benefits payable under an ESA can only be determined once notice is given. Accordingly, the amount or value of the benefits cannot be ascertained as at the date of this Notice.</p>
<p><b>Performance Rights issued under the Employee</b></p>	<p>The Company has issued an aggregate of 22,500,000 Performance Rights to Mr Richard Hill, Ms Yaxi Zhan and Mr Stephen Bodon, further details in respect of which are set out in the Notice of Annual General Meeting released by the</p>

## Incentive Securities Plan

Company on 30 October 2023. These Performance Rights remain subject to the stated vesting conditions.

The Company has also agreed to issue 6,000,000 Performance Rights to Luke Meter, which will vest subject to the achievement of the following conditions within 24 months of the date of issue:

Quantum	Milestone
1,000,000	The volume weighted average price (VWAP) of the Company's shares exceeding \$0.075 per Share for at least 10 consecutive trading days.
1,000,000	Completion of the Karratha Lithium Projects drilling campaign on schedule and on budget.
1,000,000	Upon reporting of multiple drill intercepts of >20 metres true thickness of >1.0% Li <sub>2</sub> O from a single prospect.
2,000,000	Upon announcement of maiden JORC compliant Li <sub>2</sub> O mineral resource of >10Mt @ > 1.0% Li <sub>2</sub> O.
1,000,000	The VWAP exceeding \$0.10 per Share for at least 10 consecutive trading days

The Performance Rights remain subject to the stated vesting conditions.

The Employee Securities Incentive Plan allows for Board discretion to be exercised to:

- (a) to allow Performance Rights to remain on foot and capable of vesting, notwithstanding that the participant ceases to be employed by the Company; and
- (a) to reduce or waive vesting conditions attaching to Performance Rights in whole or in part at any time and in any particular case, including upon the termination or cessation of employment or upon the occurrence of special circumstances occurring in respect of the holder,

The value of the benefits that the Board may give the Related Parties or Luke Meier (**Holder**) in respect of their Performance Rights under the Employee Incentive Securities Plan, in connection with their retirement cannot be determined in advance. This is because various matters will or are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the Company's share price at the time of vesting, the number of Performance Rights held by the Holder, the number of Performance Rights that will vest or remain on foot and the status of the vesting conditions attaching to the Performance Rights.

## Separation Agreements

The Company may enter into a separation agreement with any Related Party or Luke Meter in connection with their termination of employment. Such a settlement or separation agreement may provide for the payment of such amount as the Board determines is reasonable to settle any claims which in the Board's view are legitimate which a Related Party or Luke Meter may have in connection with the termination of employment. The Board may also agree to other clauses that it considers appropriate for settlement or separation agreement (for example, confidentiality, releases, non-disparagement, etc.).

The value of the benefits that the Board may give a Related Party or Luke Meter under a separation agreement cannot be ascertained as at the date of this Notice. This is because various matters are likely to affect that value. In particular, the value of a particular benefit will depend on factors such as the nature and value of any payment required to settle liabilities or reimburse legal fees.

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**ANNEXURE A – INDEPENDENT EXPERT’S REPORT**

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**ACCELERATE RESOURCES LIMITED**  
**Independent Expert's Report**

**OPINION: FAIR AND REASONABLE**

12 December 2023



## Financial Services Guide

12 December 2023

**BDO Corporate Finance (WA) Pty Ltd** ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Accelerate Resources Limited ('Accelerate' or 'the Company') to provide an independent expert's report on the proposal to acquire 100% of shares in Mt Sholl Holdings Pty Ltd ('Mt Sholl') ('Proposed Acquisition'). Accelerate will fund the Proposed Acquisition through the issue of shares in the Company, performance shares in the Company, and a 2% net smelter return royalty on the mineral assets of Mt Sholl. You are being provided with a copy of our report because you are a shareholder of Accelerate and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Notice of Meeting required to be provided to you by Accelerate to assist you in deciding on whether or not to approve the proposal.

### Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ◆ Who we are and how we can be contacted;
- ◆ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ◆ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ◆ Any relevant associations or relationships we have; and
- ◆ Our internal and external complaints handling procedures and how you may access them.

### Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

### Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

### General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

## **Fees, commissions and other benefits that we may receive**

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$35,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report and our directors do not hold any shares in Accelerate.

## **Remuneration or other benefits received by our employees**

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Accelerate for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

## **Referrals**

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## **Complaints resolution**

### *Internal complaints resolution process*

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. We are also committed to meeting your needs and maintaining a high level of client satisfaction. If you are unsatisfied with a service we have provided you, we have avenues available to you for the investigation and resolution of any complaint you may have.

To make a formal complaint, please use the Complaints Form. For more on this, including the Complaints Form and contact details, see the [BDO Complaints Policy](#) available on our website.

When we receive a complaint we will record the complaint, acknowledge receipt of the complaint in writing within 1 business day or, if the timeline cannot be met, then as soon as practicable and investigate the issues raised. As soon as practical, and not more than 30 days after receiving the complaint, we will advise the complainant in writing of our determination.

## **Referral to External Dispute Resolution Scheme**

We are a member of the Australian Financial Complaints Authority ('AFCA') which is an External Dispute Resolution Scheme. Our AFCA Membership Number is 12561. Where you are unsatisfied with the resolution reached through our Internal Dispute Resolution process, you may escalate this complaint to AFCA using the below contact details:

Mail:	GPO Box 3, Melbourne, VIC 3001
Free call:	1800 931 678
Website:	<a href="http://www.afca.org.au">www.afca.org.au</a>
Email:	<a href="mailto:info@afca.org.au">info@afca.org.au</a>
Interpreter Service:	131 450



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Appendix 1 - Glossary and copyright notice

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12 December 2023

The Independent Directors  
Accelerate Resources Limited  
Ground Floor, Suite 1  
16 Ord Street  
West Perth, WA 6005

Dear Directors

## INDEPENDENT EXPERT'S REPORT

### 1. Introduction

On 6 October 2023, Accelerate Resources Limited (**'Accelerate'** or **'the Company'**) announced that it had entered into a binding agreement (**'the Initial Acquisition Agreement'**) with Mt Sholl Holdings Pty Ltd (**'Mt Sholl'**) to acquire 100% of the issued capital of Mt Sholl (**'Proposed Acquisition'**). On 1 November 2023, Accelerate announced revisions to the Initial Acquisition Agreement to replace the cash components of the consideration with additional shares and performance shares in Accelerate. This amended and restated version of the Initial Acquisition Agreement for the Proposed Acquisition is henceforth known as the (**'Amended Acquisition Agreement'**).

Mt Sholl has 100% interests in the Prinsep Lithium Project and the Mt Sholl Project, both located near Karratha in West Pilbara, Western Australia (**'WA'**). Under the Amended Acquisition Agreement, the consideration for the Proposed Acquisition consists of the following:

- 35,869,565 shares in Accelerate (**'Consideration Shares'**);
- 160,217,391 performance shares in Accelerate across four tranches (**'Performance Shares'**); and
- A 2% net smelter return (**'NSR'**) royalty on Mt Sholl's mineral assets (**'the Royalty'**).

Collectively (**'the Consideration'**).

Accelerate's director, Mr Grant Mooney, together with his associates Ms Samantha Mooney and Ocean Flyers Pty Ltd, holds a relevant interest in approximately 47% of the issued capital of Mt Sholl. The Proposed Acquisition involves an acquisition of a significant asset by Accelerate from a related party and, pursuant to the Australian Securities Exchange (**'ASX'**) listing rule 10.1, will require approval from shareholders of Accelerate not associated with Mr Mooney (**'Shareholders'**). Further details of the Proposed Acquisition are outlined in Section 4 of our Report.

All figures are quoted in Australian Dollars (**'\$'** or **'AUD'**) unless otherwise stated.

## 2. Summary and Opinion

### 2.1 Requirement for the report

The directors of Accelerate have requested that BDO Corporate Finance (WA) Pty Ltd ('BDO') prepare an independent expert's report ('our Report') to express an opinion as to whether or not the Proposed Acquisition is fair and reasonable to Shareholders.

Our Report is prepared pursuant to ASX listing rule 10.1 and 10.5, and Chapter 2E of the Corporations Act 2001 ('Corporations Act' or 'the Act') and is to be included in the Notice of Meeting for Accelerate in order to assist Shareholders in their decision whether to approve the Proposed Acquisition.

### 2.2 Approach

Our Report has been prepared having regard to the Australian Securities and Investments Commission ('ASIC') Regulatory Guide 76 'Related party transactions' ('RG 76'), Regulatory Guide 111 'Content of Expert's Reports' ('RG 111') and Regulatory Guide 112 'Independence of Experts' ('RG 112').

In arriving at our opinion, we have assessed the terms of the Proposed Acquisition as outlined in the body of this report. We have considered:

- How the value of the 100% interest in Mt Sholl compares to the value of the Consideration;
- The likelihood of an alternative offer being made to Accelerate;
- Other factors which we consider to be relevant to the Shareholders in their assessment of the Proposed Acquisition; and
- The position of Shareholders should the Proposed Acquisition not proceed.

For clarity, we have assessed the value of 100% of the interest in Mt Sholl against the value of the Consideration given the resolutions pertaining to the Proposed Acquisition (Resolutions 1 to 4 as detailed in the Notice of Meeting) are inter-conditional. We note that the Consideration will be issued to the vendors of Mt Sholl on a pro-rata basis, based on their relative interests in Mt Sholl.

### 2.3 Opinion

We have considered the terms of the Proposed Acquisition as outlined in the body of this report and have concluded that the Proposed Acquisition is fair and reasonable to the Shareholders of Accelerate.

We consider the Proposed Acquisition to be fair because, at each of the corresponding low, preferred and high valuation points, the value of the Consideration is lower than the value of 100% of the shares in Mt Sholl. Accordingly, we also consider the Proposed Acquisition to be reasonable.

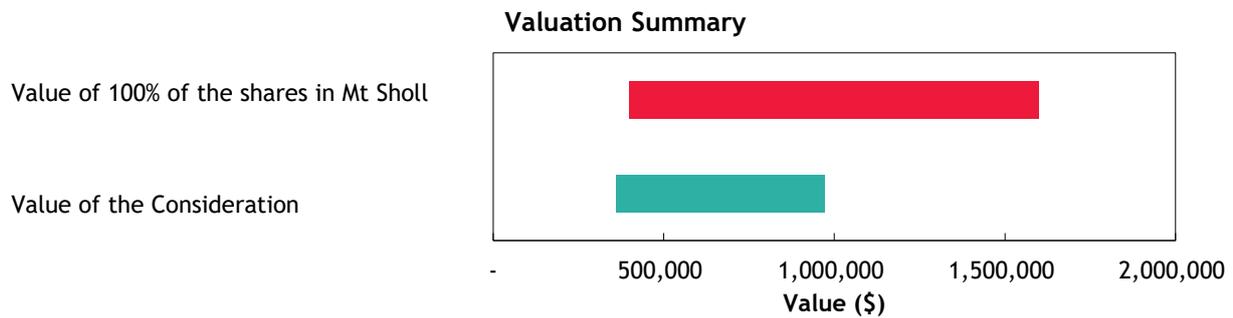
### 2.4 Fairness

In Section 12 we determined how the value of the 100% interest in Mt Sholl compares to the value of the Consideration, as detailed below. As alluded to previously, we have performed our fairness assessment by comparing the value of Mt Sholl to the value of the Consideration given the resolutions pertaining to the Proposed Acquisition (Resolutions 1 to 4 as detailed in the Notice of Meeting) are inter-conditional. We note that the Consideration will be issued to the vendors of Mt Sholl on a pro-rata basis, based on their relative interests in Mt Sholl.

	Ref	Low \$	Preferred \$	High \$
Value of 100% of the shares in Mt Sholl	10.1	400,000	1,000,000	1,600,000
Value of the Consideration	11.4	360,000	610,000	970,000

Source: BDO analysis

The above valuation ranges are graphically presented below:



We note from the above that at each of the corresponding low, preferred and high valuation points, the value of the Consideration is lower than the value of 100% of the shares in Mt Sholl.

The above pricing indicates that, in the absence of any other relevant information, and an alternate offer, the Proposed Acquisition is fair for Shareholders.

## 2.5 Reasonableness

We have considered the analysis in Section 13 of this report, in terms of both:

- advantages and disadvantages of the Proposed Acquisition; and
- other considerations, including the position of Shareholders if the Proposed Acquisition does not proceed and the consequences of not approving the Proposed Acquisition.

In our opinion, the position of Shareholders if the Proposed Acquisition is approved is more advantageous than the position if the Proposed Acquisition is not approved. Accordingly, in the absence of any other relevant information and/or an alternate proposal we believe that the Proposed Acquisition is reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	The Proposed Acquisition is fair for Shareholders	13.4	Dilution of existing shareholders' interests and reduced level of control over the Company

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.3	No cash element as part of the Consideration	13.4	Possible change in risk profile for investors
13.3	Diversification of projects		
13.3	The Projects are within close proximity to pre-existing infrastructure		
13.3	Greater exposure to the Australian lithium industry		
13.3	Potential upside from future transactions with neighbouring tenement holders		
13.3	The structure of the Consideration partially protects Shareholders, should the Projects not be economically viable		

Other key matters we have considered include:

Section	Description
13.1	Alternative proposal
13.2	Consequences of not approving the Proposed Acquisition

### 3. Scope of the Report

#### 3.1 Purpose of the Report

ASX Listing Rule 10.1 requires that a listed entity must obtain shareholders' approval before it acquires or disposes of, or agrees to acquire or dispose of, a substantial asset when the consideration to be paid for the asset or the value of the asset being disposed constitutes more than 5% of the equity interest of that entity as set out in the latest accounts given to the ASX under its Listing Rules. Listing Rule 10.1 applies where the vendor or acquirer of the relevant assets is a related party or person of influence of the listed entity as defined under the ASX Listing Rules.

Accelerate's director Mr Grant Mooney is considered a related party to Accelerate, as Mr Mooney and his associates collectively hold approximately 47% of the issued capital of Mt Sholl. Based on the number of shares outstanding per the Company's audited accounts as at 30 June 2023, the number of Consideration Shares to be issued under the Proposed Acquisition exceeds 5% of the total shares on issue.

Listing Rule 10.5.10 requires the Notice of Meeting for shareholders' approval to be accompanied by a report by an independent expert expressing their opinion as to whether the transaction is fair and reasonable to the shareholders whose votes are not to be disregarded.

Accordingly, an independent experts' report is required for the Proposed Acquisition under ASX Listing Rule 10.1. Under RG 111, the report should provide an opinion by the expert stating whether or not the terms and conditions in relation thereto are fair and reasonable to non-associated shareholders of Accelerate.

#### 3.2 Regulatory guidance

Neither the Listing Rules nor the Corporations Act defines the meaning of 'fair and reasonable'. In determining whether the Proposed Acquisition is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111 which provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that, where an expert assesses whether a related party transaction is 'fair and reasonable' for the purposes of ASX Listing Rule 10.1 this should not be applied as a composite test—that is, there should be a separate assessment of whether the transaction is 'fair' and 'reasonable', as in a control transaction. An expert should not assess whether the transaction is 'fair and reasonable' based simply on a consideration of the advantages and disadvantages of the proposal.

We do not consider the Proposed Acquisition to be a control transaction. As such, we have used RG 111 as a guide for our analysis but have considered the Proposed Acquisition as if it were not a control transaction.

#### 3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is equal to or greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. RG 111 states that when considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. However, as stated in Section 3.2 we do not consider that the Proposed Acquisition is a control

transaction. As such, we have not included a premium for control when considering the value of shares in Accelerate.

RG 111 states that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale.

Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any alternate options.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of the 100% interest in Mt Sholl and the value of the Consideration payable by the Company (fairness - see Section 12 'Is the Proposed Acquisition Fair?'); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to approving the resolution, after reference to the value derived above (reasonableness - see Section 13 'Is the Proposed Acquisition Reasonable?').

We have assessed the value of 100% of the interest in Mt Sholl against the value of the Consideration given the resolutions pertaining to the Proposed Acquisition (Resolutions 1 to 4 as detailed in the Notice of Meeting) are inter-conditional. We note that the Consideration will be issued to the vendors of Mt Sholl on a pro-rata basis, based on their relative interests in Mt Sholl.

This assignment is a Valuation Engagement as defined by Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services' ('APES 225').

A Valuation Engagement is defined by APES 225 as follows:

*'an Engagement or Assignment to perform a Valuation and provide a Valuation Report where the Valuer is free to employ the Valuation Approaches, Valuation Methods, and Valuation Procedures that a reasonable and informed third party would perform taking into consideration all the specific facts and circumstances of the Engagement or Assignment available to the Valuer at that time.'*

This Valuation Engagement has been undertaken in accordance with the requirements set out in APES 225.

## 4. Outline of the Proposed Acquisition

### Proposed Acquisition

On 6 October 2023, Accelerate announced the Initial Acquisition Agreement with Mt Sholl to acquire all of the issued shares in Mt Sholl. Subsequently, on 1 November 2023, Accelerate announced the Amended Acquisition Agreement for the Proposed Acquisition.

Mt Sholl owns interests in two projects (comprising nine leases) located near Karratha in West Pilbara WA, being:

- 100% interest in the Prinsep Lithium Project (P47/1754 and P47/1755); and
- 100% interest in the Mt Sholl Project (P47/1752, P47/1753, P47/1756, P47/1796, P47/1797, P47/1798 and L47/779);

(collectively, 'the Projects').

The Consideration for the Proposed Acquisition consists of the following:

- 35,869,565 Consideration Shares in Accelerate;
- 160,217,391 Performance Shares in Accelerate; and
- The 2% Royalty on Mt Sholl's mineral assets.

The Performance Shares will be issued in four tranches, being:

- 50,217,391 Class A Performance Shares;
- 35,000,000 Class B Performance Shares;
- 35,000,000 Class C Performance Shares; and
- 40,000,000 Class D Performance Shares.

The respective milestones upon which the Performance Shares will convert into Accelerate shares (on a one for one basis) are as follows:

- Class A Performance Shares: Ministerial approval of a programme of work for a drilling programme on the Projects and the grant of a heritage clearance on the Projects (if required), within 2 years of the date of issue of the Performance Shares;
- Class B Performance Shares: The announcement by Accelerate to the ASX of a drill intercept (downhole) of at least 20 metres of at least 1.0% lithium oxide on any of the Projects within 3 years of the date of issue of the Performance Shares;
- Class C Performance Shares: The date of announcement by Accelerate to the ASX of a maiden Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) ('JORC') compliant lithium resource on the Projects within 5 years of the date of issue of the Performance Shares;
- Class D Performance Shares: The date of announcement by Accelerate to the ASX of a JORC compliant mineral resource estimate on the Projects of a minimum of 10 million tonnes within 5 years of the date of issue of the Performance Shares

(each, a 'Milestone').

Accelerate will pay tenement outgoings incurred during the interim period up to the completion of the Proposed Acquisition.

In the same announcement on 6 October 2023, Accelerate also announced it had acquired two 75% interests in the nearby Roebourne South and Mt Sholl East Lithium Projects from Welcome Exploration Pty Ltd and Donald Kimberly North. This acquisition is a separate transaction from the Proposed Acquisition and did not require approval from the shareholders of Accelerate. Collectively, these two recently acquired 75% interests and the Projects are referred to as the 'Karratha Lithium Projects'.

### Conditions Precedent

The Proposed Acquisition is conditional upon the following conditions which must be either satisfied or waived by Accelerate:

- Completion of financial, legal and technical due diligence by Accelerate on the Projects and Mt Sholl;
- The registration of Mt Sholl as the 100% legal and beneficial owner of tenement L47/779;

- Accelerate receiving approval from its shareholders pursuant to ASX Listing Rules 7.1 and 10.1 and the Corporations Act; and
- The parties achieving all regulatory approvals or waivers pursuant to the ASX Listing Rules, Corporations Act, or any other law required to implement the Proposed Acquisition,

(collectively '**Conditions Precedent**').

If the Conditions Precedent are not satisfied (or waived by Accelerate) on or before 31 January 2024, or such other date to be agreed by the parties, any party may terminate the agreement.

As the acquisition of the shares in Mt Sholl is from related parties and represents a substantial asset pursuant to ASX Listing Rule 10.1, the Proposed Acquisition must be approved by Shareholders of the Company.

## 5. Profile of Accelerate

### 5.1 Overview

Accelerate is an Australian-based precious and critical mineral exploration company with projects in Western Australia. Accelerate is listed on the ASX and is headquartered in Perth, WA. The current directors of Accelerate are:

- Mr Richard Hill - Non-Executive Chairman;
- Ms Yaxi Zhan - Managing Director (will transition to Executive Director from 1 January 2024 following the appointment of Mr Luke Meter as Chief Executive Officer);
- Mr Grant Mooney - Non-Executive Director; and
- Dr Stephen Bodon - Executive Director (will revert to his previous role of Non-Executive Director from 1 January 2024).

### 5.2 Projects

An overview of Accelerate's current projects is set out below.

#### 5.2.1. 100% Interest in the East Pilbara and Windi Lithium Projects ('Pilbara Lithium')

Located in the East Pilbara region of WA, approximately 200 km east of Port Hedland, and 30 km southeast of Marble Bar, Pilbara Lithium is situated within a region of active lithium exploration. Notable projects in this region include exploration at the Archer deposit, the Tabba Tabba Lithium Project, Wodgina Lithium Project, and the Pilgangoora Lithium Mine. The area has historically been explored for diamonds, however limited work has been focussed on lithium geochemistry. The Company has since collated the historical data for Pilbara Lithium within the first half of 2022. By November 2022, reconnaissance sampling had identified new exploration targets, which were followed up with field work. As of the date of this report, the Company has been granted three tenements for East Pilbara being:

- E45/6278,
- E45/6279; and
- E45/6280.

In East Pilbara, the Company also has an additional four tenements under application being:

- E45/6634;
- E45/6615;
- E45/6604; and
- E45/6416.

We note that the final ownership of the E45/6416 and E45/6634 tenements is to be determined by ballot. In addition to the East Pilbara tenements, on 6 September 2023, Accelerate announced that it had expanded its East Pilbara lithium strategy to include the new Windi Lithium tenement application (E46/1522), which covers a 5-9 km wide target zone, recognised as an area with lithium and tantalite mineralisation.

### 5.2.2. 100% Interest in the Comet Project ('Comet Project')

The Comet Project is located in the Murchison region in WA, approximately 7 km southeast of the town of Cue. The area is known for gold occurrences, however, remains under-explored for pegmatite-hosted lithium mineralisation. Historical rotary air blast and reverse circulation ('RC') drilling data has identified several gold targets and gold anomalies within the project area. Additionally, gold mineralisation has been identified at Comet East via shallow drilling. As at the date of this report, Accelerate Resources has undertaken the first phase of RC drilling at Comet East as is awaiting assay results of a soil geochemistry survey.

Limited open-file data from the Geological Survey of Western Australia also indicated elevated lithium presence, with previous pegmatite models suggesting a 6.0 to 8.5 km zone that is prospective for pegmatite-hosted lithium. The Company plans to complete initial satellite image interpretations and follow-up field mappings, and surface samplings to determine lithium prospectivity within the project area. As of the date of this report, the Company has been granted five tenements that cover an area of approximately 336 km<sup>2</sup>, being:

- E20/0908;
- E20/0965;
- E20/0970;
- E21/0213, and
- E21/0214.

The Company also has an additional two tenements under application, being: E21/0217, and E20/1000.

### 5.2.3. 100% Interest in the East Pilbara Manganese Projects ('East Pilbara Manganese')

East Pilbara Manganese is located in the East Pilbara region of WA, 120 km east of Marble Bar, 250 km from Port Hedland, and 70 km from the Woodie Woodie Manganese Mine operated by Consolidated Minerals Pty Ltd. The exploration area is located within the Woodie Woodie Manganese Corridor, which is considered prospective for manganese. East Pilbara Manganese comprises the Woodie Woodie North, Mt Sydney and Ripon Hills East manganese projects.

Previous exploration activity has been conducted in the northern area of East Pilbara Manganese, specifically in Barra South, including surface sampling, RC drilling (up to 27,478 m, 342 drill holes), geological mapping, and metallurgical test work. In the southern area of East Pilbara Manganese, Braeside West, limited historical exploration activity has been conducted. Activities in the Braeside West area include exploration drilling, geological mapping, and geological sampling. More recently, from July 2022 to August 2023, the Company has completed four drilling campaigns over five prospective areas of East Pilbara Manganese, totalling 8,676 m. Results from preliminary metallurgical testwork on surface samples from one area, Area 42, suggests that a 99.9% manganese sulphate product can be beneficiated.

On 30 November 2023, the Company announced a global maiden inferred Mineral Resource estimate of 1.2Mt at 19.1% manganese (based on a 15% manganese grade cut-off) pursuant to East Pilbara Manganese. Going forward, Accelerate is considering a Phase 5 reverse-circulation drilling program aimed at growing the Mineral Resource inventory further, and a possible diamond drilling program to facilitate additional metallurgical testwork.

As at the date of this report, East Pilbara Manganese consists of six granted exploration tenements being

- E45/5978;
- E45/6100;
- E45/5088;
- E45/5854;
- E45/5907; and
- E45/5942.

In addition, the Company has three tenements under application, being:

- E45/6508;
- E45/6527; and
- E45/6603.

#### **5.2.4. 75% Interest in Roebourne South and Mt Sholl East Lithium Projects**

In October 2023, Accelerate acquired 75% interests in Roebourne South and Mt Sholl East Lithium Projects, which are located within 20 km of the Karratha mining centre and are situated along a 40 km long hard-rock lithium belt between Karratha and Roebourne in the West Pilbara. Further details on the acquisition of these 75% interests are detailed in Section 5.4.

As at the date of this report, the Roebourne South Lithium Project consists of five granted tenements being:

- E47/3173;
- P47/1851;
- M47/339;
- M47/248; and
- P47/1850.

The Mt Sholl East Lithium Project consists of a single granted tenement, being E47/3143.

### **5.3 Investment in Vytas Resources Pty Ltd**

As at the date of our Report, Accelerate holds 27,120,000 shares in Vytas Resources Pty Ltd ('Vytas'), equal to an interest of approximately 27% in Vytas. The investment is recorded at cost as a non-current asset on Accelerate's balance sheet. Vytas is a public unlisted technology materials business focused on developing hydrogen-on-demand and high purity materials. These materials may be sourced directly from Vytas' wholly owned mineral assets, which include the Tambellup Kaolin Project, the Moora Silica Sand Project and the White Peaks, Mt Cahill and Ajana Projects. Vytas is targeting a listing on the ASX in the first half of 2024.

During the financial year ended 30 June 2023, Vytas completed a capital raise of \$1.15 million at \$0.20 a share. In the second half of calendar year 2023, Vytas raised a further \$1.84 million from its seed investors, also at \$0.20 a share, to fund the development of its projects and for working capital purposes. Accelerate did not participate in this capital raising.

## 5.4 Recent Corporate Events

### Appointment of Luke Meter as Chief Executive Officer

The Company announced on 21 November 2023 that it had appointed Luke Meter as Chief Executive Officer, effective from 1 January 2024. Luke Meter has over 18 years of exploration, development and corporate experience. With his appointment, Ms Yaxi Zhan will transition from Managing Director to Executive Director.

### Acquisition of Roebourne South and Mt Sholl East Lithium Projects

The Company announced on 6 October 2023 that it had entered into an agreement with Welcome Exploration Pty Ltd and Donald Kimberly North to acquire a 75% interest in the Roebourne South Lithium Project and a 75% interest in the Mt Sholl East Lithium Project, and enter into a joint venture (the **‘Welcome Exploration Transaction’**). The total consideration payable by Accelerate under the Welcome Exploration Transaction consists of the following:

- Cash consideration of \$100,000; and
- 6,000,000 fully paid ordinary shares in Accelerate.

On 1 November 2023, the Company issued the 6,000,000 fully paid ordinary shares.

### 2023 Placement

The Company announced on 6 October 2023 that it had received firm commitments on a \$3.6 million placement (before costs) (**‘2023 Placement’**) from a range of professional and sophisticated investors. The 2023 Placement consists of the issue of up to 180,000,000 fully paid ordinary shares in Accelerate, at an issue price of \$0.02 per share. The \$0.02 issue price represented a 13% discount to the Company’s last traded price on 3 October 2023 (at \$0.023). The 2023 Placement was executed in two tranches as follows:

- Tranche 1 - consisting of approximately 85.4 million shares valued at approximately \$1.7 million (**‘Tranche 1’**); and
- Tranche 2 - consisting of approximately 95.1 million shares valued at approximately \$1.9 million (**‘Tranche 2’**).

Both tranches have completed as at the date of our Report and shares were issued at a price of \$0.02 each. Proceeds from the 2023 Placement, together with existing cash held by the Company, will be directed to exploration activities at the Karratha Lithium Projects (upon completion of the Proposed Acquisition) as well as progressing the Company’s existing projects.

### WA Government Co-funded Exploration Incentive Scheme (‘EIS’)

In May 2023, the Company was a successful applicant of the WA Government Co-funded EIS. The Company will receive \$150,000 as co-funding to support the planned diamond drilling program at the East Pilbara Manganese Project.

### Sale of Shares in Currie Rose Resources Inc. (‘Currie Rose’)

Accelerate held a minority stake of 8,333,334 shares in the junior exploration company Currie Rose. On 14 April 2023, the Company announced the sale of the 8,333,334 shares in Currie Rose, receiving net proceeds of approximately \$450,000.

### Partnership with the US-based energy storage group RedoxBlox

The Company announced that on 14 March 2023 that it had entered into a binding Heads of Agreement with RedoxBlox Inc ('RedoxBlox') to investigate strategic co-operation activities for the material supply, commercialisation, and deployment of RedoxBlox's proprietary manganese thermochemical energy storage technology. The Company is investigating the possibility of supplying RedoxBlox with manganese products from East Pilbara Manganese.

### Junior Minerals Exploration Incentive ('JMEI') Scheme Credits

In January 2023, the Company distributed \$220,000 of tax credits to the Company's eligible shareholders. The tax credits were from the JMEI scheme, an initiative established by the Australian Federal Government to encourage investment in greenfield mineral exploration companies in Australia.

### 2022 Placement

The Company announced on 11 November 2022 that it had received firm commitments on a \$3 million placement (before costs) ('2022 Placement') from sophisticated investors. The 2022 Placement consisted of the issue of 107,142,857 fully paid ordinary shares in Accelerate, with an issue price of \$0.028 per share. The \$0.028 issue price represented a 9.5% discount to the 5-day volume weighted average price ('VWAP') of the Company's shares, recorded on 8 November 2022 (at \$0.0309). The 2022 Placement was executed in two tranches as follows:

- Tranche A - consisting of 40,568,834 shares; and
- Tranche B - consisting of approximately 66,574,023 shares.

Proceeds from the 2022 Placement had been applied to exploration activities conducted at East Pilbara Manganese as well as progressing the Company's Lithium Strategy at Pilbara Lithium and the Comet Project.

### Acquisition of Tambellup Kaolin Project

The Company announced on 18 November 2019 that it had entered into a binding agreement with Halcyon Resources Pty Ltd ('Halcyon') to acquire 100% shares in Halcyon in consideration for 7,000,000 fully paid ordinary shares in the Company, priced at \$0.04 per share ('Halcyon Transaction'). On 1 July 2022, the Company's shareholders approved the Halcyon Transaction and the Company issued 7,000,000 fully paid ordinary shares at \$0.0552 per share as deferred consideration. In the Halcyon Transaction, the company acquired the Tambellup Kaolin Project.

### Termination of the Stunalara Transaction

In June 2021, the Company announced that it entered into a Heads of Agreement with Stunalara Metals Limited ('Stunalara') to acquire 100% of the legal and beneficial interest in the Company's Mt Read Project in Tasmania ('Stunalara Transaction'). The Stunalara Transaction outlined that Accelerated Resources was to receive fully paid ordinary shares in Stunalara to the value of \$1,000,000. In October 2022, the Company and Stunalara by mutual agreement terminated the Heads of Agreement. The tenement associated with the Stunalara Transaction was allowed to expire for no consideration. Site demobilisation was completed in November 2023.

## 5.5 Historical Balance Sheet

Statement of Financial Position	Audited as at 30-Jun-23 \$	Audited as at 30-Jun-22 \$	Audited as at 30-Jun-21 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2,037,164	2,313,957	1,232,440
Other current assets	153,444	112,351	81,328
Assets held for sale	-	1,000,000	1,000,000
<b>TOTAL CURRENT ASSETS</b>	<b>2,190,608</b>	<b>3,426,308</b>	<b>2,313,768</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	4,499,391	2,121,929	912,356
Other non-current assets	1,236,261	1,131,223	549,571
Plant and equipment	108,660	11,426	5,454
<b>TOTAL NON-CURRENT ASSETS</b>	<b>5,844,312</b>	<b>3,264,578</b>	<b>1,467,381</b>
<b>TOTAL ASSETS</b>	<b>8,034,920</b>	<b>6,690,886</b>	<b>3,781,149</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	320,768	266,167	68,376
Deferred Consideration	-	-	36,000
Provision	100,464	63,857	39,496
<b>TOTAL CURRENT LIABILITIES</b>	<b>421,232</b>	<b>330,024</b>	<b>143,872</b>
<b>TOTAL LIABILITIES</b>	<b>421,232</b>	<b>330,024</b>	<b>143,872</b>
<b>NET ASSETS</b>	<b>7,613,688</b>	<b>6,360,862</b>	<b>3,637,277</b>
<b>EQUITY</b>			
Issued capital	16,169,011	12,948,619	9,090,949
Reserves	2,795,555	2,454,799	2,367,354
Accumulated losses	(11,350,878)	(9,042,556)	(7,821,026)
<b>TOTAL EQUITY</b>	<b>7,613,688</b>	<b>6,360,862</b>	<b>3,637,277</b>

Source: Accelerate's audited financial statements for the years ended 30 June 2023, 30 June 2022, and 30 June 2021

### Commentary on Historical Statement of Financial Position

- Cash and cash equivalents decreased from \$2.31 million at 30 June 2022 to \$2.04 million at 30 June 2023, primarily driven by \$2.29 million of exploration expenses, incurred largely at East Pilbara Manganese and Pilbara Lithium. This was partially offset by \$0.45 million in proceeds from the sale of shares in Currie Rose, and \$3.00 million of gross proceeds raised from the 2022 Placement.
- Exploration and evaluation expenditure increased from \$2.12 million at 30 June 2022 to \$4.50 million at 30 June 2023. This increase was driven by the issue of 7,000,000 fully paid ordinary shares (at \$0.0552 per share) as deferred consideration for the Halcyon Transaction, and the issue of 2,000,000 fully paid ordinary shares (at \$0.021 per share) as consideration for the acquisition of exploration tenements E45/5942 and E45/5907 at East Pilbara Manganese. This was partially offset by a \$1.00 million impairment charge due to the termination of the Stunalara Transaction.
- Other non-current assets increased to \$1.24 million at 30 June 2023 attributed to an increase in the value of the investment in Vytas, partially offset by the sale of shares in Currie Rose.

## 5.6 Historical Statement of Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Audited for the year ended 30-Jun-23	Audited for the year ended 30-Jun-22	Audited for the year ended 30-Jun-21
	\$	\$	\$
Other Income	-	1,500	125,535
<b>Gross profit</b>	<b>-</b>	<b>1,500</b>	<b>125,535</b>
Corporate and professional expenses	(293,266)	(234,081)	(206,980)
Director and employee benefits	(444,803)	(341,987)	(542,738)
Administration expenses	(190,122)	(244,496)	(83,545)
Other expenses	(212,164)	(136,599)	(158,550)
Depreciation	(10,787)	(2,203)	(6,025)
Exploration expenditure	(51,020)	(118,440)	(12,259)
Impairment of exploration expenditure	(1,000,000)	-	(1,708,602)
Reversal of impairment of security bonds	-	-	59,000
Research and development	(33,612)	-	-
Share-based payments expenses	(72,548)	(145,224)	(839,891)
<b>Loss before income tax</b>	<b>(2,308,322)</b>	<b>(1,221,530)</b>	<b>(3,374,055)</b>
Income tax expense	-	-	-
<b>Loss before other comprehensive income</b>	<b>(2,308,322)</b>	<b>(1,221,530)</b>	<b>(3,374,055)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be subsequently reclassified to profit or loss: Changes in fair value of financial assets - fair value through other comprehensive income</i>	<b>268,208</b>	<b>(268,208)</b>	-
<b>Total comprehensive loss for the year, net of tax</b>	<b>(2,040,114)</b>	<b>(1,489,738)</b>	<b>(3,374,055)</b>

Source: Accelerate's audited financial statements for the years ended 30 June 2023, 30 June 2022, and 30 June 2021

### Commentary on Historical Statement of Comprehensive Income

- In the financial year ended 30 June 2023, the Company recorded an impairment charge to its exploration and evaluation assets, in relation to the termination of the Stunalara Transaction.
- The \$0.27 million recognised as changes to fair value through other comprehensive income during the financial year ended 30 June 2023 relates to investments in Canadian listed companies which were disposed of during the financial year.

## 5.7 Capital Structure

The share structure of Accelerate as at 6 December 2023 is outlined below. We note the information in this section is provided on a pre-consolidation basis:

Shareholding	Number
Total ordinary shares on issue	569,101,756
Top 20 shareholders	136,251,330
Top 20 shareholders - % of shares on issue	23.94%

Source: Share registry information provided by Accelerate

The range of shares held in Accelerate as at 6 December 2023 is as follows:

Range of Shares Held	No. of Ordinary Shareholders	No. of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	37	3,685	0.00%
1,001 - 5,000	26	95,816	0.02%
5,001 - 10,000	112	988,637	0.17%
10,001 - 100,000	581	25,095,075	4.41%
100,001 - and over	574	542,918,543	95.40%
<b>TOTAL</b>	<b>1,330</b>	<b>569,101,756</b>	<b>100.00%</b>

Source: Share registry information provided by Accelerate

Accelerate does not have any substantial shareholders. The ordinary shares held by the top 5 shareholders as at 6 December 2023 are detailed below:

Name	No. of Ordinary Shares	Percentage of Issued Shares (%)
Swancave Pty Ltd (The BMC Family)	13,400,000	2.35%
Mr Craig Michael Lake and Mrs Judith May Lake	12,000,000	2.11%
The RGM Hill Account	9,132,653	1.60%
Gelli Pty Ltd	8,000,000	1.41%
Citicorp Nominees Pty Limited	7,593,455	1.33%
<b>Subtotal</b>	<b>50,126,108</b>	<b>8.81%</b>
Others	518,975,648	91.19%
<b>Total ordinary shares on Issue</b>	<b>569,101,756</b>	<b>100.00%</b>

Source: Share registry information provided by Accelerate

The options and performance rights on issue as at 6 December 2023 are outlined below:

Description	No. of Options/Rights	Exercise price (\$)	Expiry Date
Unlisted options - Class AX8AT	58,571,376	0.050	28-Dec-24
Unlisted options - Class AX8AR	10,000,000	0.100	22-Oct-24

Description	No. of Options/Rights	Exercise price (\$)	Expiry Date
Unlisted options - Class AX8AU	2,250,000	0.050	27-Jan-25
Unlisted options - Class AX8AV	1,000,000	0.050	01-Dec-24
Unlisted options - Class AX8AN	9,000,000	0.096	27-Nov-24
Unlisted options - Class AX8AQ	1,000,000	0.059	01-Feb-25
Unlisted options - Class AX8AP	4,500,000	0.059	16-Nov-24
Unlisted options - Class AX8AX	6,500,000	0.050	30-Nov-26
Unlisted options - Class AX8BC	5,000,000	0.040	04-Dec-25
Performance Rights	33,500,000	Nil	28-Nov-25
<b>Total number of options and performance rights</b>	<b>131,321,376</b>		
<b>Cash raised if options are exercised (\$)</b>	<b>5,803,219</b>		

Source: Option and rights listing provided by Management of Accelerate, ASX announcements

## 6. Profile of Mt Sholl

### 6.1 Overview

Mt Sholl is a privately held Australian-based lithium exploration company, with projects based in Karratha, WA. Mt Scholl was incorporated on 19 December 2017 and is headquartered in Perth, WA. The current Directors of Mt Sholl are:

- Mr Grant Mooney - Director and Company Secretary; and
- Mr Mark Thompson - Director.

As at the date of this report, Mr Grant Mooney and his associates held 15,500 ordinary shares in Mt Sholl, representing 46.97% of shares outstanding.

### 6.2 Projects

Mt Sholl owns interests in two projects (comprising nine leases) located near Karratha in West Pilbara WA:

- 100% interest in the Prinsep Lithium Project (P47/1754 and P47/1755); and
- 100% interest in the Mt Sholl Project (P47/1752, P47/1753, P47/1756, P47/1796, P47/1797, P47/1798 and L47/779).

The Prinsep Lithium Project is the most advanced project in Mt Sholl's portfolio. The Prinsep Lithium Project covers an area of approximately 4 km<sup>2</sup>, located along the 40 km-long Karratha-Roebourne lithium belt. This belt hosts a number of projects owned by other ASX-listed lithium miners such as Azure Minerals Limited's ('Azure Minerals') Andover Lithium Project, Greentech Metals Limited and Artemis Resources Limited's Osborne Joint Venture Lithium Project, Greentech Metals Limited's Kobe Lithium Project and Raiden Resources Limited's Andover South Lithium Project.

Preliminary rock chip sampling has identified spodumene rich, lithium-bearing pegmatite systems. Current activities are dedicated to surface mapping and sampling at the Prinsep Lithium Project, prior to exploration drilling.

On 28 November 2023, Accelerate announced that it had completed the first phase of geological mapping and follow up rock chip sampling across the Prinsep Lithium Project which confirmed the continuation of lithium-prospective pegmatites up to 60m in width on multiple trends within the project area.

### 6.3 Historical Balance Sheet

Statement of Financial Position	Unaudited as at 31-Oct-23 \$
<b>CURRENT ASSETS</b>	
Cash and cash equivalents	29,658
Trade and other receivables	
<b>TOTAL CURRENT ASSETS</b>	<b>29,658</b>
<b>NON-CURRENT ASSETS</b>	
Exploration and evaluation expenditure	27,562
<b>TOTAL NON-CURRENT ASSETS</b>	<b>27,562</b>
<b>TOTAL ASSETS</b>	<b>57,220</b>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	-
<b>TOTAL CURRENT LIABILITIES</b>	-
<b>TOTAL LIABILITIES</b>	-
<b>NET ASSETS</b>	<b>57,220</b>
<b>EQUITY</b>	
Issued capital	9,900
Accumulated profits/(losses)	47,320
<b>TOTAL EQUITY</b>	<b>57,220</b>

Source: Mt Sholl's unaudited financial statements for the month ended 31 October 2023

We have not undertaken a review of Mt Sholl's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

#### Commentary on Historical Statement of Financial Position

- Mt Sholl's cash balance was \$29,658 as at 31 October 2023 but any residual cash will be paid out to Mt Sholl's shareholders just prior to completion of the Proposed Acquisition. Accordingly, Mt Sholl will not hold a material cash balance when it is acquired by Accelerate.
- The capitalised exploration and evaluation expenditure balance relates to Mr Sholl's interests in the Prinsep Lithium and Mt Sholl Projects.

## 6.4 Historical Statement of Comprehensive Income

Statement of Profit or Loss and Other Comprehensive Income	Unaudited from 30-Jun-23 to 31-Oct-23 \$
Other income	50,000
Administrative expense	(387)
<b>(Loss)/profit before income tax</b>	<b>49,613</b>
Income tax benefit	-
<b>Net (loss)/profit for the year</b>	<b>49,613</b>
Other comprehensive (expense)/income, net of tax	-
Other comprehensive (expense)/income for the year	-
<b>Total comprehensive (expense)/profit for the year</b>	<b>49,613</b>

Source: Mt Sholl's unaudited financial statements for the month ended 31 October 2023

We have not undertaken a review of Mt Sholl's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

## 7. Economic analysis

Accelerate and Mt Sholl are primarily exposed to the risks and opportunities of the Australian market through their operations and listing on the ASX. As such, we have presented an analysis on the Australian economy.

In its December 2023 Monetary Policy Decision meeting, the Reserve Bank of Australia ('RBA') made the decision to leave the cash rate target unchanged at 4.35%. Prior to the December meeting, the Board of the RBA ('the Board') had increased interest rates by 25 basis points in November, following a period of four months since June where it had held interest rates steady. The decision to hold the cash rate steady at the December meeting was to allow the RBA more time to assess the impact of the four percentage point increase in the interest rate since May 2022 on demand, inflation and the labour market. Elevated interest rates were intended to ease inflationary pressures and return inflation to its target rate within a reasonable timeframe. However, the Board has since received recent data on inflation, the labour market and economic activity, in addition to the revised set of forecasts, highlighting the increased risk of inflation is likely to remain higher for longer.

Inflation reached 7.8% over the 2022 calendar year, the highest year-end inflation figure since 1990, and significantly higher than the RBA's inflation target of 2-3%. The RBA stated in its July 2023 statement that the decline in the monthly consumer price index ('CPI') indicator for May 2023 suggested that inflation has since passed its peak in Australia. However, the RBA considers that inflation is still too high and whilst goods price inflation has further eased, the prices of many services are continuing to rise briskly. The forecast for CPI inflation reveals it is expected to continue to decline, however, progress is being achieved slower than previously anticipated and in turn, inflation is now predicted to be around 3.25% by late 2025.

According to the RBA, growth in the Australian economy was slightly stronger than expected over the first half of 2023, although the economy continues to experience a below-trend growth that is further expected

to persist. Recently, the combination of heightened interest rates and cost-of-living pressures has led to a substantial deceleration in household spending. As a result, equity market conditions, particularly for retail investors, have dampened alongside the decline in discretionary income. Additionally, dwelling investments have demonstrated weakness on the back of continual hikes in housing prices across the country.

Among other major economies around the world, the rebound from the COVID-19 pandemic waned throughout 2022 which contributed to a significant slowdown in the global economy. Like many advanced economies, high inflation and energy prices have weighed in on demand in Australia. For 2023-24, it is anticipated that Gross Domestic Product ('GDP') growth in Australia's key trading partners will remain substantially below historical norms. However, downside risks to growth in major global economies have lessened in recent months, accelerated by China's pro-longed reversal of its COVID-19 restrictions in December 2022, stabilising the supply chain recovery trajectory.

The banking system crisis in the US and Switzerland in March 2023 has contributed to increased volatility in financial markets and a reassessment of the outlook for global interest rates. Such macroeconomic conditions are envisioned to influence tighter financial conditions, creating an additional headwind for the global economy. Despite this, the RBA considers the Australian banking system to be strong, well capitalised and highly liquid, and therefore, well placed to provide the credit that the economy needs, albeit at higher interest rates compared to the rates observed during the COVID-19 pandemic.

Regarding the labour market, conditions have eased although remain tight. As growth in the economy is forecast below trend, employment is predicted to expand at a slower rate than the labour force and the unemployment rate is anticipated to gradually rise to around 4.25%. Additionally, wage growth has also increased over the past year and inflation has tapered slightly.

### Outlook

Returning inflation to its target level within a reasonable timeframe remains the priority of the Board, which is expected to be achieved over the medium term. Economic growth in Australia is forecast to be hampered by continued interest rates hikes, higher living costs and declining real wealth. Household consumption remains uncertain with many households experiencing a squeeze on their finances, while others are benefiting from rising housing prices, substantial savings buffers and sources of higher interest income. Services price inflation has surprisingly persisted overseas and the same could occur in Australia. Further uncertainties regarding the lags in the effect of the monetary policy and how firms' pricing decisions and wages respond to the slower growth in the economy will remain apparent. On a global scale, there are additional concerns surrounding the outlook of the Chinese economy and the implications of ongoing conflicts abroad.

Further monetary policy tightening may be required in the coming periods to allow inflation to return to the target level within a reasonable timeframe, although the medium term inflation expectations have been consistent with the inflation target. The Board will continue to pay close attention to developments in the global economy, trends in domestic demand and the outlook for inflation and the labour market.

Lithium exploration and development companies are not immune to the effects of inflation, with rising drilling and corporate costs impacting the level of capital required to fund exploration programs. Additionally, a tight labour market may make it more difficult for explorers to source labour and advance exploration.

**Source:** [www.rba.gov.au](http://www.rba.gov.au) Statement by Phillip Lowe, Governor: Monetary Policy Decision dated 5 December 2023 and prior periods, [www.rba.gov.au](http://www.rba.gov.au) Statement on Monetary Policy June 2023 and prior periods, and BDO analysis

## 8. Industry analysis

### 8.1 Exploration Sector

Accelerate operates as an explorer in the precious and industrial metal mining industry in Australia. The most advanced exploration project is in manganese. On the other hand, the Projects are lithium prospects within Western Australia. As such, we have presented an industry analysis on the broader Australia exploration sector, as well as an analysis on the manganese and lithium industries.

BDO reports on the financial health and cash positions of ASX-listed exploration companies based on the quarterly Appendix 5B reports lodged with the ASX. ASX-listed mining and oil and gas exploration companies are required to lodge an Appendix 5B report each quarter, outlining the company's cash flows, their financing facilities available and management's expectation of future funding requirements. BDO's report for the June quarter of 2023 suggests that improved financial market conditions following a turbulent global macroeconomic environment, has enabled the sector to position itself for the battery mineral future.

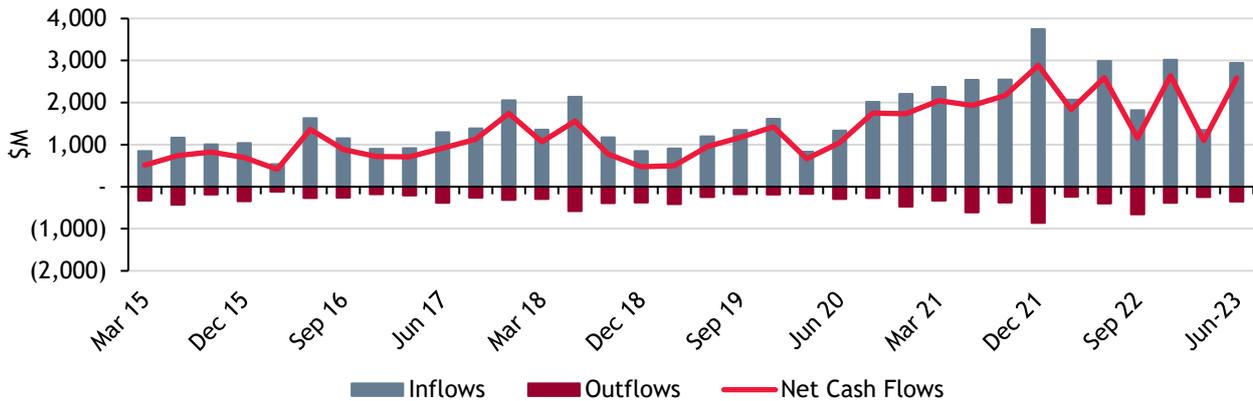
Unlike the previous two quarters of subdued operations and investment, the current quarter showed a reset in investor sentiment, demonstrated by the increase in financing, investments and exploration spending as cash balances remained healthy. This quarter also saw a return in consolidation activity among explorers, particularly in the gold sector, while initial public offerings focused on critical minerals, comprising lithium and rare-earth minerals. A total of 779 companies lodged an Appendix 5B for the June 2023 quarter, representing a reduction of eight companies from the March 2023 quarter and marking the first reduction in companies to lodge since the September 2020 quarter. Interestingly, seven companies were acquired or merged with in the June 2023 quarter, signifying the commencement of a healthy wave of consolidation activity across the sector, particularly within the gold sector, as explorers favour this route over running the gauntlet with current uncertain and volatile capital markets.

Following a decrease of 55% in the amount of funds raised in the previous quarter, financing cash inflows for the June 2023 quarter increased 111% to total A\$2.84 billion. Alongside, the average financing inflows per company was up 8.5% to total A\$3.65 million, when compared to the two-year average of A\$3.36 million. The recent volatility in financing cash flows, as outlined below, is a consequence of the adverse reaction from capital markets to increasing interest rates since May 2022, in conjunction with an inflationary environment, and global economic uncertainty. In the current quarter, we observed a loosening of previously tightened capital markets, evidenced by the increased number of large fund raisings.

In the June 2023 quarter, 53 companies (which we have termed 'Fund Finders') raised capital exceeding A\$10 million, up from 34 in the previous quarter. For the second successive quarter, both gold and lithium secured the top spots on our Fund Finders, underscoring the notion that market sentiment is being both driven by the demand for battery metals, yet tempered by economic volatility.

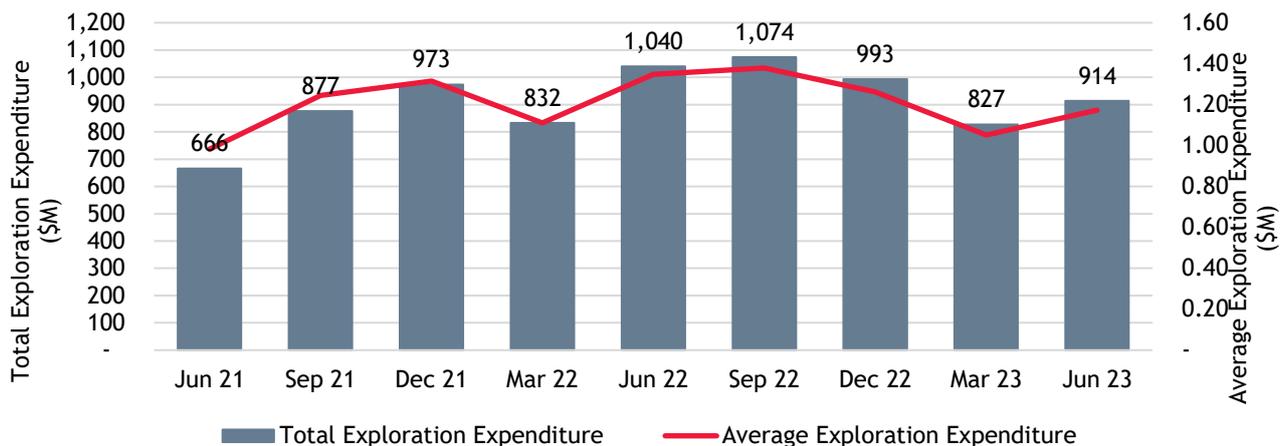
Explorers' cash positions increased modestly in the June 2023 quarter, with 82% of exploration companies reporting a cash balance of over A\$1 million, up from 81% in the March 2023 quarter. Notably, this marks a slight reversal of a trend of explorers with cash balances over A\$1 million reducing since the June 2022 quarter. This development is encouraging, especially considering the industry-wide rise in investment and exploration expenditure throughout the quarter, in tandem with the prevailing inflationary environment.

### Financing Cash Flows (\$M)



In the June 2023 quarter, total exploration expenditure increased for the first time since the record-billion dollar spend in the September 2022 quarter of A\$1.07 billion. The June 2023 quarter's A\$914 million exploration spend represented a 10% increase from the March 2023 quarter. The average exploration spend per company rebounded by 12% to A\$1.17 million from the two-year low of A\$1.05 million shown in the March 2023 quarter.

### Total Exploration Expenditure - Last Two Years (\$M)



The top ten exploration spending companies comprised four lithium companies, three gold companies, one nickel-copper, graphite, and coal company. Gold and oil and gas typically account for the largest portion of the top 10 exploration spends, however, this quarter, we have also observed growth in exploration spending for lithium that has likely been driven by the sustained demand for renewable energy sources to meet future requirements.

Contradictory macroeconomic signals defined the macroeconomic landscape in the June 2023 quarter. For example, gold topped our Fund Finders for the fourth consecutive quarter, which would potentially serve as an indicator of ongoing economic turbulence, given the recognised safe haven attributes of gold. However, despite the prevailing economic uncertainty, there was a resurgence of capital market support during the same period, largely driven by the demand for battery metals. Nonetheless, the results from the June 2023 quarter suggests that the sector has healthily rebounded from the noticeable industry wide slowdown observed in the preceding two quarters.

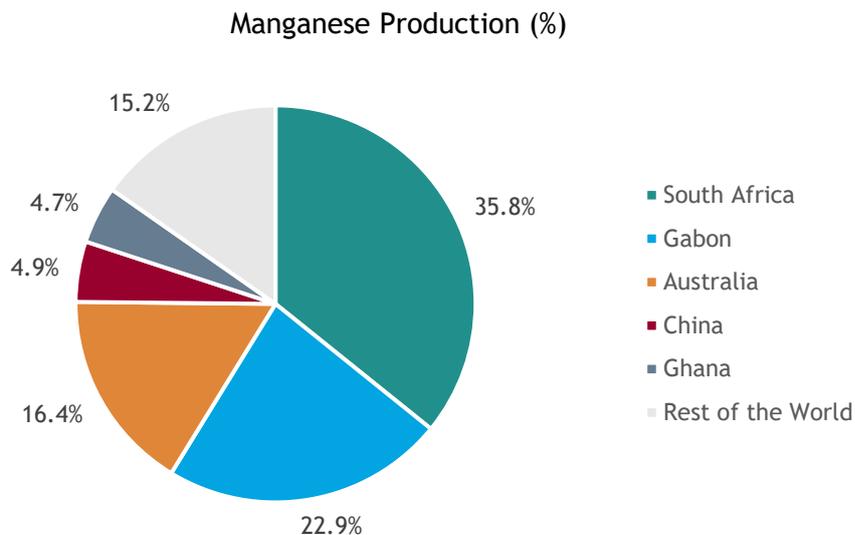
Source: BDO Explorer Quarterly Cash Update: June 2023 and prior releases.

## 8.2 Manganese

Manganese is a silvery-grey metal that is hard, brittle and paramagnetic, which are properties that enhance the strength of metal alloys. Measured in tonnes, manganese is the fourth most used metal, after iron, aluminium, and copper. Approximately 90% of global manganese consumption is directed to steel production. The remainder is used for the production of animal feed, brick colourant, battery technologies, and fertilisers. Aside from its use in steel, global refined manganese demand is expected to be driven by its consumption in lithium-ion batteries. There are various types of lithium-ion batteries currently on the market, including lithium nickel manganese cobalt oxide ('NMC'), lithium nickel cobalt aluminium oxide, and lithium iron phosphate. Manganese is a core input to the production of NCM batteries, which is currently the dominant technology. The increasing importance of manganese in battery technologies has led to governments across the world, such as Australia and the United States, to include manganese on their critical minerals list, which identifies those commodities that are strategically important to economic and national security.

### Manganese Production and Reserves

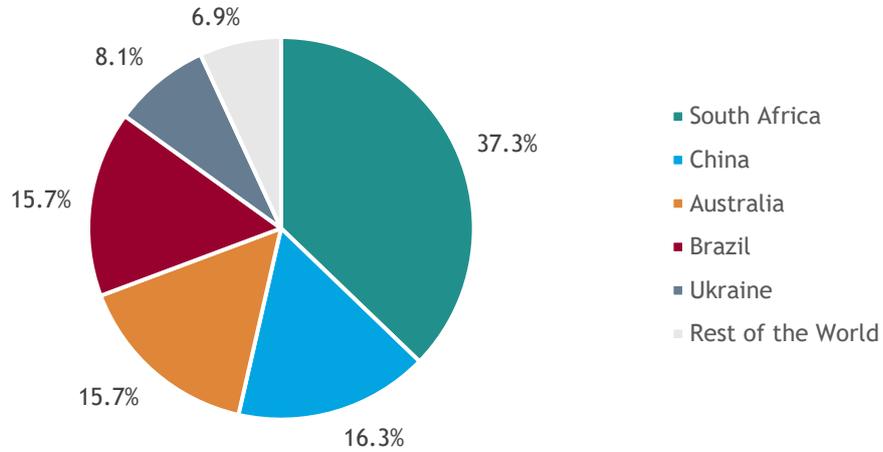
According to data released by the United States Geological Survey ('USGS'), South Africa was the leading producer of manganese in 2022, contributing approximately 7.20 million tonnes of manganese ore, equating to 35.8% of global production. In the same year, Australia was the third largest producer, at 3.30 million tonnes, equating to 16.4% of global production.



Source: U.S. Geological Survey, January 2023

In respect of manganese ore reserves, South Africa was the leading country in 2022, holding approximately 640 million tonnes, which represents around 37.3% of the world total. In the same year, Australia and Brazil held the third largest ore reserves, each holding approximately 270 million tonnes, equivalent to 15.7% of the world's total.

Manganese Reserves (%)



Source: U.S. Geological Survey, January 2023

The Australian manganese industry is highly concentrated, with a small number of firms accounting for a large proportion of manganese output. The Groote Eylandt Mining Company (a joint operation between South32 Limited and Anglo American Australia Limited) in the Northern Territory currently provides the bulk of Australia’s manganese output. IBIS World identifies that barriers to entry in this industry are high due to the large amount of capital required to establish a new industry operation.

**Manganese prices**

Given the demand for manganese is still largely driven by steel production, the world price of iron ore and steel often acts as a proxy for manganese ore prices. Both iron ore and manganese are required to produce steel, therefore, a decrease in the world price of iron ore often correlates with a decrease in the price of manganese ore. Global prices and demand for steel greatly affect manganese demand, with the volume of Chinese steel output largely driving the manganese industry’s performance.

Manganese prices are quoted per dry metric tonne units (‘dmtu’). The manganese spot and forecast price graph below is based upon a benchmark ore of 44% manganese content, Cif, Tianjin, China.

Manganese Historical Spot and Forecast Price



Source: Bloomberg, Consensus Economics and BDO Analysis.

During 2014-15, lower manganese prices contributed to a fall in revenue, resulting in several mines being temporarily shut down causing industry volumes and revenue to decline further in 2015-16. This forced some companies to halt production as it was no longer economically feasible to continue operations until manganese prices recovered. As a result of the lower output, manganese prices jumped in late 2016, but normalised quickly after as companies recommenced operations and started exporting stockpiled ore.

Prices remained strong in 2017 before increasing in 2018 to a year-high of US\$10.34/dmtu with the increased physical demand from China coupled with financial market speculation of the increased steel demand from the large infrastructure spending program in the US. However, due to an oversupply in the market and elevated port stocks in China, prices began to decrease throughout 2019.

In the period between 2020 and 2022, global events had caused supply-demand mismatches that led to increased price volatility for manganese ore. Specifically, lockdowns from COVID-19 led to a slowdown in Chinese steel manufacturing, which subdued demand for manganese. In Europe, elevated energy prices resulting from the war in Ukraine saw a reduction in European steel manufacturing, which also placed downward pressure on manganese demand. The reduced demand saw an increase in the number of mines entering care and maintenance within the period, leading to a reduction in manganese ore stockpiles, and a reduction in overall supply.

Global manganese prices are forecast to improve over the next five years with a recovery in Chinese steel manufacturing. In the long term, the price of manganese is expected to increase marginally to US\$5.31/dmtu from 2028-32.

Source: Bloomberg, Consensus Economics, and IBISWorld.

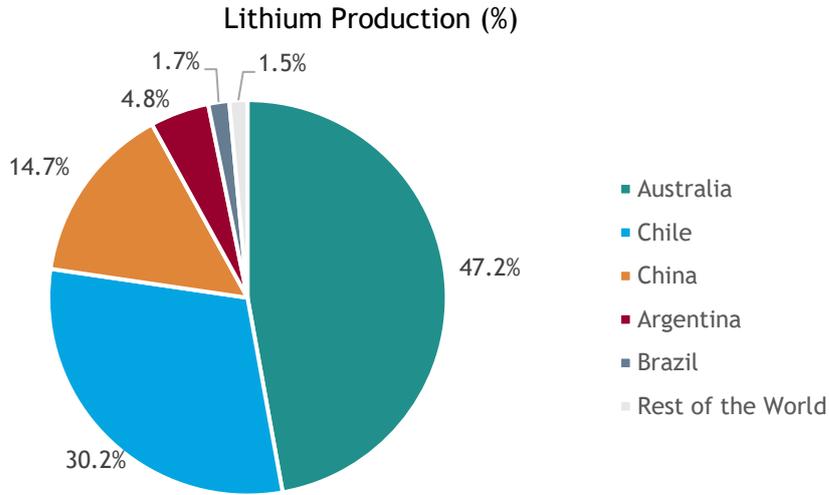
### 8.3 Lithium

Lithium is a soft, silver-white metal belonging to the alkali metal group of chemical elements. Lithium metal is the lightest and least dense metal and coupled with its thermochemical properties, lithium is suitable for use in power generation and energy storage technology. The reactivity of lithium means that it does not occur naturally as a metal in nature. Common forms of naturally occurring lithium include lithium aluminium inosilicate in hard rock lithium ore (also known as spodumene), and lithium chloride in an aqueous solution (also known as lithium brine). Other sources of lithium include minerals such as lepidolite or petalite, and non-conventional sources.

Lithium has a variety of uses including the production of battery technology, ceramics and glasses, and greases. It is also alloyed with aluminium and copper to reduce weight in airframe structural components. Recent and expected demand growth for lithium is attributed to battery technology, particularly in rechargeable batteries used in electronic devices, electric tools, electric vehicles ('EVs') and grid storage applications. Growth in EV manufacturing is a key driver for expected lithium demand, as major players within the industry, including Tesla, expand production and increasingly target mainstream markets. This has driven many electric car manufacturers to form strategic alliances and joint ventures with lithium mining companies to establish a reliable, diversified supply of lithium.

#### Lithium production and reserves

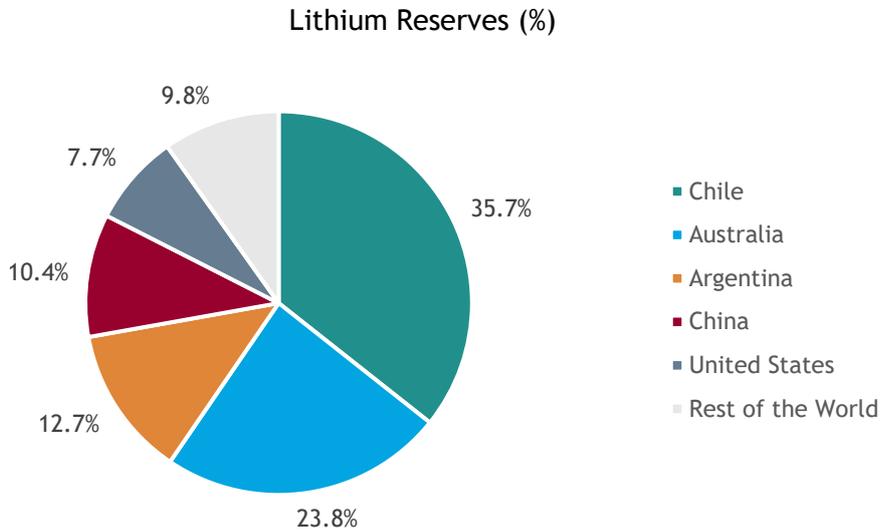
According to data released by the USGS, Australia was the leading producer of lithium in 2022, contributing approximately 61,000 tonnes of lithium, equating to 47.2% of global lithium production.



\*excluding undisclosed United States production data

Source: U.S. Geological Survey, January 2023

Whilst Chile was the second largest producer of lithium, it holds the largest amount in reserves by a substantial margin. In 2022, Chile held approximately 9.30 million tonnes of lithium, accounting for approximately 35.7% of global reserves, followed by Australia which held approximately 6.20 million tonnes, 23.8% of reserves globally.

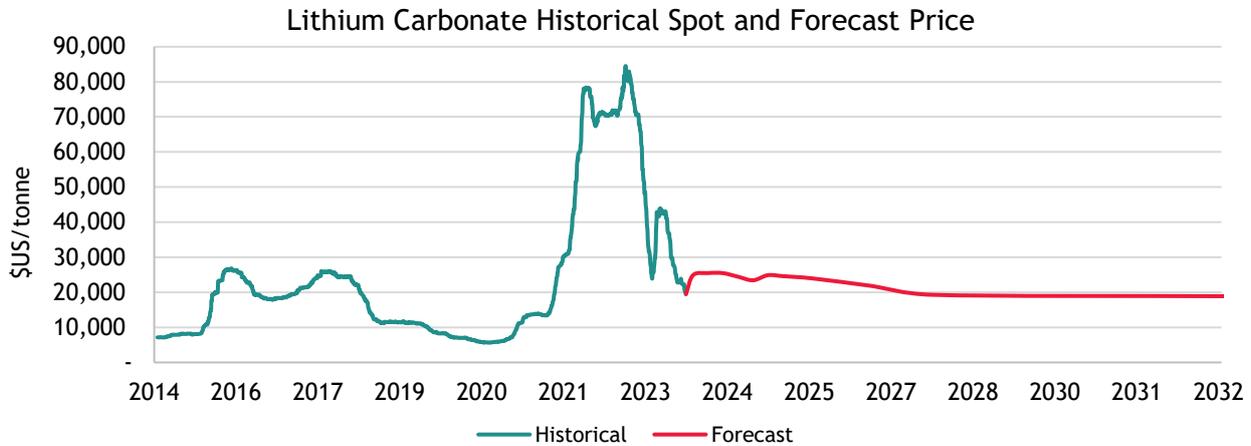


Source: U.S. Geological Survey, January 2023

### Lithium prices

Lithium trade is currently confined to a small number of producers and customers and is predominantly priced under fixed term contracts. There are multiple lithium products, being lithium ore concentrate, lithium carbonate (battery and non-battery grade), and lithium hydroxide. Additionally, there are an extensive range of products that can be made from lithium, and prices are set according to the product

and purity. We present the historical price and forecast price of lithium carbonate, noting that the demand for lithium is expected to be driven by its consumption in battery technology.



Source: Bloomberg, Consensus Economics, and BDO Analysis

The figure above illustrates the historical fluctuations in the global average lithium carbonate spot prices from January 2014 to November 2023 and the consensus economics forecast for lithium carbonate prices for the remainder of 2023 through to 2032.

The strong performance of the lithium price over 2016 and 2017 was reversed in subsequent years through to 2020 as a correction in the oversupply and the delay in demand across the industry played out. Just as higher prices incentivised the rapid commissioning of production capacity throughout the supply chain, the slide in lithium prices led to output curtailments or suspensions of production. Subsequently, prices fell below US\$10,000/t in 2020.

The combination of the existing aforementioned supply issues and a substantial increase in consumer demand since 2021 has placed significant upward price pressures on lithium. A substantial portion of consumer demand is driven by Tesla and other auto makers, as global EV sales have grown considerably over the past decade. Additionally, global supply side issues, originating from the COVID-19 pandemic have further exacerbated prices in the lithium market, with spot prices exceeding US\$70,000/t in July 2022. Lithium carbonate prices increased further in August 2022 owing to the Chinese domestic market, where stronger-than-anticipated lithium demand, driven by electric vehicle demand, outpaced lithium supply significantly. Subsequently, in November 2022, lithium prices reached a record high in excess of US\$84,500/t, primarily due to the Chinese government's extension of its electric vehicle subsidy programme, combined with an effort from refiners and battery manufacturers to build up inventories in response to concerns surrounding global supply chains.

Lithium prices have fallen to approximately US\$19,500/t in November 2023 from the record price reached in November 2022. This decline coincides with a broad slowdown of growth in China's EV market, and as downstream companies in the industry continue to work down their inventories. Furthermore, the expectation of new lithium mines entering production in the near future (and increasing the global supply of lithium) has contributed to the recent price weakness. According to Consensus Economics, the medium-term forecast lithium price from 2025 to 2027 is expected to range between US\$19,300/t and US\$24,000/t, with the long term (2028-2032) nominal forecast at approximately US\$18,900/t.

Source: Bloomberg, Consensus Economics, and IBISWorld.

## 9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings ('FME')
- Discounted cash flow ('DCF')
- Quoted market price basis ('QMP')
- Net asset value ('NAV')
- Market based assessment (such as a Resource Multiple)

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. It is possible for a combination of different methodologies to be used together to determine an overall value where separate assets and liabilities are valued using different methodologies. When such a combination of methodologies is used, it is referred to as a 'sum-of-parts' ('Sum-of-Parts') valuation.

The approach using the Sum-of-Parts involves separately valuing each asset and liability of the company. The value of each asset may be determined using different methods as described above.

Our fairness assessment compares the value of the asset being acquired, being the entire issued capital of Mt Sholl, to the value of the Consideration payable by the Company, comprising the Consideration Shares, the Performance Shares and the Royalty. In quantifying the value of the Consideration to be paid however, we have only had regard to the value of the Consideration Shares.

We have not valued the Performance Shares as part of our fairness assessment because, to assess the value of the Performance Shares, we would need to make assumptions around the likelihood and timing of the relevant Milestones being met which would cause the Performance Shares to vest. Furthermore, we would need to quantify the value uplift arising from these Milestones being met. Having considered the terms of the Performance Shares, we have concluded that we do not have reasonable grounds to assess the likelihood and timing of these Milestones, nor the quantum of the resulting value uplift. However, we consider this element of the Consideration when we address reasonableness in Section 13 of our Report.

For the 2% Royalty, the independent technical specialist, Valuation and Resources Management Pty Ltd ('VRM') has assessed it to be of negligible value, given the early stage of the Projects and the likely timeframes prior to the Royalty being paid. Accordingly, we have not assigned any value to the Royalty. Further details can be found in VRM's Independent Technical Assessment and Valuation Report ('ITAVR') contained in Appendix 4.

In our assessment of the value of Mt Sholl, we have chosen to employ the Sum-of-Parts methodology which estimates the market value of a company by assessing the realisable value of its identifiable assets and liabilities. The value of each asset and liability may be determined using different methods and the component parts are then aggregated using the NAV methodology. Our Sum-of-Parts methodology considers the value of the Projects and its other assets and liabilities. The value derived from this methodology reflects a control value, which is reasonable for our assessment given that the Company will acquire the entire issued capital of Mt Sholl.

In our assessment of the value of the Consideration Shares, we have chosen to employ the following methodologies:

- Sum-of-Parts as our primary methodology, which is discussed above and incorporates the value of Accelerate's mineral assets (including the Projects and those acquired from the Welcome Exploration Transaction) and its other assets and liabilities. As the value derived from this methodology reflects a control value, we have applied a minority interest discount to it given the parcel of Consideration Shares do not reflect a controlling interest; and
- QMP as our secondary methodology to value an Accelerate share. The value derived from this methodology reflects a minority interest value and as such we have not applied a control premium to this value.

We have employed the Sum-of-Parts method in estimating the fair market value of both Mt Sholl and Accelerate by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration to the:

- Value of Accelerate's and Mt Sholl's mineral assets and exploration properties, as valued by independent technical specialist, VRM. Further details of the valuation methodologies employed by VRM can be found in their report contained in its ITAVR contained in Appendix 4; and
- Value of Accelerate's and Mt Sholl's other assets and liabilities using the NAV approach.

We have chosen these valuation methodologies for the following reasons:

- We have adopted the Sum-of-Parts approach as our primary valuation method of valuing both Mt Sholl and the Consideration Shares. We consider that the core value of Accelerate and Mt Sholl lies in the value of their respective mineral assets (which are currently not producing assets nor generating any cash flows). We have commissioned VRM to provide an independent market valuation of the Accelerate's and Mt Sholl's mineral assets, which is incorporated in our Sum-of-Parts;
- The FME methodology is most commonly applicable to profitable businesses with steady growth histories and forecasts. Accelerate's and Mt Sholl's mineral assets do not currently generate any income, nor are there any historical profits that could be used to represent future earnings. Furthermore, the FME methodology is not considered appropriate for valuing finite life assets such as mining assets, therefore, we do not consider the application of the FME approach to be appropriate;
- Accelerate and Mt Sholl have no foreseeable future net cash inflows on which we would have sufficient reasonable grounds to rely, in accordance with Regulatory Guide 170 'Prospective Financial Information' ('RG 170') and Information Sheet 214: Mining and Resources: Forward-looking Statements ('IS 214'), therefore we do not consider the application of the DCF approach to be appropriate; and
- The QMP basis is a relevant methodology to consider because Accelerate's shares are listed on the ASX. This means that there is a regulated and observable market where Accelerate's shares can be traded. However, in order for the QMP to be considered appropriate, the Company's shares should be liquid and the market should be fully informed on the Company's activities. We note that Mt Sholl is an unlisted entity and therefore the QMP approach is not appropriate for valuing it.

### Technical Expert

In performing our valuation of Accelerate's and Mt Sholl's mineral assets, we have relied on the ITAVR prepared by VRM, which includes an assessment of the market value of Accelerate's and Mt Sholl's mineral assets.



We instructed VRM to provide an independent market valuation of Accelerate's and Mt Sholl's mineral assets. VRM considered a number of different valuation methods when valuing these assets. VRM's ITAVR has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition) ('**VALMIN Code**' or '**VALMIN**') and the JORC Code.

We are satisfied with the valuation methodologies adopted by VRM, which we believe are in accordance with industry practices and are compliant with the requirements of the VALMIN Code. The specific valuation methodologies used by VRM are referred to in the respective sections of our Report and in further detail in the ITAVR attached in Appendix 4.

## 10. Valuation of 100% of the shares in Mt Sholl

### 10.1 Sum-of-Parts

We have employed the Sum-of-Parts methodology in estimating the fair market value of the shares in Mt Sholl on a control basis, by aggregating the estimated fair market values of its underlying assets and liabilities, having consideration of the following:

- The value of Mt Sholl's mineral assets; and
- The value of Mt Sholl's other assets and liabilities.

Our Sum-of-Parts valuation is set out in the table below:

Valuation of Mt Sholl	Ref	Low \$	Pref \$	High \$
Value of Mt Sholl's mineral assets	10.1.1	400,000	1,000,000	1,600,000
Value of Mt Sholl's other assets and liabilities	10.1.2	-	-	-
<b>Total value of Mt Sholl (control)</b>		<b>400,000</b>	<b>1,000,000</b>	<b>1,600,000</b>

We have assessed the value of 100% of the shares in Mt Sholl (on a controlling interest basis) to be in the range of \$400,000 to \$1,600,000 with a preferred value of \$1,000,000.

#### 10.1.1. Valuation of Mt Sholl's mineral assets

In performing our valuation of Mt Sholl's mineral assets, we have relied on the ITAVR prepared by VRM which includes an assessment of the market value of its 100% interests in the Prinsep Lithium Project and the Mt Sholl Project.

We instructed VRM to provide an independent market valuation of the mineral assets held by Mt Sholl. VRM considered a number of different valuation methods when valuing the mineral assets of Mt Sholl. VRM applied the geoscientific (also known as Kilburn) approach as the primary valuation methodology.

The range of values for Mt Sholl's mineral assets as determined by VRM is set out below. We note that the totals in the table below may not add up due to rounding:

Mt Sholl's mineral assets	Low \$m	Pref \$m	High \$m
Prinsep Lithium - 100% interest	0.3	0.9	1.4
Mt Sholl - 100% interest	0.0	0.1	0.2
<b>Total (rounded)</b>	<b>0.4</b>	<b>1.0</b>	<b>1.6</b>

Source: VRM's ITAVR, Appendix 4

The table above indicates a range of values between \$400,000 and \$1,600,000, with a preferred value of \$1,000,000. For further information on VRM's approach and conclusions, refer to the VRM ITAVR, which is included as Appendix 4 of our Report.

#### 10.1.2. Valuation of Mt Sholl's other assets and liabilities

The other assets and liabilities of Mt Sholl represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Mt Sholl and

analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

The table below represents a summary of the assets and liabilities identified:

Other assets and liabilities of Mt Sholl	Note	Unaudited as at 31-Oct-23 \$	Adjusted \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	a)	29,658	-
Trade and other receivables		-	-
<b>TOTAL CURRENT ASSETS</b>		<b>29,658</b>	<b>-</b>
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation expenditure	b)	27,562	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>27,562</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>57,220</b>	<b>-</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>NET ASSETS</b>		<b>57,220</b>	<b>-</b>

Source: BDO analysis

We have not undertaken a review of Mt Sholl's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 'Review of Historical Financial Information' and do not express an opinion on this financial information. However, nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

We have been advised that there have not been any significant changes to the net assets of Mt Sholl since 31 October 2023 and that the above assets and liabilities represent their fair market values apart from the adjustments detailed below. Where the above balances differ materially from the unaudited position at 31 October 2023, we have obtained supporting documentation to validate the adjusted values used.

We note the following in relation to the above valuation to Mt Sholl's other assets and liabilities:

#### **Note a) Cash and cash equivalents**

As discussed in Section 6.3, any residual cash in Mt Sholl will be paid to its shareholders immediately prior to completion of the Proposed Acquisition and therefore Accelerate will not acquire any material cash balance as part of the transaction. We have therefore adjusted Mt Sholl's cash and cash equivalents balance to nil.

#### **Note b) Exploration and evaluation assets**

The book value of exploration and evaluation assets represents the book value of Mt Sholl's mineral assets. We have adjusted this balance to nil in our valuation of other assets and liabilities because the value of Mt Sholl's mineral assets is covered in Section 10.1.1 of our Sum-of-Parts valuation.

## 11. Valuation of the Consideration

The Consideration for the Proposed Acquisition comprises the Consideration Shares in Accelerate, the Performance Shares in Accelerate and the Royalty on Mt Sholl's mineral assets.

As discussed in Section 9, we are unable to assess the value of the Performance Shares as we do not have reasonable grounds to assess the likelihood and timing of each of the Milestones, and the quantum of the resulting value uplift from the satisfaction of the Milestones. Given the nature of the Milestones (which are detailed in Section 4), we expect that the satisfaction of each of these Milestones is likely to reflect an increase to the value of the Projects acquired.

In respect of the value of the Royalty, VRM has assessed it to be of negligible value, given the early stage of development of the Projects and the likely timeframes prior to the Royalty being paid. Accordingly, we have not assigned any value to the Royalty. Further details on this can be found in the ITAVR included in Appendix 4. Accordingly, our valuation of the Consideration outlined in this section is solely based on the value of a Consideration Share.

### 11.1 Sum-of-Parts Valuation of a Consideration Share

We have employed the Sum-of-Parts methodology in estimating the fair market value of the Consideration Shares, on a minority basis, following the Proposed Acquisition, by aggregating the estimated fair market values of Accelerate's underlying assets and liabilities, having consideration of the following:

- The value of Accelerate's mineral assets;
- The value of Accelerate's other assets and liabilities;
- The value of Mt Sholl's mineral assets; and
- The value of Mt Sholl's other assets and liabilities.

Our Sum-of-Parts valuation for one Consideration Share is set out in the table below:

Valuation of a Consideration Share	Ref	Low \$	Pref \$	High \$
Value of Accelerate's mineral assets	11.1.1	2,600,000	5,500,000	9,600,000
Value of Accelerate's other assets and liabilities	11.1.2	5,108,003	7,201,873	9,295,742
Value of Mt Sholl's mineral assets	10.1.1	400,000	1,000,000	1,600,000
Value of Mt Sholl's other assets and liabilities	10.1.2	-	-	-
<b>Total value of Accelerate following the Proposed Acquisition</b>		<b>8,108,003</b>	<b>13,701,873</b>	<b>20,495,742</b>
Adjusted number of shares outstanding	11.1.3	604,971,321	604,971,321	604,971,321
<b>Value per share (\$) (control)</b>		<b>0.0130</b>	<b>0.0226</b>	<b>0.0339</b>
Minority discount	11.1.4	26%	23%	20%
<b>Value per share (\$) (minority) (rounded)</b>		<b>0.010</b>	<b>0.017</b>	<b>0.027</b>

We have assessed the value of a Consideration Share following the Proposed Acquisition (on a minority interest basis) to be in the range of \$0.010 and \$0.027, with a preferred value of \$0.017.

### 11.1.1. Valuation of Accelerate's Mineral Assets

In performing our valuation of Accelerate's mineral assets, we have relied on the ITAVR prepared by VRM which includes an assessment of the market value of Accelerate's interests in the following projects:

- East Pilbara Manganese (100% interest);
- Mt Sholl East (75% interest);
- Roebourne South (75% interest);
- Pilbara Lithium (100% interest); and
- Comet Project (100% interest).

We instructed VRM to provide an independent market valuation of the mineral assets held by Accelerate. VRM considered a number of different valuation methods when valuing the mineral assets of Accelerate. VRM predominantly applied the geoscientific/Kilburn approach as the primary valuation methodology, except for the Inferred Mineral Resource Estimate at the Woodie Woodie North Project (within East Pilbara Manganese) which it used comparable transactions.

The range of values for Accelerate's mineral assets as determined by VRM is set out below:

Accelerate's Mineral Assets	Low	Pref	High
	\$m	\$m	\$m
East Pilbara Manganese - 100% interest	1.4	2.4	4.6
Mt Sholl East - 75% interest	0.2	0.4	0.6
Roebourne South - 75% interest	0.2	0.4	0.7
Pilbara Lithium - 100% interest	0.3	0.9	1.6
Comet Project - 100% interest	0.6	1.4	2.2
<b>Total (rounded)</b>	<b>2.6</b>	<b>5.5</b>	<b>9.6</b>

Source: Technical Specialist Report, Appendix 4

The table above indicates a range of values between \$2.6 million and \$9.6 million, with a preferred value of \$5.5 million. For further information on VRM's approach and conclusions, refer to the VRM ITAVR, which is included as Appendix 4 of our Report.

### 11.1.2. Valuation of Accelerate's Other Assets and Liabilities

The other assets and liabilities of Accelerate represent the assets and liabilities that have not been specifically addressed elsewhere in our Sum-of-Parts valuation. From our discussions with Accelerate and analysis of the other assets and liabilities, outlined in the table below, we do not consider there to be a material difference between book value and fair value, unless an adjustment has been noted below.

Other assets and liabilities of Accelerate	Note	Audited as at 30-Jun-23 \$	Adjusted Low \$	Adjusted Pref \$	Adjusted High \$
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	a)	2,037,164	4,030,870	4,030,870	4,030,870
Other current assets		153,444	153,444	153,444	153,444
<b>TOTAL CURRENT ASSETS</b>		<b>2,190,608</b>	<b>4,184,314</b>	<b>4,184,314</b>	<b>4,184,314</b>
<b>NON-CURRENT ASSETS</b>					

Other assets and liabilities of Accelerate	Note	Audited as at 30-Jun-23 \$	Adjusted Low \$	Adjusted Pref \$	Adjusted High \$
Exploration and evaluation expenditure	b)	4,499,391	-	-	-
Other non-current assets	c)	1,236,261	1,236,261	3,330,131	5,424,000
Plant and equipment		108,660	108,660	108,660	108,660
<b>TOTAL NON-CURRENT ASSETS</b>		<b>5,844,312</b>	<b>1,344,921</b>	<b>3,438,791</b>	<b>5,532,660</b>
<b>TOTAL ASSETS</b>		<b>8,034,920</b>	<b>5,529,235</b>	<b>7,623,105</b>	<b>9,716,974</b>
<b>CURRENT LIABILITIES</b>					
Trade and other payables		320,768	320,768	320,768	320,768
Provision		100,464	100,464	100,464	100,464
<b>TOTAL CURRENT LIABILITIES</b>		<b>421,232</b>	<b>421,232</b>	<b>421,232</b>	<b>421,232</b>
<b>TOTAL LIABILITIES</b>		<b>421,232</b>	<b>421,232</b>	<b>421,232</b>	<b>421,232</b>
<b>NET ASSETS</b>		<b>7,613,688</b>	<b>5,108,003</b>	<b>7,201,873</b>	<b>9,295,742</b>

Source: BDO analysis

### Note a) Cash and cash equivalents

We have adjusted cash and cash equivalents as at 30 June 2023 to reflect movements over the period from 1 July 2023 to 30 September 2023. Our adjusted cash position is based on the Company's quarterly cash flow report for the period ended 30 September 2023, as well as certain subsequent events detailed below. We have adjusted the cash position for the cash consideration paid for the Welcome Exploration Transaction, and the cash raised by the 2023 Placement (net of a 6% broker fee as disclosed in the ASX announcement on 6 October 2023). The adjustments to cash and cash equivalents are set out below.

Cash Adjustments	\$
Opening Balance as at 30 September 2023	737,470
Less: Welcome Exploration Transaction - Payment of Cash Consideration	(100,000)
Add: 2023 Placement - Execution of Capital Raise	3,610,000
Less: 2023 Placement - Payment of Broker Fee	(216,600)
<b>Closing Balance</b>	<b>4,030,870</b>

### Note b) Exploration and evaluation assets

The exploration and evaluation assets line item represents the book value of Accelerate's mineral assets. We have adjusted this balance to nil in our valuation of other assets and liabilities because the value of Accelerate's mineral assets is covered in Section 11.1.1 of our Sum-of-Parts valuation.

### Note c) Other non-current assets

The other non-current assets of Accelerate relate to Accelerate's holdings in Vytas. We have adopted a range for the value of Accelerate's interest in Vytas. The low value of the range is the book value recorded in the Company's audited accounts as at 30 June 2023, which is reflective of the historical cost of the investment to the Company.

The high value of the range is informed by the recent capital raisings (\$1.15 million during the financial year ended 30 June 2023 and a further \$1.84 million in September 2023) conducted by Vytas which were detailed in Section 5.3 of our Report. Both these raisings were conducted at a \$0.20 Vytas share price and were of sufficient size relative to Vytas' issued capital at the time for us to consider them as part of our

valuation range. Using this \$0.20 share price for Vytas and based on the 27.12 million shares that Accelerate owns, we have adopted a value of the investment of \$5,424,000 at the high end of the range.

Our assessed value of Accelerate’s investment in Vytas is therefore between approximately \$1.24 million and \$5.42 million. With no preference for either end of the range, our preferred value is the midpoint of the range, being approximately \$3.33 million.

### 11.1.3. Number of Consideration Shares

As detailed in Section 5.7 of our Report, the Company has 569,101,756 shares on issue prior to the Proposed Acquisition. To arrive at the number of shares following the Proposed Acquisition, we have adjusted the number of shares on issue prior to the Proposed Acquisition to account for the issue of the Consideration Shares.

Adjusted number of shares	Ref	No.
Current number of Accelerate shares on issue	5.7	569,101,756
Number of Consideration Shares to be issued	4	35,869,565
<b>Value of the Consideration Shares (\$) (minority interest, rounded)</b>		<b>604,971,321</b>

Source: BDO Analysis

### 11.1.4. Minority Discount

The Sum-of-Parts value per share reflects the value of an Accelerate share on a controlling basis. In order to value an Accelerate share on a minority interest basis, we have included a minority interest discount that is based on our analysis set out in Appendix 3.

A minority interest discount is the inverse of a premium for control and is calculated using the formula  $[1 - (1 \div (1 + \text{control premium}))]$ . As discussed in Appendix 3, we consider an appropriate control premium for Accelerate to be in the range of 25% to 35%, giving a minority interest discount in the range of 20% to 26%, with a rounded midpoint of 23%.

## 11.2 Quoted Market Prices for Accelerate Securities

To provide a comparison to the valuation of Accelerate in Section 11.1, we have also assessed the quoted market price for an Accelerate share.

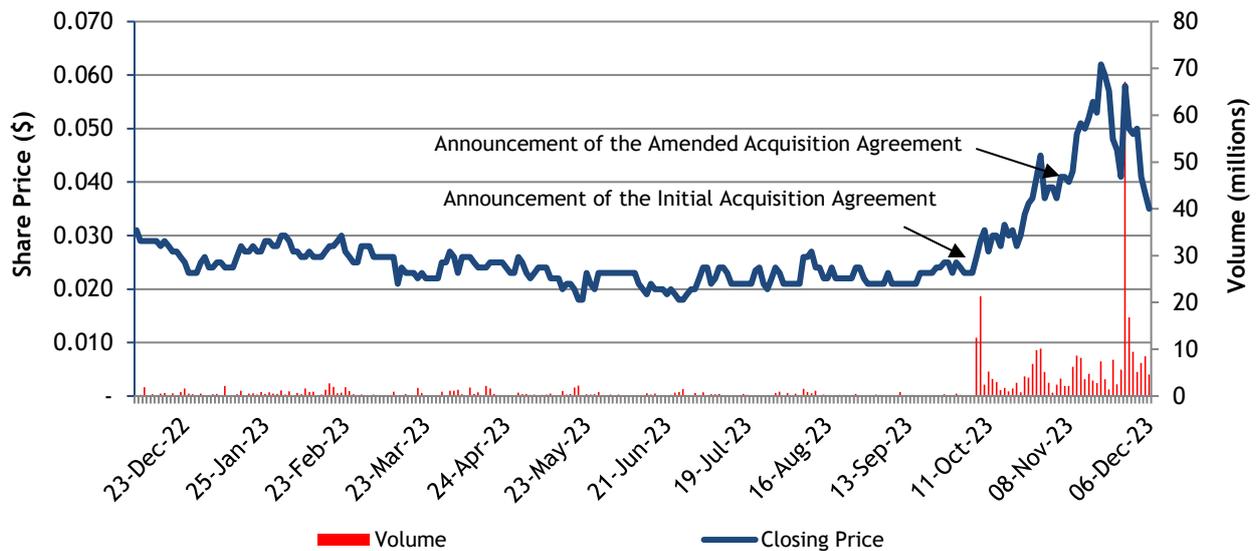
The quoted market value of a company’s shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

### Minority interest value

Our analysis of the quoted market price of an Accelerate share includes pricing following the announcement of the Proposed Acquisition. This is to ensure any change in value as a result of the announcement of the Proposed Acquisition is accounted for.

The following chart provides a summary of the share price movement over the 12 months to 6 December 2023, which is a 12-month period covering the announcement of the Proposed Acquisition.

### Accelerate share price and trading volume history



Source: Bloomberg

The daily price of Accelerate shares from 7 December 2022 to 6 December 2023 has ranged from a low of \$0.018 on 27 June 2023 to a high of \$0.062 on 20 November 2023. The highest single day of trading over the assessed period was 28 November 2023, when 67,129,755 of shares were traded (approximately 11.8% of the Company’s current issued capital). On that day, the Company announced results from rock samples at the Prinsep Lithium Project which indicated lithium mineralisation of up to 1.8 kilometres. The Company’s shares closed 41.5% higher on the day at \$0.058 but have since fallen below that level.

During this period a number of announcements were made to the market. The key announcements are set out below.

Date	Announcement	Closing Share Price Following Announcement		Closing Share Price Three Days After Announcement	
		\$ (movement)		\$ (movement)	
30/11/2023	Maiden Manganese Mineral Resources Supports Growth Potential	0.0490	▼ 2.0%	0.0380	▼ 22.4%
28/11/2023	AX8 Prinsep Lithium Project Mineralisation Over 1.8km	0.0580	▲ 41.5%	0.0500	▼ 13.8%
21/11/2023	AX8 Appoints New CEO to Drive Karratha Lithium Projects	0.0600	▼ 3.2%	0.0460	▼ 23.3%
01/11/2023	Fieldwork Commences at the Karratha Lithium Projects	0.039	▲ 5.4%	0.041	▲ 5.1%
27/10/2023	Quarterly Activities/Appendix 5B Cash Flow Report	0.041	▲ 10.8%	0.039	▼ 4.9%
09/10/2023	AX8 Karratha Lithium Projects Presentation October 2023	0.029	▲ 11.5%	0.030	▲ 3.4%
06/10/2023	Accelerate Resources Investor Presentation October 2023	0.026	▲ 13.0%	0.027	▲ 3.8%
06/10/2023	\$3.6mil Funding to Fast Track Karratha Lithium Projects	0.026	▲ 13.0%	0.027	▲ 3.8%
04/10/2023	AX8 Woodie Woodie North Manganese Drilling Results	0.023	▶ 0.0%	0.029	▲ 26.1%

Date	Announcement	Closing Share Price Following Announcement			Closing Share Price Three Days After Announcement		
		\$	(movement)	%	\$	(movement)	%
04/10/2023	Trading Halt	0.023	▶	0.0%	0.029	▲	26.1%
06/09/2023	AX8 Expands Lithium Exploration in Pilbara and Murchison	0.023	▲	9.5%	0.021	▼	8.7%
07/08/2023	AX8 Drilling Increases Scale of Manganese Zone at WWN	0.021	▶	0.0%	0.027	▲	28.6%
27/07/2023	Lithium Exploration Commences at AX8's East Pilbara Projects	0.022	▲	10.0%	0.021	▼	4.5%
25/07/2023	Quarterly Activities/Appendix 5B Cash Flow Report	0.021	▼	12.5%	0.024	▲	14.3%
05/07/2023	AX8 Expands East Pilbara Lithium Project Footprint	0.024	▶	0.0%	0.024	▶	0.0%
16/05/2023	AX8 Commences Resource Drilling at Woodie Woodie North	0.021	▲	5.0%	0.018	▼	14.3%
27/04/2023	Quarterly Activities/Appendix 5B Cash Flow Report	0.023	▶	0.0%	0.023	▶	0.0%
14/04/2023	Cash Injection of \$450K Through Sale of Currie Rose Shares	0.024	▶	0.0%	0.025	▲	4.2%
05/04/2023	AX8 Achieves 99.9% High Purity Mn Sulphate in Testwork	0.026	▲	13.0%	0.025	▼	3.8%
14/03/2023	AX8 Partners with US Based Energy Storage Technology Group	0.021	▼	19.2%	0.023	▲	9.5%
13/03/2023	Revised - Initial Results At East Pilbara Lithium Project	0.026	▶	0.0%	0.023	▼	11.5%
10/03/2023	Initial Results Received At The East Pilbara Lithium Project	0.026	▶	0.0%	0.024	▼	7.7%
16/02/2023	Regional-Scale Manganese Corridors Confirmed	0.027	▲	3.8%	0.029	▲	7.4%
09/02/2023	High Grade Manganese Drill Results from Woodie Woodie North	0.026	▶	0.0%	0.026	▶	0.0%
31/01/2023	Quarterly Activities and Cash Flow Reports	0.028	▶	0.0%	0.029	▲	3.6%

Source: Bloomberg, BDO analysis

On 30 November 2023, Accelerate released a global maiden Mineral Resource Estimate of 1.2 Mt at 19.1% manganese (based on a 15% manganese cut-off) in relation to the Company's Woodie Woodie North Manganese Project (which is part of the Company's East Pilbara Manganese Project). On the date of the announcement the share price decreased 2.0%, to close at \$0.049, before decreasing 22.4% over the subsequent three-day trading period to close at \$0.038.

On 28 November 2023, the Company announced rock sample results at the Prinsep Lithium Project which indicated lithium mineralisation of up to 1.8 kilometres as discussed above. The Company's share price closed 41.5% higher on the day but decreased 13.8% to close at \$0.050 over the next three trading days. This large price movement over a short period highlights the volatility in Accelerate's share price and also could be indicative of speculative behaviour of investors in the lithium sector (discussed further in Section 11.3).

On 21 November 2023, Accelerate announced it had appointed Luke Meter as Chief Executive Officer effective 1 January 2024. In the same announcement it also disclosed that Ms Yaxi Zhan will transition from Managing Director to Executive Director. Accelerate's share price fell 3.2% on the day of the announcement and closed 23.3% lower over the subsequent three-day trading period at \$0.046.

On 1 November 2023, Accelerate announced the key terms of the Amended Acquisition Agreement. In the same announcement, it also announced it had completed high resolution aerial imagery and digital elevation survey at the Prinsep Lithium Project. The announcement also disclosed that Dr Steve Bodon, Accelerate’s current Executive Director (Technical), will transition to his previous role as Non-Executive Director (Technical) from 1 January 2024. Shares in Accelerate rose 5.4% on the day to close at \$0.039 before closing 5.1% higher at \$0.041 over the subsequent three trading days.

On 27 October 2023, Accelerate released its quarterly activities and cash flow report for the period ended 30 September 2023. On the date of the announcement the share price increased 10.8%, to close at \$0.041, before decreasing 4.9% over the subsequent three-day trading period to close at \$0.039.

On 9 October 2023, Accelerate released its October Investor Presentation in relation to the Proposed Acquisition of the Karratha Lithium Projects. On the date of the announcement the share price increased 11.5%, to close at \$0.029, before increasing 3.4% over the subsequent three-day trading period to close at \$0.030.

On 6 October 2023, Accelerate announced the Initial Acquisition Agreement for the Karratha Lithium Projects, the acquisition of the Welcome Exploration Assets, and the 2023 Placement. On the same date, the company also released its October Investor Presentation in relation to the Company’s projects. On the date of the announcement the share price increased 13.0%, to close at \$0.026, before increasing 3.8% over the subsequent three-day trading period to close at \$0.027.

On 27 July 2023, Accelerate announced that it had made two new tenement applications (E45/6604 and 6615) at the Company’s East Pilbara Lithium Project. It also disclosed the work planned for an upcoming field trip would involve rock chip sampling and scouting for additional pegmatites, and that it will fast track the granting of tenements and associated permitting to advance drill ready targets. On the date of the announcement the share price increased 10.0%, to close at \$0.022, before decreasing 4.5% over the subsequent three-day trading period to close at \$0.021.

On 25 July 2023, Accelerate released its quarterly activities and cash flow report for the period ended 30 June 2023. On the date of the announcement the share price decreased 12.5%, to close at \$0.021, before increasing 14.3% over the subsequent three-day trading period to close at \$0.024.

On 5 April 2023, Accelerate released the results from the test work program at the Company’s East Pilbara Manganese Project. On the date of the announcement the share price increased 13.0%, to close at \$0.026, before decreasing 3.8% over the subsequent three-day trading period to close at \$0.025.

On 14 March 2023, Accelerate announced that it had signed a Heads of Agreement with a US-based company, RedoxBlox Inc., to explore the future supply of manganese products from the Company’s East Pilbara Manganese Project. On the date of the announcement, the share price decreased 19.2%, to close at \$0.021, before increasing 9.5% over the subsequent three-day trading period to close at \$0.023.

To provide further analysis of the market prices for an Accelerate share, we have also considered the weighted average market price for 1, 10, 30, 60 and 90 day periods to 6 December 2023.

	6-Dec-23	10 Days	30 Days	60 Days	90 Days
Closing Price	\$0.035				
Volume Weighted Average Price	\$0.038	\$0.052	\$0.049	\$0.045	\$0.045

Source: Bloomberg, BDO analysis

An analysis of the volume of trading in Accelerate shares for the twelve months to 6 December 2023 is set out below:

Trading days	Share price low	Share price high	Cumulative Volume traded	As a % of Issued capital
1 day	\$0.035	\$0.039	4,610,201	0.81%
10 days	\$0.035	\$0.065	134,660,212	23.66%
30 days	\$0.033	\$0.065	230,725,189	40.54%
60 days	\$0.021	\$0.065	298,084,196	52.38%
90 days	\$0.020	\$0.065	306,459,452	53.85%
180 days	\$0.018	\$0.065	343,277,688	60.32%
1 year	\$0.018	\$0.065	384,054,787	67.48%

Source: Bloomberg, BDO analysis

This table indicates that Accelerate’s shares display a moderately high level of liquidity, with 67.48% of the Company’s current issued capital being traded in a twelve-month period. RG 111.86 states that for the quoted market price methodology to be an appropriate methodology there needs to be a ‘liquid and active’ market in the shares and allowing for the fact that the quoted price may not reflect their value should 100% of the securities not be available for sale. We consider the following characteristics to be representative of a liquid and active market:

- Regular trading in a company’s securities;
- Approximately 1% of a company’s securities are traded on a weekly basis;
- The spread of a company’s shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company’s shares should meet all of the above criteria to be considered ‘liquid and active’, however, failure of a company’s securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Accelerate, we consider the shares to display a moderately high level of liquidity, on the basis that more than 1% of Accelerate’s current issued capital being traded weekly on average, with 67.48% being traded over a twelve-month period, and 60.32% being traded in the last 180 trading days.

We have also assessed the trading volumes for Accelerate shares on a weekly basis over the twelve months to 6 December 2023, and found the mean and median weekly trading volume was approximately 1.29% and 0.39% of Accelerate’s current issued capital respectively. Of the 52 weeks in which our analysis is based on, more than 1% of Accelerate’s securities have been traded in 12 of those weeks.

Our assessment is that a range of values for Accelerate shares based on market pricing, is between \$0.035 and \$0.052, with a rounded mid-point value of \$0.044.

### 11.3 Assessment on the Value of a Consideration Share

The results of the valuations performed are summarised in the table below:

	Low \$	Preferred \$	High \$
Sum-of-Parts (Section 11.1)	0.010	0.017	0.027
QMP (Section 11.2)	0.035	0.044	0.052

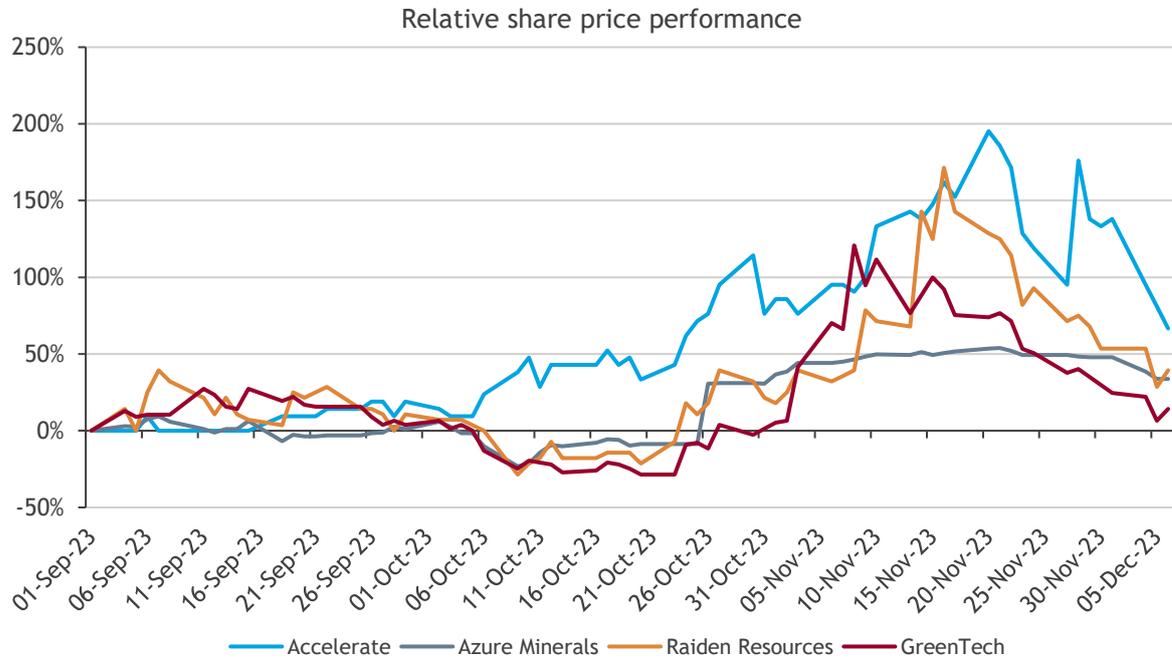
Source: BDO analysis

We consider the Sum-of-Parts approach to be the most appropriate methodology to value a Consideration Share as the core value lies within Accelerate’s and Mt Sholl’s mineral assets, which have been independently valued by VRM, an independent technical specialist in accordance with VALMIN.

We note that the value of Accelerate derived under the QMP approach is higher than that derived under the Sum-of-Parts valuation for the following reasons.

- It is not uncommon for the market price of companies that have exploration and development assets to differ from a valuation prepared by an independent technical specialist for the purposes of an Independent Expert’s Report. This is because investors are not necessarily guided by the principles of VALMIN and ASIC’s Regulatory Guides in forming their valuations, allowing the market price to reflect the potential upside or downside expectations associated with the exploration assets should market conditions change;
- We have instructed VRM to prepare its Independent Technical Assessment and Valuation Report in compliance with the VALMIN Code and other industry guidelines, whilst also adhering to guidance provided by ASIC’s Regulatory Guides. Market participants are not governed by these industry codes and therefore may be basing their valuations on more optimistic technical and economic assumptions; and
- Our QMP analysis was performed over a period when investor interest towards the listed Australian lithium exploration companies (and in particular for assets within the West Pilbara region) has been strong, with indications of some speculative behaviour which could contribute to the elevated share price of the Company. As mentioned in Section 11.2, the large price volatility in the share price of Accelerate on 28 November 2023 (and the days after) following the announcement of the results from rock chip samples at the Company’s Prinsep Lithium Project, could be indicative of this. We note interest within the West Australian lithium exploration sector has been strong particularly following the news that Azure Minerals, a Pilbara-based lithium explorer, had received a takeover offer from Sociedad Química y Minera (‘SQM’) on 26 October 2023. As previously mentioned, Azure Minerals operates the Andover Project approximately 35km east of the Prinsep Lithium Project. This could also have partially contributed to the rise in Accelerate’s share price on 27 October 2023 (+11%) and 28 October 2023 (+10%), noting Accelerate also announced its quarterly activities report on 27 October 2023. Interestingly, this speculative nature of the Western Australian lithium market is not something that is currently being observed in other jurisdictions or in the lithium price itself. As discussed in Section 8.3, the price of lithium has been weakening in recent times.

The elevated level of interest for lithium explorers in the area was not limited to Accelerate. The graph below shows the movement in the share prices of several lithium explorers within the project area from 1 September 2023 to 6 December 2023, compared to Accelerate’s own share price performance.



Source: S&P Capital IQ

In addition to the above, we note that within the latter half of 2023, the broader West Australian lithium sector has seen experienced an increase in corporate activities with several transactions being announced or proposed including the aforementioned Azure Minerals takeover, a failed takeover offer for Liontown Resources Limited by Albemarle Corporation, the acquisition of Essential Metals Limited by Develop Global Limited and the acquisition of interests in several lithium companies by Mineral Resources Limited. These factors may contribute to investor interest in the sector and the speculation driving the share prices of these companies, including Accelerate.

Based on the analysis above, we have assessed the value of an Accelerate share based on the Sum-of-Parts valuation approach to be between \$0.010 and \$0.027 with a preferred value of \$0.017.

#### 11.4 Assessment on the Value of the Consideration

As previously discussed, our valuation of the Consideration is based purely on the value of the Consideration Shares.

Our Sum-of-Parts valuation for the Consideration Shares is set out in the table below:

Valuation of the Consideration Shares	Ref	Low	Pref	High
Value of a Consideration Share (\$/share) (minority interest)	11.3	\$0.010	\$0.017	\$0.027
Number of Consideration Shares	4	35,869,565	35,869,565	35,869,565
<b>Value of the Consideration Shares (\$) (minority interest, rounded to nearest ten thousand)</b>		<b>\$360,000</b>	<b>\$610,000</b>	<b>\$970,000</b>

We have assessed the value of the Consideration Shares following the Proposed Acquisition (on a minority interest basis) to be in the range of \$360,000 to \$970,000, with a preferred value of \$610,000.

## 12. Is the Proposed Acquisition fair?

The value of the Consideration and the value of 100% shares in Mt Sholl is compared below.

	Ref	Low \$	Preferred \$	High \$
Value of 100% of the shares in Mt Sholl (control basis)	10.1	400,000	1,000,000	1,600,000
Value of the Consideration	11.4	360,000	610,000	970,000

We note from the table above that, at each of the corresponding low, preferred and high valuation points, the value of the Consideration is lower than the value of 100% of the shares in Mt Sholl. Accordingly, we consider that the Proposed Acquisition is fair.

## 13. Is the Proposed Acquisition reasonable?

### 13.1 Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Mt Sholl a premium over the value resulting from the Proposed Acquisition.

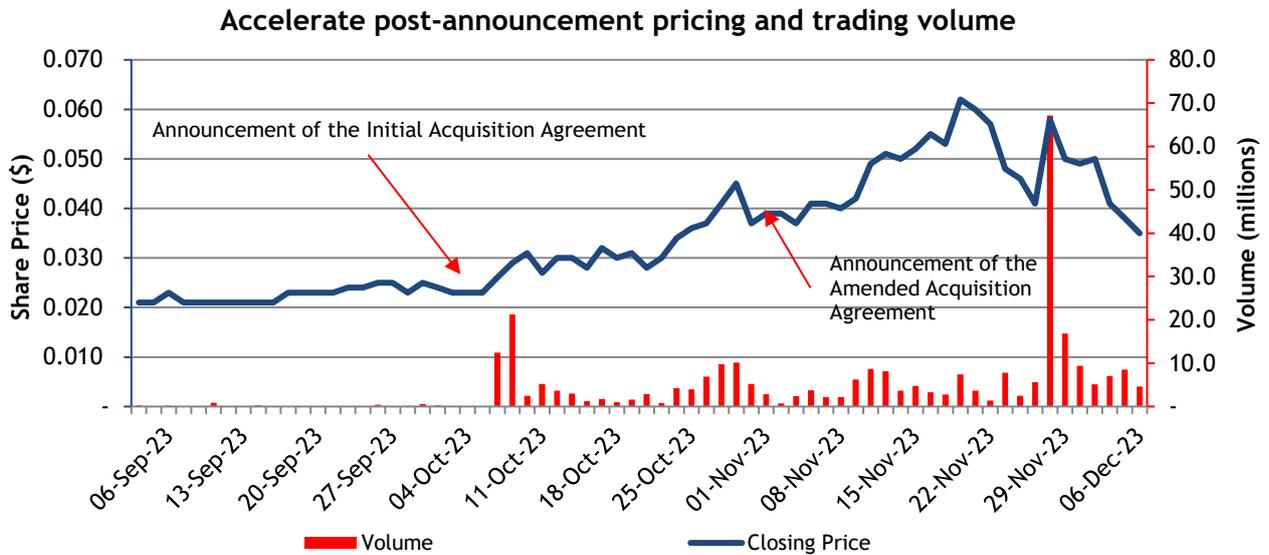
### 13.2 Consequences of not Approving the Proposed Acquisition

#### Consequences

If the Proposed Acquisition is not approved, Accelerate will not acquire the Projects and its exposure to lithium mineral assets in the Pilbara will be limited to its existing tenements.

#### Potential decline in share price

We have analysed movements in Accelerate's share price since the Initial Acquisition Agreement of the Proposed Acquisition was announced. A graph of Accelerate's share price and trading volume leading up to, and following the announcement of the Proposed Acquisition is set out below.



Source: Bloomberg

The closing price of an Accelerate share from 4 September 2023 to 6 December 2023 ranged from a low of \$0.021 on 15 September 2023 to a high of \$0.062 on 20 November 2023.

The Initial Acquisition Agreement was announced on 6 October 2023. On the date that the Initial Acquisition Agreement was announced, the share price closed at \$0.026, up from a closing price of \$0.023 on the previous trading day. On that day, 12,445,965 shares were traded, representing approximately 2.19% of Accelerate’s current issued capital. We note that over the following three trading days, the price of an Accelerate share increased further to \$0.027.

The Amended Acquisition Agreement was announced on 1 November 2023. On the date that the Amended Acquisition Agreement was announced, the share price closed at \$0.039, up from a closing price of \$0.037 on the previous trading day. On that day, 2,827,234 shares were traded, representing approximately 0.50% of Accelerate’s current issued capital. We note that over the following three trading days, the price of an Accelerate share increased further to \$0.041.

Given the above analysis, it is possible that if the Proposed Acquisition is not approved then Accelerate’s share price may decline.

### 13.3 Advantages of Approving the Proposed Acquisition

We have considered the following advantages when assessing whether the Proposed Acquisition is reasonable.

Advantage	Description
The Proposed Acquisition is fair for Shareholders	As set out in Section 12 the Proposed Acquisition is fair. RG 111.12 states that an offer is reasonable if it is fair.
No cash element as part of the Consideration	The Proposed Acquisition does not deplete the funds of Accelerate as the Consideration payable by the Company is in the form of the Consideration Shares, the Performance Shares, and the Royalty on Mt Sholl’s mineral assets. The Consideration has no cash element.

Advantage	Description
	<p>This preserves Accelerate’s existing cash balance so that it can be utilised on developing its expanded portfolio of mineral assets following the Proposed Acquisition.</p> <p>Further, the use of the Consideration Shares and Performance Shares instead of cash avoids the need for Accelerate to raise debt to fund the Proposed Acquisition, allowing the Company to maintain its current debt-free financial position.</p>
Diversification of projects	The Proposed Acquisition provides Accelerate with additional tenements with lithium prospects. A more diversified portfolio of assets may reduce the overall risk of Accelerate.
The Projects are within close proximity to pre-existing infrastructure	As measured from the Prinsep Lithium Project, the Projects are located within 10 km of the Karratha Mining Centre, within 20 km to the Dampier Port and within 60 km to the Wickham Mineral Processing Centre. The Projects are also co-located with sealed roads and rail. The existence of readily available infrastructure may reduce the capital expenditure requirements of future development.
Greater exposure to the Australian lithium industry	<p>If the Proposed Acquisition is approved, Shareholders will gain greater exposure to the Australian lithium industry and, together with its existing 75% interests in Roebourne South and Mt Sholl East, will hold a more comprehensive portfolio of lithium mineral assets in Karratha, bolstering its presence in the region.</p> <p>As a key commodity in the global energy transition, demand for lithium is expected to remain strong in the near future. This, coupled with the fact that the Projects are based in Australia, a developed nation with a stable geopolitical environment, makes the assets more appealing. The lithium industry in Australia is characterised as having low sovereign risk, a strong regulatory environment, and is supported by a growing emphasis on the environmental, social and governance factors.</p>
Potential upside from future transactions with neighbouring tenement holders	<p>The Projects have several neighbouring mining and exploration companies such as Raiden Resources Limited, Greentech Metals Limited and the larger Azure Minerals. Given the cost pressures faced by miners in today’s inflationary environment, the potential for consolidation within the area may provide an attractive option as companies look to achieve economies of scale, particularly for the neighbouring resource companies who already have an understanding and operational experience within the region.</p> <p>We note interest in the Australian lithium sector has risen of late, demonstrated by a number of transactions including the</p>

Advantage	Description
	<p>acquisition of Essential Metals Limited by Develop Global Limited, the takeover attempt of Liontown Resources Limited by Albermarle Corporation and the takeover offer from SQM for Azure Minerals. Mineral Resources Limited has also been an active acquirer of interest in various lithium exploration companies in recent times. As discussed in our analysis of the lithium industry in Section 8 of our Report, although relatively high by historical standards, the price of lithium is currently off its highs achieved during the lithium price spike in 2022.</p> <p>Consolidation within the region could potentially provide further upside to Shareholders, either through the formation of joint ventures with the neighbouring companies or an outright acquisition of the Projects or the Company. We note that we have not assigned any value to this potential in our valuation as we do not have reasonable grounds to include it.</p>
<p>The structure of the Consideration partially protects Shareholders, should the Projects not be economically viable</p>	<p>Part of the Consideration is structured in such a way as to protect Shareholders in the event that the Projects do not become economically viable in the future, preventing the Company from overpaying for the Proposed Acquisition.</p> <p>The Performance Shares and the Royalty are contingent in nature and will only become payable in the event that the Milestones (set out in Section 4) are met, and if production is achieved. We note that satisfying these Milestones and developing the Projects into production would likely be value accretive to Shareholders.</p>

### 13.4 Disadvantages of Approving the Proposed Acquisition

If the Proposed Acquisition is approved, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
<p>Dilution of existing shareholders' interests and reduced level of control over the Company</p>	<p>The issue of the Consideration Shares pursuant to the Proposed Acquisition will dilute the interests of existing Shareholders, thereby reducing their level of control over the Company.</p> <p>Furthermore, should the Performance Shares vest and convert into ordinary shares in Accelerate, existing Shareholders' interests will be diluted further (although, as discussed in Section 13.3 above, the vesting of these Performance Shares occur on fulfillment of the Milestones that are likely to be value accretive to Shareholders).</p>

Disadvantage	Description
Possible change in risk profile for investors	The Proposed Acquisition will result in greater Shareholder exposure to lithium assets as Accelerate will gain the Prinsep Lithium Project and the Mt Sholl Project which are prospective for lithium. Notwithstanding the potential advantages to Shareholders of increasing exposure to the Australian lithium industry discussed in Section 13.3, the increased exposure to lithium mineral assets may not align with the risk preferences of Shareholders who may have invested in the Company for manganese commodity exposure, for example.

## 14. Conclusion

We have considered the terms of the Proposed Acquisition as outlined in the body of this report and have concluded that the Proposed Acquisition is fair and reasonable to the Shareholders of Accelerate.

We consider the Proposed Acquisition to be fair because, at each of the corresponding low, preferred and high valuation points, the value of the Consideration is lower than the value of 100% of the shares in Mt Sholl. Accordingly, we also consider the Proposed Acquisition to be reasonable.

## 15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Explanatory Statement on or about the date of this report;
- Audited financial statements of Accelerate for the years ended 30 June 2023, 30 June 2022, and 30 June 2021;
- Unaudited management accounts of Mt Sholl for the period ended 31 October 2023;
- Independent Valuation Report of Accelerate's and Mt Sholl's mineral assets dated 11 December 2023; performed by Valuation and Resource Management Pty Ltd;
- Amended Acquisition Agreement between Accelerate and Mt Sholl;
- Share registry information of Accelerate;
- Bloomberg;
- S&P Capital IQ;
- Consensus Economics;
- Information in the public domain; and
- Discussions with Directors and Management of Accelerate.

## 16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$35,000 (excluding GST and reimbursement of out of pocket expenses). The fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not



receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Accelerate in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Accelerate, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Mt Sholl and Accelerate and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Mt Sholl and Accelerate and their respective associates.

Neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd, have had within the past two years any professional relationship with Accelerate, or their associates, other than in connection with the preparation of this report.

A draft of this report was provided to Accelerate and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

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## 17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investments Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Sherif Andrawes and Adam Myers of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 35 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 500 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Head of Natural Resources for BDO and a former Chairman of BDO in Western Australia.

Adam Myers is a member of Chartered Accountants Australia & New Zealand and the Joint Ore Reserves Committee. Adam's career spans over 25 years in the audit and corporate finance areas. Adam is a CA BV



Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

## 18. Disclaimers and consents

This report has been prepared at the request of Accelerate for inclusion in the Explanatory Memorandum which will be sent to all Accelerate Shareholders. Accelerate engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider the Proposed Acquisition involving Mt Sholl.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Explanatory Memorandum. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Explanatory Memorandum other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to Mt Sholl. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Proposed Acquisition, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Accelerate, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Accelerate and Mt Sholl.

The valuer engaged for the mineral asset valuation, VRM, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation is appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.



Yours faithfully

**BDO CORPORATE FINANCE (WA) PTY LTD**

A handwritten signature in black ink, appearing to read 'Sherif Andrawes'. The signature is fluid and cursive, with the first name 'Sherif' being more prominent.

**Sherif Andrawes**  
Director

A handwritten signature in black ink, appearing to read 'Adam Myers'. The signature is fluid and cursive, with the first name 'Adam' being more prominent.

**Adam Myers**  
Director

# Appendix 1 - Glossary of Terms

Reference	Definition
\$ or AUD	Australian Dollar
2022 Placement	The institutional placement of 107,142,857 fully paid ordinary shares in Accelerate at \$0.028 per share to raise \$3 million
2023 Placement	The institutional placement of 180,000,000 fully paid ordinary shares in Accelerate at \$0.020 per share to raise \$3.6 million
Accelerate	Accelerate Resources Limited (ASX:AX8)
AFCA	Australian Financial Complaints Authority
Amended Acquisition Agreement	The revised version of the Acquisition Agreement, to replace the cash components of the consideration with additional shares and performance shares in Accelerate, as announced on 1 November 2023
APES 225	Accounting Professional & Ethical Standards Board professional standard APES 225 'Valuation Services'
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
Azure Minerals	Azure Minerals Limited
BDO, We, Us, or Our	BDO Corporate Finance (WA) Pty Ltd
Comet Project	Accelerate's 100% interest in the Comet Project
Conditions Precedent	The conditions that must be satisfied or waived by Accelerate to complete the Proposed Acquisition
Consideration Shares	The 35,869,565 shares in Accelerate to be issued to shareholders of Mt Sholl under the Proposed Acquisition
Corporations Act	The Corporations Act 2001 Cth
CPI	Consumer Price Index
Currie Rose	Currie Rose Resources Inc
DCF	Discounted Future Cash Flows
dmtu	Dry metric tonne units
East Pilbara Manganese	Accelerate's 100% interest in the East Pilbara Manganese Project (which comprises the Woodie Woodie North, Mt Sydney and Ripon Hills East projects)
EIS	The Exploration Incentive Scheme, which is co-funded by the Western Australian Government

Reference	Definition
EV	Electric Vehicle
FME	Future Maintainable Earnings
FSG	Financial Services Guide
Fund Finders	A group of companies that have raised capital exceeding \$10 million in the June 2023 quarter
GDP	Gross Domestic Product
Halcyon	Halcyon Resources Pty Ltd
Halcyon Transaction	The transaction where Accelerate acquired 100% shares in Halcyon in consideration for 7,000,000 fully paid ordinary shares in the Company, priced at \$0.04 per share
Initial Acquisition Agreement	Means the agreement between Accelerate and Mt Sholl to acquire 100% shares in Mt Sholl Pty Ltd by Accelerate Resources Limited, as announced on 6 October 2023
IS 214	Information Sheet 214: Mining and Resources: Forward-looking Statements
ITAVR	Independent Technical Assessment and Valuation Report
JMEI	The Junior Minerals Exploration Incentive, a tax credit-based scheme that was established by the Australian Federal Government to encourage investment in greenfield mineral exploration companies in Australia
JORC	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
Karratha Lithium Projects	Accelerate's 75% interest in the Roebourne South Lithium Project, 75% interest in the Mt Sholl East Lithium Project and 100% interests in the Prinsep Lithium and Mt Sholl Projects
km	Kilometres
Milestone	Means the respective milestone upon which each tranche of the Performance Shares will convert into Accelerate shares (on a one for one basis)
Mt	Million tonnes
Mt Sholl	Mt Sholl Holdings Pty Ltd
NAV	Net Asset Value
NMC	The nickel manganese cobalt oxide variant of the lithium-ion battery
NSR	Net Smelter Return
our Report	This Independent Expert's Report prepared by BDO
Performance Shares	The 160,217,391 performance shares in Accelerate to be issued across four tranches to shareholders of Mt Sholl under the Proposed Acquisition
Pilbara Lithium	Accelerate's 100% interest in the East Pilbara and Windi Lithium Projects

Reference	Definition
Proposed Acquisition	The proposed acquisition of 100% shares in Mt Sholl Pty Ltd by Accelerate Resources Limited
QMP	Quoted market price
RBA	Reserve Bank of Australia
RC	Reverse Circulation Drilling
RedoxBlox	RedoxBlox Inc
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
RG 170	Prospective financial information
RG 76	Related party transactions
Shareholders	Shareholders of Accelerate not associated with the Proposed Acquisition
SQM	Sociedad Química y Minera
Stunalara	Stunalara Metals Limited
Stunalara Transaction	The transaction where Stunalara acquired from Accelerate, 100% interest in the Company's Mt Read Project, in consideration for fully paid ordinary shares in Stunalara valued at \$1,000,000
Sum-of-Parts	Sum of Parts valuation methodology
t	Tonne
The Act	The Corporations Act 2001 Cth
The Board	The Board of the Reserve Bank of Australia
The Company	Accelerate Resources Limited
The Consideration	The consideration payable by Accelerate to shareholders in Mt Sholl for the acquisition of 100% shares in Mt Sholl by Accelerate, under the Proposed Acquisition. The Consideration consists of the Consideration Shares, Performance Shares, and the Royalty
The Projects	The nine tenements held by Mt Sholl being: P47/1754, P47/1755, P47/1752, P47/1753, P47/1756, P47/1796, P47/1797, P47/1798 and L47/779.
The Royalty	The 2% net smelter return royalty on Mt Sholl's mineral assets, awarded to the shareholders of Mt Sholl Holdings Pty Ltd under the Proposed Acquisition
Tranche 1	Tranche 1 of the 2023 Placement, being 85,400,439 fully paid ordinary shares in Accelerate at \$0.020 per share to raise \$1,708,008.78
Tranche 2	Tranche 2 of the 2023 Placement, being 95,099,561 fully paid ordinary shares in Accelerate at \$0.020 per share to raise \$1,901,991.22

Reference	Definition
US\$	United States Dollar
USGS	United States Geological Survey
VALMIN Code or VALMIN	The Australasian Code for Public Reporting of Technical Assessments and Valuation of Mineral Assets (2015 Edition)
VRM	Valuation and Resources Management Pty Ltd
VWAP	Volume weighted average share price
Vytas	Vytas Resources Pty Ltd
WA	Western Australia
Welcome Exploration Transaction	The agreement between Accelerate and Welcome Exploration Pty Ltd, and Accelerate and Donald Kimberly North to acquire a 75% interest in the Roebourne South Lithium Project and a 75% interest in the Mt Sholl East Lithium Project, as announced on 6 October 2023

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For permission requests, write to BDO Corporate Finance (WA) Pty Ltd, at the address below:

The Directors

BDO Corporate Finance (WA) Pty Ltd

Level 9, Mia Yellagonga Tower 2

5 Spring Street

Perth, WA 6000

Australia

## Appendix 2 - Valuation Methodologies

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Methodologies commonly used for valuing assets and businesses are as follows:

### 1 *Net asset value ('NAV')*

Asset based methods estimate the market value of an entity's securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity's valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity's value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity's assets are liquid or for asset holding companies.

### 2 *Quoted Market Price Basis ('QMP')*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a liquid and active market in that security.

### 3 *Capitalisation of future maintainable earnings ('FME')*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax ('EBIT') or earnings before interest, tax, depreciation and amortisation ('EBITDA'). The capitalisation rate or 'earnings multiple' is adjusted to reflect which base is being used for FME.

#### **4 Discounted future cash flows ('DCF')**

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

#### **5 Market Based Assessment**

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

## Appendix 3 - Control Premium

We have reviewed the control premiums on completed transactions, paid by acquirers of ASX-listed diversified metal companies, ASX-listed general mining companies, and all ASX-listed companies over the ten-year period from 2013 to October 2023. In assessing the appropriate sample of transactions from which to determine an appropriate control premium, we have excluded transactions where an acquirer obtained a controlling interest (20% and above) at a discount (i.e., less than a 0% premium) and at a premium in excess of 100%. We have summarised our findings below:

### ASX-Listed Diversified Metal Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	1	53.75	30.38
2022	1	105.12	66.41
2021	1	88.27	29.75
2020	2	33.32	19.57
2019	2	448.57	27.84
2018	1	7.13	15.59
2017	2	7.05	38.68
2016	0	-	-
2015	1	1,566.12	45.84
2014	3	23.15	42.63
2013	3	117.76	57.19

Source: Bloomberg and BDO Analysis

### ASX-Listed General Mining Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	10	200.27	33.09
2022	9	1,929.92	22.67
2021	6	1,235.14	29.89
2020	5	592.04	35.90
2019	9	182.08	41.27
2018	6	68.30	28.27
2017	4	9.28	39.86
2016	10	72.56	50.15
2015	6	318.69	58.37
2014	13	79.54	41.48
2013	12	145.27	37.75

Source: Bloomberg and BDO Analysis

## All ASX-Listed Companies

Year	Number of Transactions	Average Deal Value (\$m)	Average Control Premium (%)
2023	21	411.66	29.76
2022	39	3,199.03	23.39
2021	29	1,348.05	34.75
2020	16	367.97	40.43
2019	29	4,165.55	32.83
2018	26	1,571.79	30.07
2017	24	1,168.71	36.75
2016	28	490.46	38.53
2015	28	948.39	33.53
2014	36	485.46	37.39
2013	32	147.97	35.48

Source: Bloomberg and BDO Analysis

The mean and median of the entire data sets comprising control transactions from 2013 onwards for ASX-listed diversified metal companies, ASX-listed general mining companies and all ASX-listed companies, are set out below:

Entire Data Set Metrics	ASX-Listed Diversified Metal Companies		ASX-Listed Mining Companies		All ASX-Listed Companies	
	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)	Deal Value (\$m)	Control Premium (%)
<b>Mean</b>	189.47	38.80	418.36	38.20	1,390.49	33.46
<b>Median</b>	62.39	30.38	49.58	32.67	115.21	29.06

Source: BDO analysis

In arriving at an appropriate control premium to apply we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer's business;
- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

When performing our control premium analysis, we considered completed transactions where the acquirer held a controlling interest, defined at 20% or above, pre-transaction or proceeded to hold a controlling interest post-transaction in the target company.

We have removed transactions for which the announced premium was in excess of 100%. We have removed these transactions because we consider it likely that the acquirer in these transactions would be paying for special value and/or synergies in excess of the standard premium for control. Whereas the purpose of this analysis is to assess the premium that is likely to be paid for control, not specific strategic value to the acquirer.

The table above indicates that the long-term average control premium by acquirers of ASX-listed diversified metal companies, ASX-listed general mining companies, and all ASX-listed companies is approximately 38.80%, 38.20%, and 33.46% respectively. However, in assessing the transactions included in the table above, we noted that control premiums appeared to be positively skewed.

In a population where the data is skewed, the median often represents a superior measure of central tendency compared to the mean. We note that the median announced control premium over the assessed period was approximately 30.38% for ASX-listed diversified metals companies, 32.67% for ASX-listed general mining companies and 29.06% for all ASX-listed companies.

Due to the low volume of transactions involving ASX-listed diversified metal companies in recent years, we have weighted our analysis towards the median control premiums of transactions associated with ASX-listed general mining and all ASX-listed companies. Based on the above, we consider an appropriate premium for control to be between 25% and 35%.



## Appendix 4 - Independent Technical Assessment and Valuation Report

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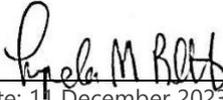
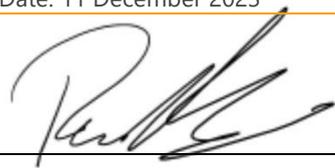


INDEPENDENT TECHNICAL ASSESSMENT  
AND VALUATION REPORT ON  
THE MINERAL ASSETS OF  
ACCELERATE RESOURCES LIMITED  
AND MT SHOLL HOLDINGS PTY LTD

Presented to:  
Accelerate Resources Limited



Date Issued  
11 December 2023

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Peer Review and VRM Approval	Paul Dunbar BSc (Hons) Geol MSc MINEX M AusIMM M AIG	 Date: 11 December 2023
Valuation Date	30 November 2023	

## Executive Summary

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Accelerate Resources Limited (ASX AX8) (**AX8** or the **Company**) but instructed by BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including valuation for the Mineral Assets of Accelerate Limited (ASX: AX8) (**AX8**). The ITAR is prepared to assist BDO in completing an Independent Expert Report (**IER**) associated with AX8's acquisition of Mt Sholl Holdings Pty Ltd (**MSH**) (**Proposed Transaction**) as announced on 6 October 2023 (AX8 ASX release). The BDO IER is required due to there being related party interests in MSH and AX8 and shareholder approval is required under the ASX listing rule 10.1.

The acquisition of 75% of the Welcome Exploration Pty Ltd and Donald Kimberley North tenements (Mt Sholl East and Roebourne South) was announced on 6 October 2023 (AX8 ASX release) and has completed as that transaction did not require shareholder approval. These tenements are valued in this report as being owned 75% by AX8.

This Report has been prepared as a public document, in the format of an independent specialist's report and in accordance with the guidelines of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – the 2015 VALMIN Code (**VALMIN Code**) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (**JORC Code**).

VRM understands that BDO will include the Report within its IER relating to the Proposed Transaction.

This Report is a technical review and valuation opinion of the mineral assets of AX8 and MSH. Applying the principles of the VALMIN Code, VRM has used several valuation methods to determine the value for the mineral assets. Importantly, as neither the principal author nor VRM hold an Australian Financial Securities Licence, this valuation is not a valuation of AX8 and MSH but rather an asset valuation of the companies' mineral properties.

While the transaction was announced on 6 October 2023 the Valuation Date is 30 November 2023, and remains current and applies commodity prices and information available as at 30 November 2023. VRM provided a redacted draft report on 1 December 2023 to BDO for factual accuracy checking by the Company. This report includes updated technical information associated with the factual accuracy checking conducted by the companies.

As commodity prices, exchange rates and cost inputs fluctuate this valuation is subject to change over time. The valuation derived by VRM is based on information provided by AX8 along with publicly available data including ASX releases and published technical information. VRM has made reasonable endeavours to confirm the accuracy, validity and completeness of the technical data which forms the basis of this Report. The opinions and statements in this Report are given in good faith and under the belief that they are accurate and not false nor misleading.

The default currency is Australian dollars (unless otherwise stated). As with all technical valuations the valuation included in this Report is the likely value of the mineral projects and not an absolute value. A

range of likely values for the various mineral assets is provided with that range indicating the accuracy of the valuation. All projects described within this report are located within Western Australia.

### Karratha Lithium Projects

#### Mt Sholl and Prinsep Lithium Projects

The Mt Sholl and Prinsep Project tenements have a total area of 12.3km<sup>2</sup> centred approximately 20km southeast of Karratha. These Projects the subject to the Proposed Transaction and are owned by MSH a related party.

#### Roebourne South and Mt Sholl East Lithium Projects

The Roebourne South and Mt Sholl East Lithium Projects are held by Welcome Exploration Pty Ltd and Donald Kimberley North. The projects have an area of around 77km<sup>2</sup> and are located approximately 25km south southeast of Karratha.

#### East Pilbara Lithium Project

The East Pilbara Group of tenements are located 20-50km northeast to south east of Marble Bar. They consist of three granted exploration licences totalling 422km<sup>2</sup> and five exploration applications totalling 623km<sup>2</sup> and are held 100% by Accelerate.

VRM has estimated the value of the projects on an equity ownership basis considering the technical information supporting each project's respective prospectivity. The exploration potential has been valued using a Geoscientific or Kilburn method as the primary method with a supporting or secondary valuation undertaken using a Prospectivity Enhancement Multiplier (PEM) method.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

#### East Pilbara Manganese Projects

The Projects are situated approximately 125km east of Marble Bar, 70km to the north of the Woodie Woodie Manganese Mine and 240km from the port of Port Hedland. The East Pilbara Manganese Projects comprise the Woodie Woodie North, Mt Sydney and Ripon Hills East Projects covering an area of 633 km<sup>2</sup>. The Manganese deposits and occurrences are located on the east and west sides of the Oakover basin.

VRM has estimated the value of the project considering the technical information available. As at the valuation date the Woodie Woodie North Manganese Projects contain declared Mineral Resource estimates and Exploration Targets prepared applying the guidelines of the JORC Code, (ASX: AX8 30 November 2023). The Mineral Resources were valued using a comparable transaction method as the primary valuation technique with additional exploration value estimated using the Geoscientific/Kilburn approach. A secondary valuation was determined based on the Yardstick approach and the PEM approach.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

## Comet Gold / Lithium Project, Western Australia

The project is located 7km southeast of Cue in the Murchison Region of Western Australia and consists of four exploration licenses and two exploration licence applications for a total of 342km<sup>2</sup>. Part of the tenement package is prospective for gold and part is potentially prospective for lithium. Importantly the lithium potential is conceptual and preliminary work has been conducted by the company however the results are not available.

VRM has estimated the value of the project on an equity ownership basis considering the technical information supporting its prospectivity. This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes. The project value was determined using the Geoscientific/Kilburn method as the primary method and the PEM approach as the secondary or supporting method.

## Valuation Opinion

VRM has estimated the value of the Mineral Assets of Accelerate and MSH considering the technical information available as at the valuation date as described further in the body of this report.

There are declared Mineral Resource estimates and a Mineral Exploration Target estimated for the Woodie Woodie North Project. There are no other estimated Mineral Resources or Ore Reserves within any of the other Projects owned by Accelerate.

The East Pilbara Manganese Projects, 100% owned by Accelerate were primarily valued using a comparable transaction method based on resource multiples method for Woodie Woodie North with additional value added using the Geoscientific/Kilburn method for the exploration on the surrounding tenements. The secondary supporting valuation was made using the Yardstick method for Woodie Woodie North supported by the PEM method to value the exploration upside.

The Karratha, East Pilbara Lithium and Comet Gold / Lithium Projects were valued using a Geoscientific/Kilburn Method and the primary technique supported by the PEM method as a secondary technique.

This report documents the technical aspects of the tenements along with explaining valuations for the properties applying the principles and guidelines of the VALMIN and JORC Codes.

In VRM's opinion the royalty of 2% which is included in the Proposed Transaction has no material value due to the early stage of exploration within the tenements which are subject to the royalty.

## Conclusions

In determining the value of the Accelerate Mineral Assets VRM has considered the Mineral Resources, and exploration potential of the East Pilbara Manganese Projects, the East Pilbara Lithium Project, the Comet Gold/Lithium Project and the recently acquired Mt Sholl East and Roebourne South Projects. In VRM's opinion, the Mineral Assets owned by Accelerate have a market value of between **A\$2.6 million** and **A\$9.5 million** with a preferred value of **A\$5.5 million**.

VRM has assessed the recent exploration results and exploration potential within the tenements owned by Mt Sholl Holdings Pty Ltd being Mt Sholl and Prinsep which are subject to the Proposed Transaction and considers that they have a market value of between **A\$0.4 million** and **A\$1.6 million** with a preferred value of **A\$1.0 million**.

These valuations and the value of the individual project assets is summarised in Table ES-1 below.

Table ES-1 – Preferred Valuation Summary  
Note appropriate rounding has been applied to the valuation.

Project		Valuation	Method	Lower Valuation (\$ million)	Preferred Valuation (\$ million)	Upper Valuation (\$ million)
<b>Accelerate Mineral Assets</b>						
Woodie Woodie N Project MRE	<b>MRE Inferred</b>	<b>Primary</b>	<b>Comparable</b>	<b>0.6</b>	<b>0.8</b>	<b>2.2</b>
Woodie Woodie N Project MRE	MRE + Exploration Target	Secondary	Yardstick	1.5	2.4	3.3
Woodie Woodie N Project Expl.	<b>Exploration + Target</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.8</b>	<b>1.6</b>	<b>2.4</b>
Woodie Woodie N Project All	Exploration + MRE	Secondary	PEM	4.3	4.8	5.2
East Pilbara Mn Project Total		<b>Primary</b>		<b>1.4</b>	<b>2.4</b>	<b>4.5</b>
East Pilbara Mn Project Total		Secondary		1.5	2.4	3.3
Mt Sholl East	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.2</b>	<b>0.4</b>	<b>0.6</b>
Mt Sholl East	Exploration	Secondary	PEM	0.3	0.3	0.3
Roebourne South	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.2</b>	<b>0.4</b>	<b>0.7</b>
Roebourne South	Exploration	Secondary	PEM	0.4	0.4	0.5
East Pilbara Lithium	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.3</b>	<b>0.9</b>	<b>1.6</b>
East Pilbara Lithium	Exploration	Secondary	PEM	0.2	0.2	0.2
Comet	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.6</b>	<b>1.4</b>	<b>2.2</b>
Comet	Exploration	Secondary	PEM	0.8	0.9	1.0
<b>Accelerate Total Mineral Asset Valuation</b>		<b>Primary</b>		<b>2.6</b>	<b>5.5</b>	<b>9.5</b>
		Secondary		3.0	4.2	5.4
<b>Mt Sholl Holdings Pty Ltd Mineral Assets</b>						
Prinsep	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.3</b>	<b>0.9</b>	<b>1.4</b>
Prinsep	Exploration	Secondary	PEM	0.2	0.2	0.2
Mt Sholl	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>
Mt Sholl	Exploration	Secondary	PEM	0.5	0.5	0.6
<b>Mt Sholl Holdings Pty Ltd Mineral Asset Valuation</b>		<b>Primary</b>		<b>0.4</b>	<b>1.0</b>	<b>1.6</b>
		Secondary		0.6	0.7	0.8

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# 1. Introduction

Valuation and Resource Management Pty Ltd (**VRM**) was engaged by Accelerate (ASX: **AX8**) (**Accelerate** or the **Company**) but instructed by BDO Corporate Finance (WA) Pty Ltd (**BDO**) to prepare an Independent Technical Assessment Report (**Report** or **ITAR**), including a valuation for the Mineral Assets of Accelerate and Mt Sholl Holdings Pty Ltd (**MSH**). The ITAR is prepared to assist BDO in completing an Independent Expert Report (**IER**) in relation to the proposed transaction between MSH and Accelerate over the Mt Sholl and the Prinsep Lithium Projects (**Proposed Transaction**).

The main Mineral Assets are the Karratha Lithium Projects (including the MSH Projects), (Figure 1 and Table 1), the East Pilbara Lithium Projects (Figure 2), the East Pilbara Manganese Projects (Figure 3) and the Comet Gold/Lithium Project (Figure 4).

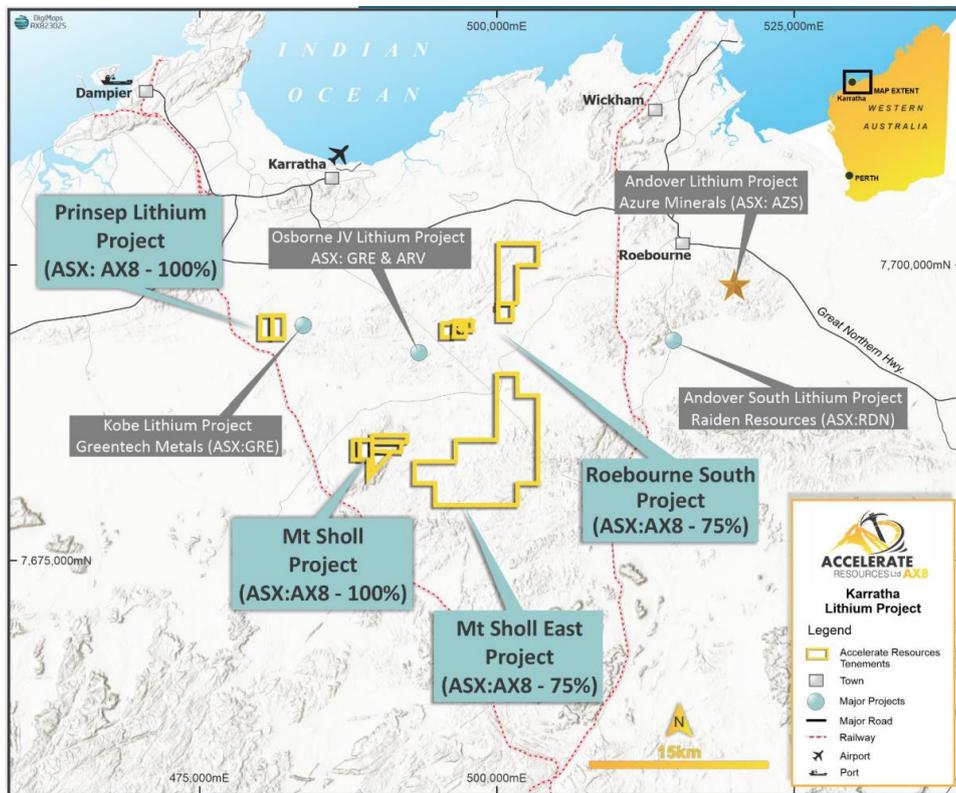


Figure 1: Location of the Karratha Lithium Projects including MSH held Prinsep and Mt Sholl projects.  
(Source: ASX:AX8)

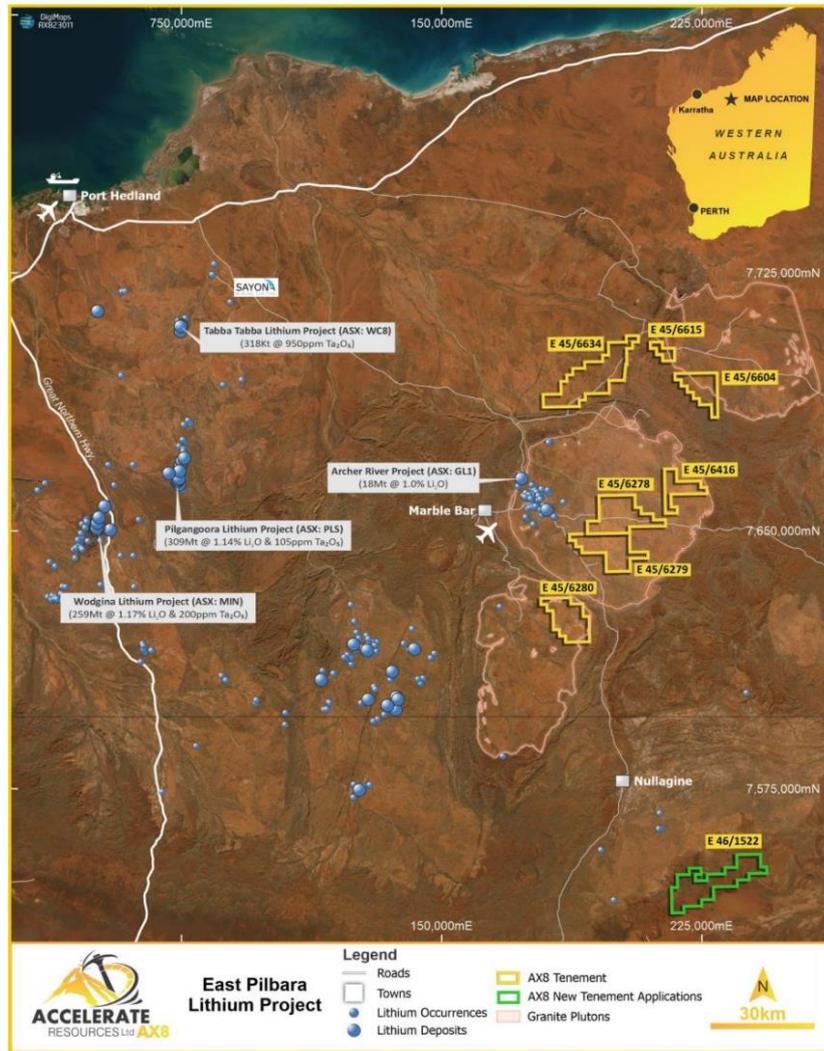


Figure 2: Location of the East Pilbara Lithium Projects  
(Source: ASX:AX8)

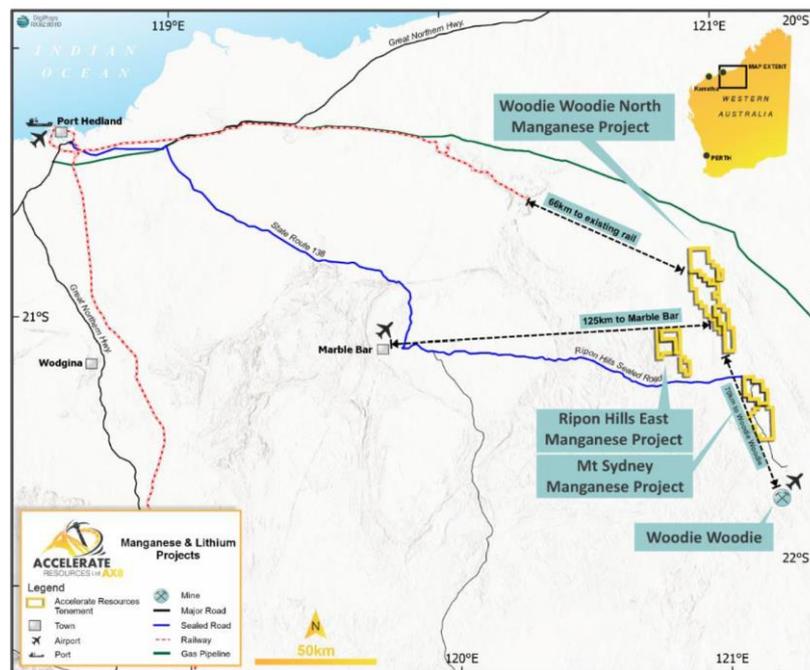


Figure 3: Location of the East Pilbara Manganese Projects  
(Source: ASX:AX8)

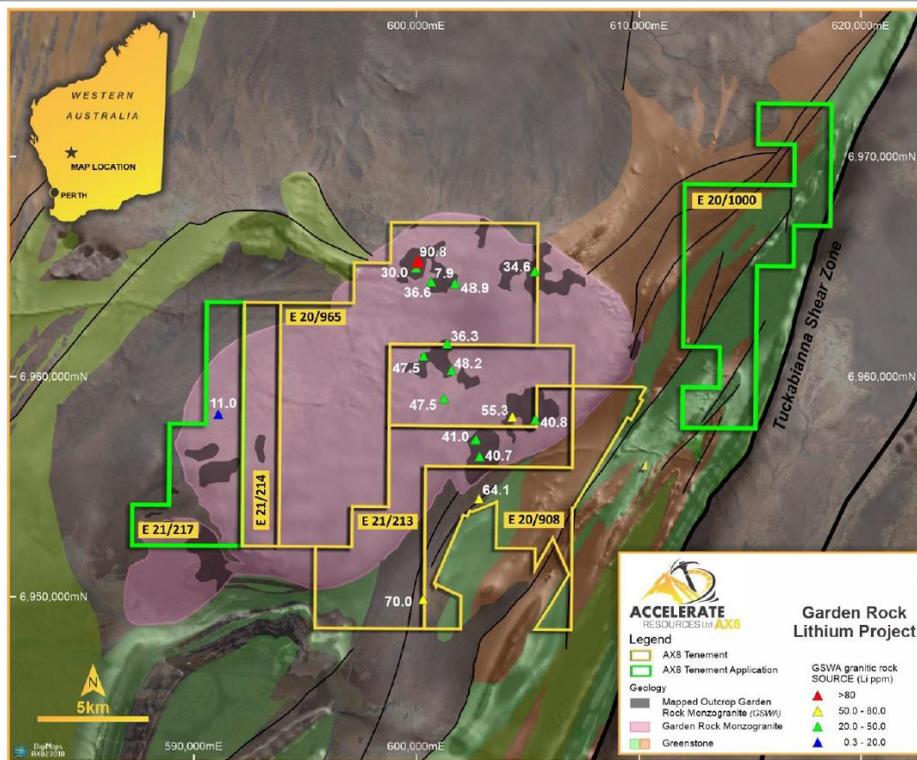


Figure 4: Location of the Comet Gold/Lithium Project  
(Source: ASX:AX8)

## 1.1. Compliance with the JORC and VALMIN Codes and ASIC Regulatory Guides

In preparing the ITAR, VRM has applied the guidelines and principles of the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets – 2015 VALMIN Code (VALMIN)* and the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the 2012 JORC Code (JORC)*. Both industry codes are mandatory for all members of the Australasian Institute of Mining and Metallurgy (**AusIMM**) and the Australian Institute of Geoscientists (**AIG**). These codes are also requirements under Australian Securities and Investments Commission (**ASIC**) rules and guidelines and the listing rules of the Australian Securities Exchange (**ASX**).

This ITAR is a Public Report as described in the VALMIN Code (Clause 5) and the JORC Code (Clause 9). It is based on, and fairly reflects, the information and supporting documentation provided by Accelerate, previous owners and associated Competent Persons as referenced in this ITAR and additional publicly available information.

## 1.2. Scope of Work

VRM's primary obligation in preparing this ITAR is to independently describe and value the Mineral Assets of the company applying the guidelines of the JORC and VALMIN Codes. These require that the Report contains all the relevant information at the date of disclosure, which investors and their professional advisors would reasonably require in making a reasoned and balanced judgement regarding the Projects.

VRM has compiled the Report based on the principle of reviewing and interrogating both the documentation of the companies involved and their consultants, and other previous exploration within the area. This Report is a summary of the work conducted, completed, and reported by the companies

from pegging or acquisition of the Projects to 30 November 2023, based on information supplied to VRM by both companies, and other information sourced in the public domain, to the extent required by the VALMIN and JORC Codes.

VRM understands that its review and Report will be included in the BDO IER, as such it is understood that the Report will be a public document. Accordingly, this report has been prepared in accordance with the requirements of the 2015 VALMIN Code.

### 1.3. Statement of Independence

VRM was engaged to undertake an ITAR of the Projects that comprise the asset portfolio of Accelerate. This work was conducted applying the principles of the JORC and VALMIN Codes, which in turn reference ASIC Regulatory guide 111 Content of expert reports (RG111) and ASIC Regulatory guide 112 Independence of Experts (RG112).

Mrs Lynda Burnett and Mr Paul Dunbar of VRM have not, within the past two years had any association with Accelerate, its individual employees, or any interest in the securities of Accelerate or potential interest, nor are they expected to be employed by either Company after the proposed transaction, which could be regarded as affecting their ability to give an independent, objective, and unbiased opinion. VRM will be paid a fee for this work based on standard commercial rates for professional services. The fee is not contingent on the results of this review and is estimated to be approximately \$40,000.

### 1.4. Competent Persons Declaration and Qualifications

This Report was prepared by Ms Lynda Burnett as the primary author. Mr Paul Dunbar peer reviewed the report.

The Report and information that relates to geology, mineral asset valuation, Mineral Resources and exploration potential is based on information compiled by Ms Lynda Burnett, BSc (Hons), a Competent Person who is a member of the AUSIMM. Ms Burnett is an associate of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposits under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code. Ms Burnett consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The Report and information that relates to mineral asset valuation, Mineral Resources and exploration potential was peer reviewed by Mr Paul Dunbar, BSc (Hons), MSc, a Competent Person who is a member of the AusIMM and the AIG. Mr Dunbar is a Principal of VRM and has sufficient experience, which is relevant to the style of mineralisation, geology, and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person under the 2012 JORC Code and a Specialist under the 2015 VALMIN Code. Mr Dunbar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Between 6 October 2023, being the date that the proposed transaction was announced and the date of this Report, nothing has come to the attention of VRM unless otherwise noted in the Report that would cause any material change to the conclusions. The valuation date for the report is 30 November 2023.

## 1.5. Reliance on Experts

The authors of this Report are not qualified to provide extensive commentary on the legal aspects of the tenure of the mineral properties or the compliance with the legislative environment and permitting in Western Australia. In relation to the tenement standing, VRM has relied on the information publicly available on the DMIRS Mineral Titles Online database. On this basis VRM has confirmed the tenements which constitute the Projects held by Accelerate, located in WA are in good standing unless otherwise noted in Table 1.

In respect of the information contained in this Report, VRM has relied on Information and Reports obtained from Accelerate or the public domain including, but not limited to:

- Presentation material including several cross sections and plans.
- ASX releases since the acquisition of the project including.
- Various ASX releases of Accelerate.
- Annual Statutory Technical Reports for the tenements.
- WAMEX Reports for the Western Australian Project areas.
- Annual Reports.
- Quarterly Reports.
- ASX releases detailing any initial Mineral Resource estimates.
- ASX releases detailing exploration activities.
- Various ASX releases from previous owners and neighbouring companies.
- Publicly available information including several publications on the regional geology and tectonic evolution of the Goldfields Region by the Geological Survey of Western Australia; and
- Government Regional datasets, including geological mapping and explanatory notes.

All information and conclusions within this Report are based on information that VRM requested from Accelerate to assist with this Report and other relevant publicly available data to 28 November 2023. Reference has been made to other sources of information, published and unpublished, including government reports and reports prepared by previous interested parties and joint venturers to the areas, where it has been considered necessary. VRM has, as far as possible and making all reasonable enquiries, attempted to confirm the authenticity and completeness of the technical data used in the preparation of this Report and to ensure that it had access to all relevant technical information. VRM has assessed the content of these reports and information and confirm that the contents are reasonable and that they meet the Reasonable Grounds Requirements. VRM has relied on the information contained within the reports, articles and databases provided by Accelerate as detailed in the reference list. A draft of this Report was provided to BDO for provision to the companies, for the purpose of identifying and addressing any factual errors or omissions prior to finalisation of the Report. The valuation sections of the Report were not provided to the companies until the technical aspects were validated and the Report was declared final.

This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government departments or the ASX. The authors of these previous reports have not consented to the statements' use in this report, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

## 1.6. Site visit

A site visit to the Projects was not undertaken for this ITAR. During the past 25 years Mr Paul Dunbar has worked on or undertaken site visits to the previous tenements that cover most of the Karratha Lithium Projects and the Comet Gold and Lithium Project with minimal previous exploration undertaken since or prior to Mr Dunbar visiting the tenements. With respect to the Woodie Woodie North projects VRM understands that one of the Competent Persons (**CP**) who supervised the Mineral Resource estimation has previously worked on or in the general area of the Projects in question and that the CP has first-hand knowledge of the geology on the tenements. Therefore, VRM has considered the activities and current project status of the Mineral Assets and considers that due to the stage of exploration and development within the tenements that no material information would be obtained from undertaking a site visit that would modify the opinions contained within this report and valuation.

## 2. Mineral Tenure

According to the databases of the Western Australian Government tenement administration bodies, the licenses listed in Table 1 are current and in good order as of 30 November 2023. To the best of VRM's knowledge, they remain in good standing with all statutory filings, reports and documentation including renewals supplied to the various government departments.

The authors of this report are not qualified to provide extensive commentary on the legal aspects of the mineral properties or the compliance with the relevant laws governing mining. As VRM and the authors of this report are not experts in mining law, no warranty or guarantee, be it expressed or implied, is made by VRM with respect to the completeness or accuracy of the legal aspects regarding the security of the tenure. A discount to the tenement applications has been applied with this discount being 25% for tenements that are the applications are un contested as there is a chance that these tenements will not be granted for regulatory reasons or due to objections by interested parties. Tenement applications that are subject to competing applications and remain subject to a ballot to decide priority have not been valued as is uncertain whether these will be granted to the applicant.

Table 1: Project Tenements

Tenement	Project	Holder	Equity	Status	Area	Expiry Date	Minimum Expenditure
E 47/3143	Karratha Lithium	Welcome	75%	Live	19 BL	28/11/2026	\$50,000
E 47/3173	Karratha Lithium	Welcome	75%	Live	4 BL	16/09/2025	\$50,000
L 47/779	Karratha Lithium	Mt Sholl	100%	Live	16.99 HA	13/10/2040	
M 47/248	Karratha Lithium	D K North	75%	Live	10.78 HA	26/08/2033	\$10,000
M 47/339	Karratha Lithium	D K North	75%	Live	93.53 HA	12/04/2036	\$10,000
P 47/1752	Karratha Lithium	Mt Sholl	100%	Live/Plainted	187.42 HA	16/05/2024	\$7,520
P 47/1753	Karratha Lithium	Mt Sholl	100%	Live/Plainted	155.12 HA	16/05/2024	\$6,240
P 47/1754	Karratha Lithium	Mt Sholl	100%	Live	197.12 HA	15/02/2025	\$7,920
P 47/1755	Karratha Lithium	Mt Sholl	100%	Live	196.60 HA	15/02/2025	\$7,880
P 47/1756	Karratha Lithium	Mt Sholl	100%	Live/Plainted	174.01 HA	16/05/2024	\$7,000
P 47/1796	Karratha Lithium	Mt Sholl	100%	Live	50.04 HA	22/11/2026	\$2,040
P 47/1797	Karratha Lithium	Mt Sholl	100%	Live	176.68 HA	22/11/2026	\$7,080
P 47/1798	Karratha Lithium	Mt Sholl	100%	Live	97.63 HA	22/11/2026	\$3,920
P 47/1850	Karratha Lithium	Welcome	75%	Live	199.69 HA	16/07/2025	\$8,000
P 47/1851	Karratha Lithium	Welcome	75%	Live	167.87 HA	16/07/2025	\$6,720
E 45/6278	Pilbara Lithium	Accelerate	100%	Live	42 BL	10/09/2028	\$42,000
E 45/6279	Pilbara Lithium	Accelerate	100%	Live	48 BL	10/09/2028	\$48,000
E 45/6280	Pilbara Lithium	Accelerate	100%	Live	37 BL	10/09/2028	\$37,000
E 45/6604	Pilbara Lithium	Accelerate	100%	Pending	27 BL		
E 45/6615	Pilbara Lithium	Accelerate	100%	Pending	7 BL		
E 45/6634	Pilbara Lithium	Accelerate	100%	Pending	68 BL		
E 45/6416	Pilbara Lithium	Accelerate	100%	Pending/Ballot	21 BL		
E 46/1552	Pilbara Lithium	Accelerate	100%	Pending	58 BL		
E 45/5088	East Pilbara Mn	Great Sandy	100% Mn, Fe	Live	15 BL	5/07/2028	\$50,000
E 45/5854	East Pilbara Mn	Pardoo	100% Mn, Fe	Live	43 BL	21/11/2026	\$43,000
E 45/5907	East Pilbara Mn	Red Mulga	100%	Live	11 BL	24/03/2027	\$20,000
E 45/5978	East Pilbara Mn	Attstar	100%	Live	31 BL	13/04/2027	\$31,000
E 45/6100	East Pilbara Mn	Accelerate	100%	Live	21 BL	31/01/2028	\$21,000
E 45/6508	East Pilbara Mn	Accelerate	100%	Pending	2 BL		
E 45/6603	East Pilbara Mn	Accelerate	100%	Pending	20 BL		
E 45/6527	East Pilbara Mn	Accelerate	100%	Pending	35 BL		
E45/5942	East Pilbara Mn	Great Sandy	100%	Live	6BL	15/03/2027	\$20,000
E 20/1000	Comet	Accelerate	100%	Pending	17 BL		
E 20/908	Comet	Accelerate	100%	Live	17 BL	27/08/2023	\$50,000
E 20/965	Comet	Volcanic	100%	Live	30 BL	5/09/2026	\$30,000
E 20/970	Comet	Accelerate	100%	Live	9 BL	22/03/2026	\$20,000
E 21/213	Comet	Accelerate	100%	Live	15 BL	12/08/2026	\$20,000
E 21/214	Comet	Accelerate	100%	Live	6 BL	12/08/2026	\$20,000
E 21/217	Comet	Volcanic	100%	Pending	10 BL		

Note Accelerate – Accelerate Resources Limited, Attstar – Attstar Pty Ltd, Pardoo - Pardoo Resources Pty Ltd, Volcanic - Volcanic Resources Pty Ltd, Red Mulga – Red Mulga Minerals Pty Ltd, Great Sandy – Great Sandy Pty Ltd. Welcome – Welcome Exploration Pty Ltd, Mt Sholl - Mt Sholl Holdings Pty Ltd

### 3. Karratha Lithium

#### 3.1. Location and Access

The Karratha Lithium Projects consists of four groups of tenements for a total of 90km<sup>2</sup> centred approximately 20km southeast of Karratha. Access is via station tracks off the Great Northern Highway. The Groups as shown on Figure 5 below consist of Prinsep, Mt Sholl, Mt Sholl East, and the Roebourne South Projects.

The Prinsep and Mt Sholl Projects are held by Mt Sholl Holdings Pty Ltd a related party of Accelerate. Accelerate have announced the acquisition of Mt Sholl Holdings and key terms on 6<sup>th</sup> October 2023. The Roebourne South and Mt Sholl East are held by Welcome Exploration Pty Ltd and Donald Kimberley North where Accelerate is acquiring a 75% interest in the Projects and entering a joint venture (ASX: AX8 6 October 2023).

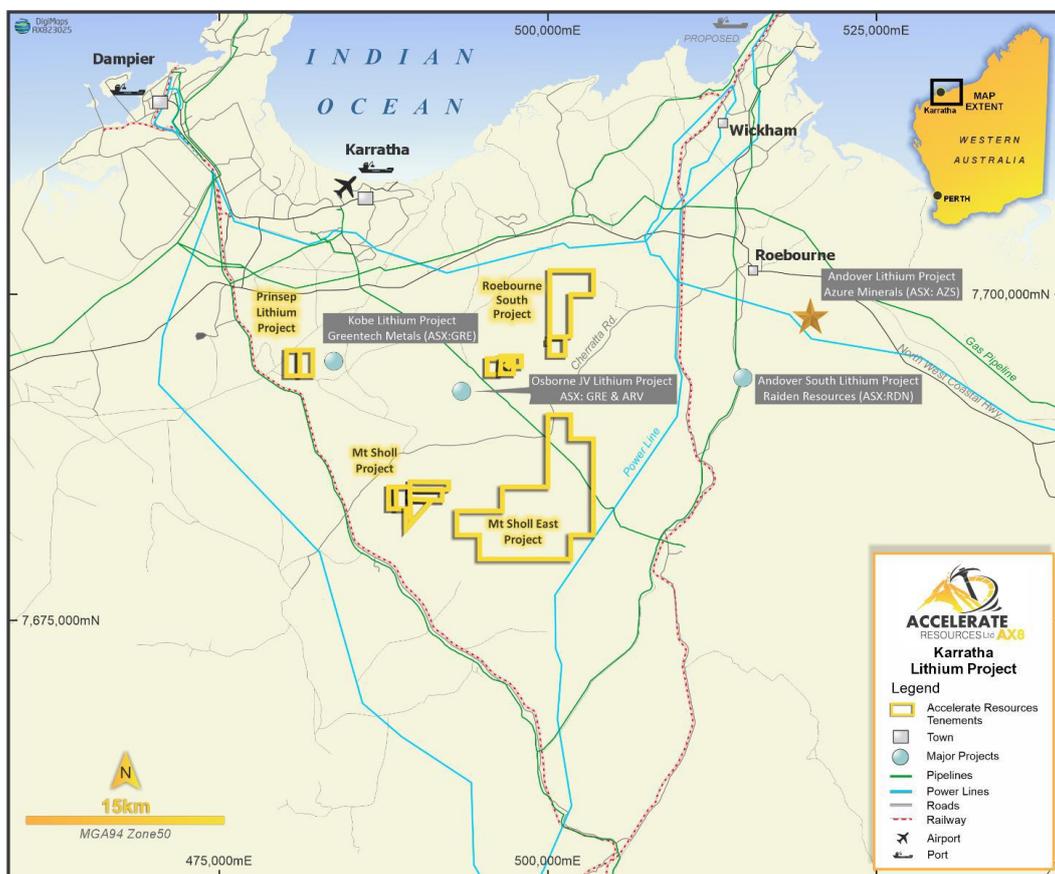


Figure 5: Location and Access Plan of the Karratha Lithium Group of Projects  
(Source: ASX:AX8 6 October Investor Presentation)

#### 3.2. Regional Geological Setting – Karratha and East Pilbara Lithium

The regional setting of the Karratha and East Pilbara lithium projects in the northern and western Pilbara, part of the Pilbara Craton, is largely taken from Hickman et al (2006) (Figure 6). The northwestern Pilbara Craton consists of rocks of the West Pilbara Superterrane aged 3.27 to 3.06 Ga including the Karratha Terrane and Sholl Terrane Granitic Rocks and associated sediments and greenstones and the Regal Terrane including the Regal Formation, oceanic basalts and komatiitic peridotite, minor dolerite, and chert at 3.2 Ga. To the southeast of these Terranes, the East Pilbara Terrane consists of Granitic rocks and

greenstones aged 3.65 to 3.2 Ga. The terranes accreted around 3.07-3.05 Ga during the Prinsep Orogeny which accompanies granite magmatism of the Elizabeth Hill Supersuite.

Deposition of the De Grey Supergroup sediments occurred subsequently over the entire region from 3.02 to 2.93 Ga. The De Grey Supergroup is intruded by the contemporaneous Orpheus, Maitland River, and Sisters Supersuites with the emplacement of layered mafic-ultramafic intrusions (such as the Andover Complex and Radley suites) followed by intrusion of granite including the post tectonic highly fractionated tin-tantalum-lithium-beryllium-bearing granites of the 2.89-2.83 Ga Split Rock Supersuite (Hickman et al 2006). Hickman (2006) described these as sheet like plutons which are typically fringed by pegmatite veins containing tin-tantalum-lithium.

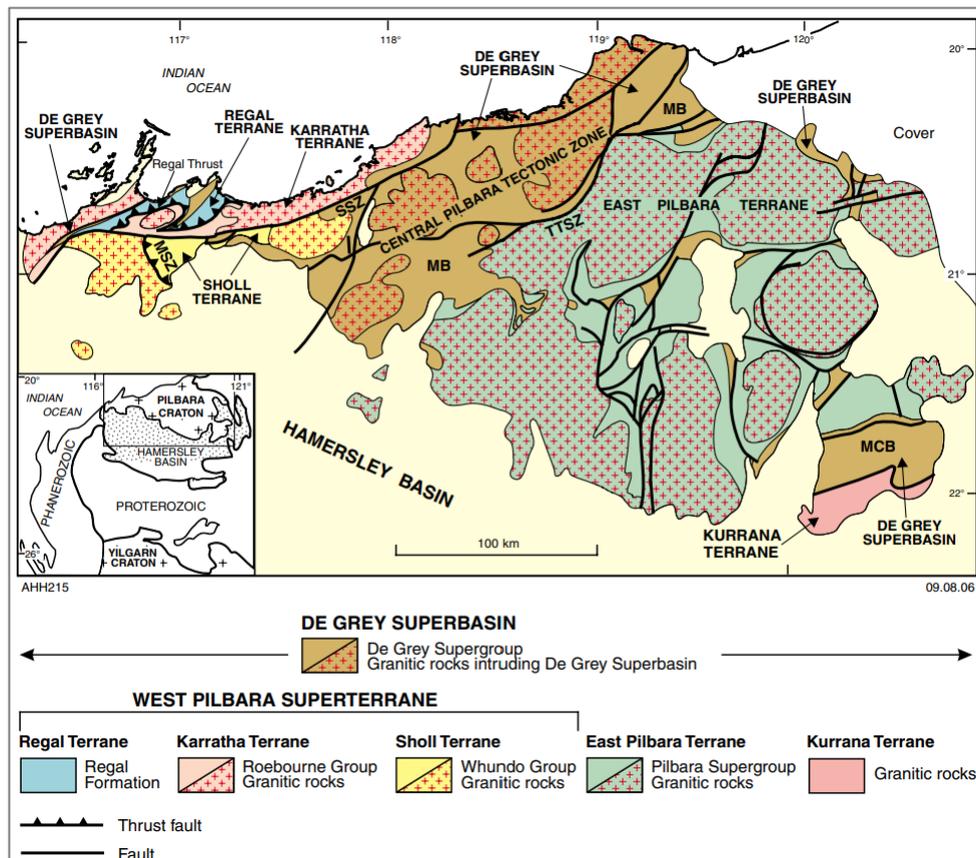


Figure 6: Simplified geology of the northwestern Pilbara Craton  
 (Source: Hickman et al 2006)

According to Sweetapple (2000), no one set of structures appears to control pegmatite emplacement, but there is a general and regional association of north to northeast trending structures with pegmatite dykes at different scales across the craton. Greentech Metals Ltd (**Greentech**) in their recent report to the ASX (ASX: GRE 30 October 2023) state that the lithium bearing pegmatite zone in their Osborne Project, 1km east of the Accelerate's Prinsep prospect trends west northwest to east southeast and is hosted by strongly sheared sediments of the Regal Formation. The pegmatites are located approximately 3km to the north of the Sholl Shear Zone are steeply dipping and up to 90m wide (AX8 ASX Release 28/11/2023).

Sweetapple (2000) also has observed at a district scale that individual pegmatites are seen to occupy 'structures of convenience' and may crosscut and link different structures. Host rock type (through different rheological properties) also appears to have a role in dictating pegmatite morphologies, with

pegmatites hosted in metasedimentary sequences tending to take the form of sheeted swarms or stockwork systems, while those pegmatites hosted in mafic/ultramafic sequences tend to be large discrete bodies (Nisbet, 1984).

### 3.3. Local Geology

The tenements that comprise the Karratha Lithium Group of Projects cover an area approximately 20km by 20km. The most advanced project is the Prinsep Project which contains the Prinsep pegmatites and also contains sediments of the Regal Formation within a structural grain of lithologies trending east west. The two pegmatite trends identified on the prospect are interpreted by Accelerate to be the northern and southern limbs of a fold with the closure to the west of the tenement.

10-15km further east to north east along the same structural and lithological trend, the Roebourne South Projects consists of a continuation of the Regal Formation and overlying Cleaver Formation BIF unit, part of the Regal Terrane. The tenements also contain a north east trending contact with the Roebourne Group and Nicol River Formation of the Karratha Terrane (Figure 7).

Further to the south, the Mt Sholl and Mt Sholl East Projects are hosted within Bradley Basalt and the Mt Sholl Intrusion and are largely south but within 10km of the Mount Sholl Shear Zone. The northern most portion of the Mt Sholl East tenement contains the Mt Sholl Shear Zone (Figure 7).

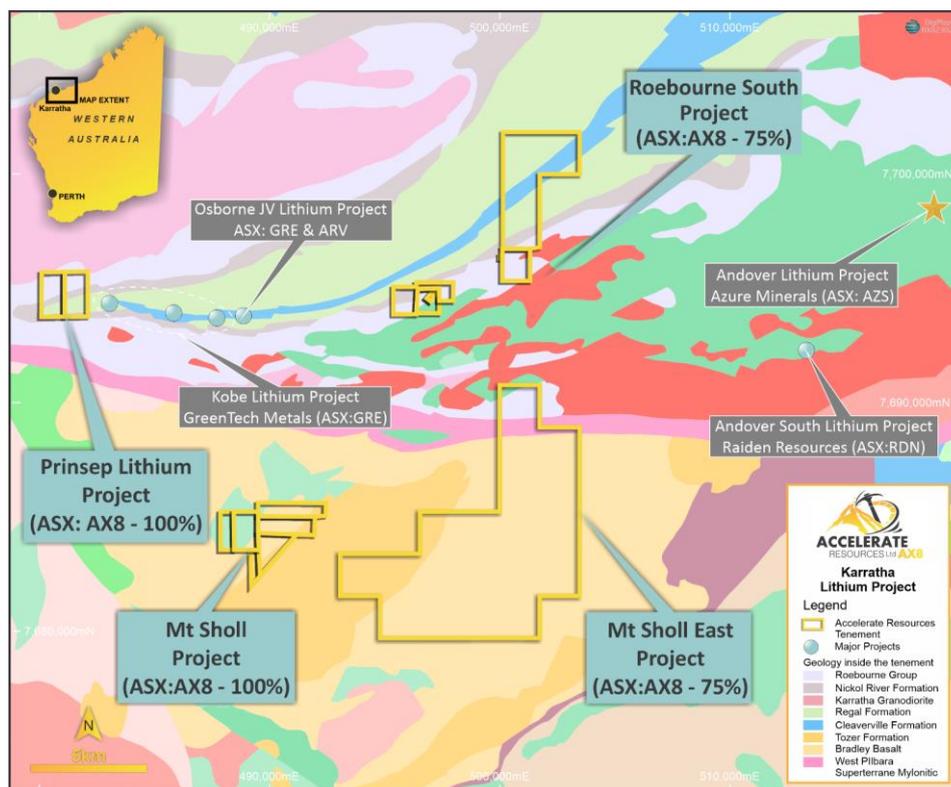


Figure 7: Regional geology map of the West Pilbara granite-greenstone province, showing location of the Karratha Lithium Projects and other Karratha-Roebourne lithium projects and discoveries

(Source: ASX: AX8 6 October Investor Presentation)

### 3.4. Exploration History

At Prinsep rock chip sampling has identified a Northern Pegmatite System and a Southern Pegmatite System with anomalous rock chips as per Figure 8. The southern trend appears to be the same trend as the Kobe Trend of Greentech which returned, XRD analysis confirming the LCT pegmatites at Kobe to be spodumene bearing. The trend appears to continue into the adjoining Greentech ground and is spatially associated with the east west trending Regal Thrust and Terrane boundary. Individual rock chip samples within the Prinsep Project have been reported with multiple rock chips with lithium grades over 1.0% Li<sub>2</sub>O with a peak rock chip result of 2.06% Li<sub>2</sub>O (AX8 ASX releases 28/11/2023, 6/10/2023 and 28/11/2023). The location of these rock chips are shown in Figure 8.

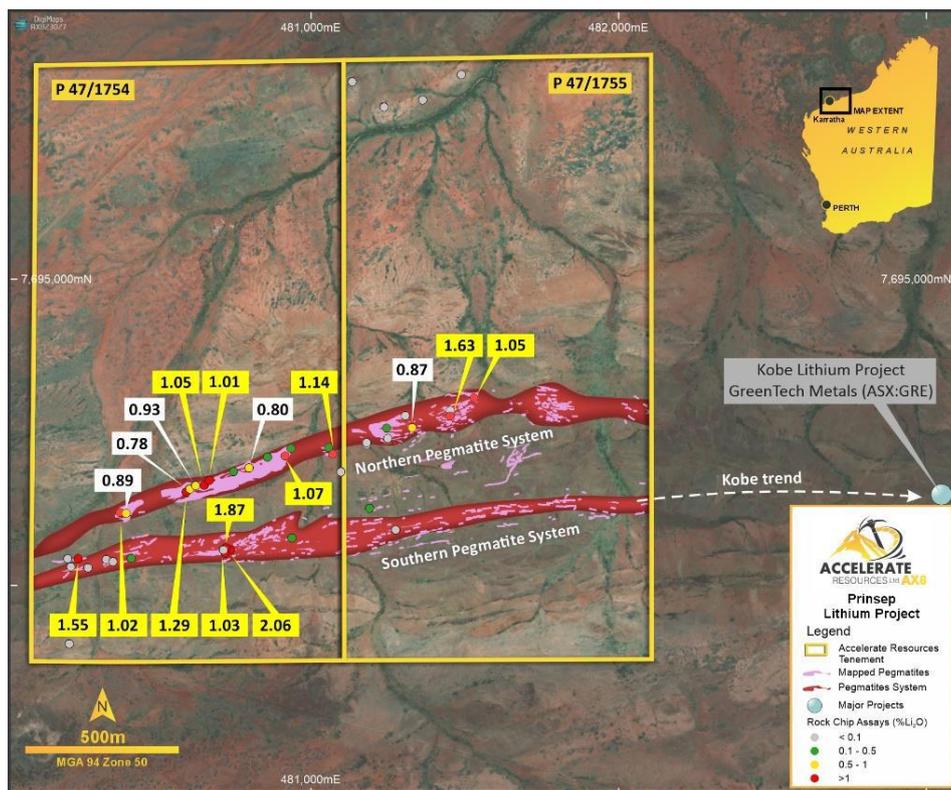


Figure 8: Prinsep Project showing rock chip sampling results along strike of Greentech's mineralised Kobe Trend. (Source: ASX: AX8 28 November 2023)

### 3.5. Exploration Potential

The Prinsep Project contains 1.5 strike kilometres of a known spodumene bearing pegmatite swarm (Figure 8), with the possibility that the horizon is folded giving a total prospective distance of over 3km. Immediately to the east the Kobe trend of Greentech Metals shows confirmed continuity of the swarm for at least another 7km. The Project is highly prospective for a pegmatite hosted spodumene bearing lithium deposit.

Elsewhere the prospectivity of the remaining tenements is less well known, however the ground contains at least two prospective structural zones known to host spodumene bearing pegmatite mineralisation, such as the Andover Deposit held by Azure Minerals to the north east and the Osborne Lithium JV further to the east of Prinsep.

## 4. East Pilbara Lithium

### 4.1 Location and Access

The East Pilbara Lithium tenements are located 20-50km northeast to south east of Marble Bar (Figure 9). They consist of three granted exploration licences totalling 422km<sup>2</sup> and five exploration applications totalling 623km<sup>2</sup>.

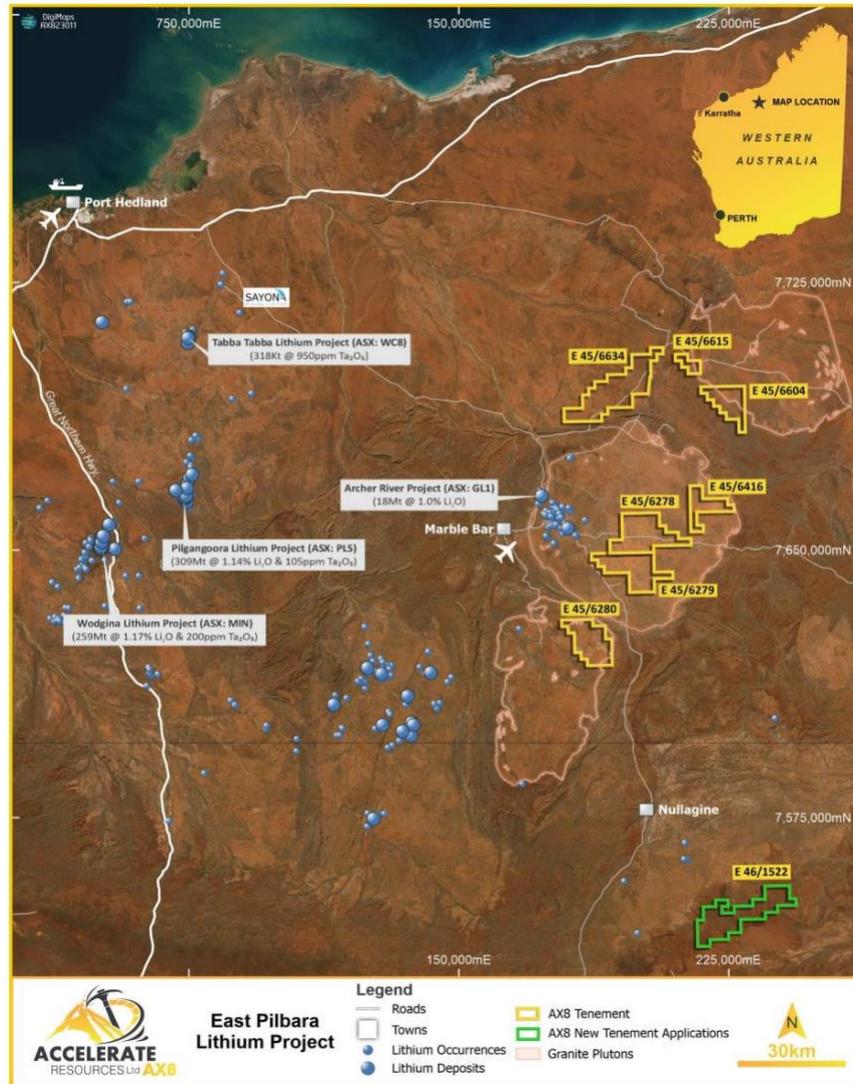


Figure 9: Location of East Pilbara Lithium tenements and Minedex Lithium occurrence data  
(Source: ASX: AX8 8 October Presentation 2023)

The Wodgina Lithium project tenement application E46/1552 is 100km to the south east of Marble Bar and around 30km south east of Nullagine.

### 4.2 Local Geology

The tenements are located largely within three of the East Pilbara subvolcanic intrusive complexes, the Emu Pool Supersuite and Callina Supersuite which form the characteristic East Pilbara domal granites. These domes intrude East Pilbara greenstones and sediments.

Tenements E45/6604 and E45/6615 also contain unconformably overlying sediments and volcanics of the Hamersley Basin, specifically the Mount Roe Basalt and Hardy Formation of the Lower Fortescue Group forming the Oakover syncline (Figure 10).

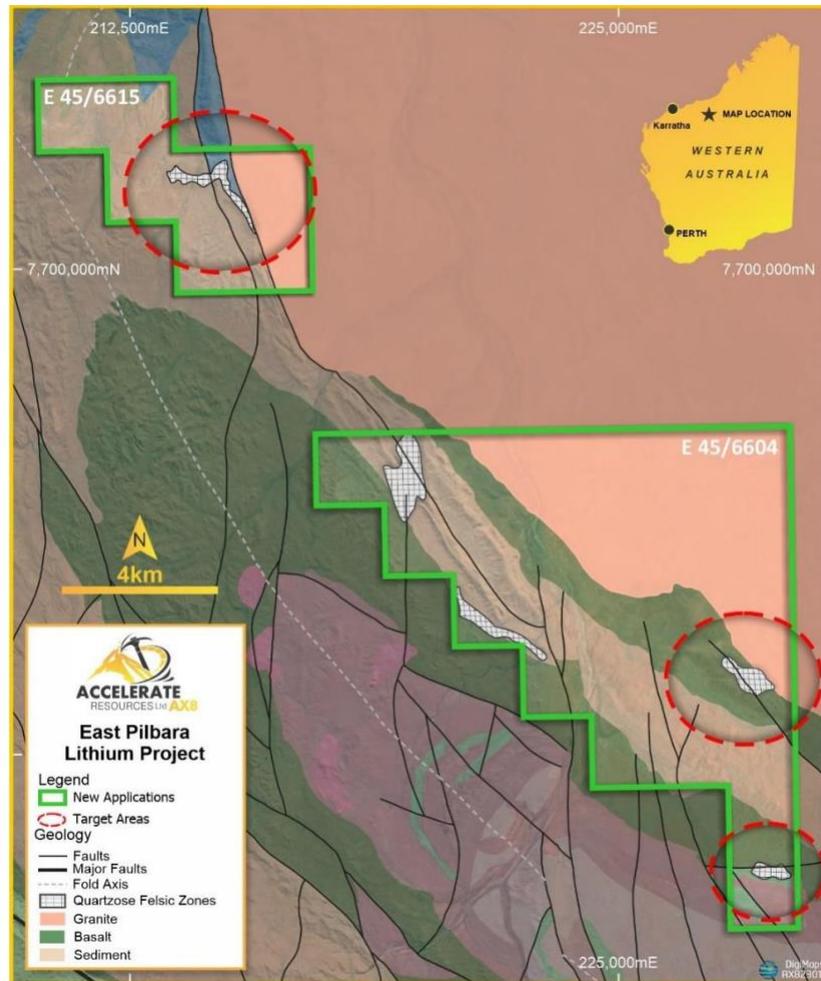


Figure 10: East Pilbara E45/6615 and E45/6604 Local Geology and target areas.  
(Source: ASX: AX8 27 July 2023)

20km to the west of tenements E45/6278 and 6279 the Moolyella Monzogranite and Fig Tree Gneiss host the newly defined Lithium deposits of the Archer River Project held by Global Lithium. The Moolyella Monzogranite is a late-stage intrusive phase into the suite and has a mappable halo of pegmatites around 5-10km outboard of the granite (Figure 11). The Archer deposit is one of several swarms of pegmatite dykes which have been mapped, sampled, and drilled. It is not known whether this late-stage intrusive phase is represented on the Accelerate tenements. According to Global Lithium (ASX: GL1 15 December 2022), a number of different generations of pegmatite have been identified and not all pegmatites within the project area contain spodumene. The intrusive pegmatites coincide directly with fractures of the surrounding rock, particularly the granodiorite.

With the exception of E45/6634 which hosts the Kittys Well Cu-Pb-Zn occurrences, there are no Minedex Mineral occurrences on the tenements.

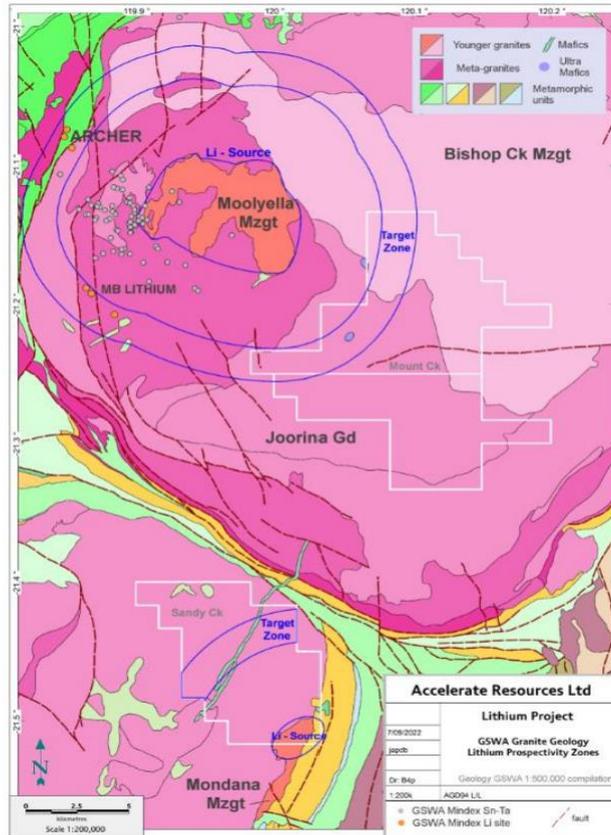


Figure 11: Local geology of the East Pilbara Lithium Tenements  
(Source: GSWA 1:100,000 mapping)

The Windi Lithium tenement application lies around 10km south of the known Bonney Downs Monzogranite which is considered to be associated with pegmatite swarms. In the absence of mapping and sampling data it is not known whether the tenement is prospective for lithium and the geology shown on Figure 12 is a conceptual model of the lithium prospective zone. The Bonney Downs Monzogranite hosts lithium and tantalum occurrences to the north and west of the AX8 ground.

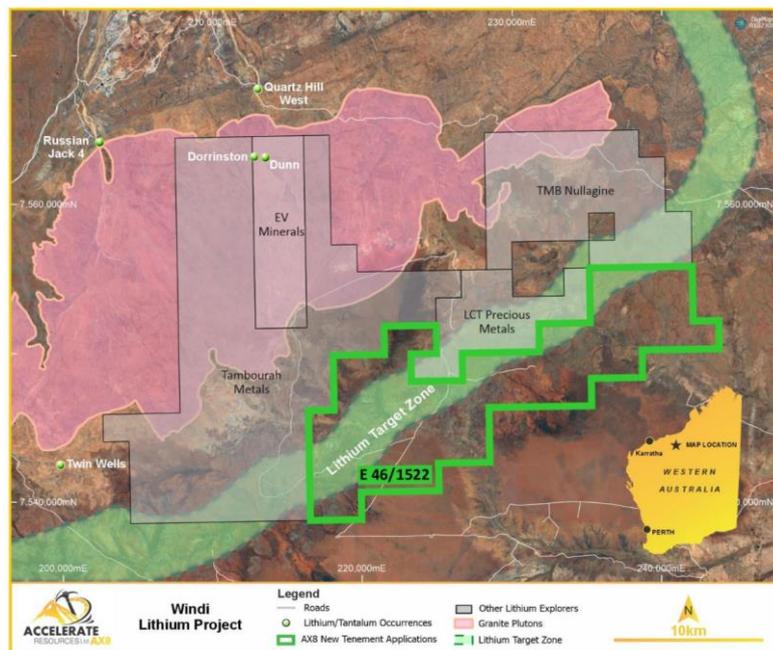


Figure 12: Location and Geology of Windi Lithium Project.  
(Source: ASX AX8 8 October Presentation 2023)

### 4.3 Exploration History

AX8's recent exploration activities across initial target areas within the Company's East Pilbara Lithium Projects has identified five prominent structural features up to 4km in strike length at Sandy Creek (E45/6280). Sampling returned background lithium and rare earth element (REE) values for these initial target areas. The sampling highlighted two gold anomalies (336 ppb and 71 ppb Au) and an arsenic anomaly (184 ppm and 386 ppm As) associated with mapped structures (Figure 13).

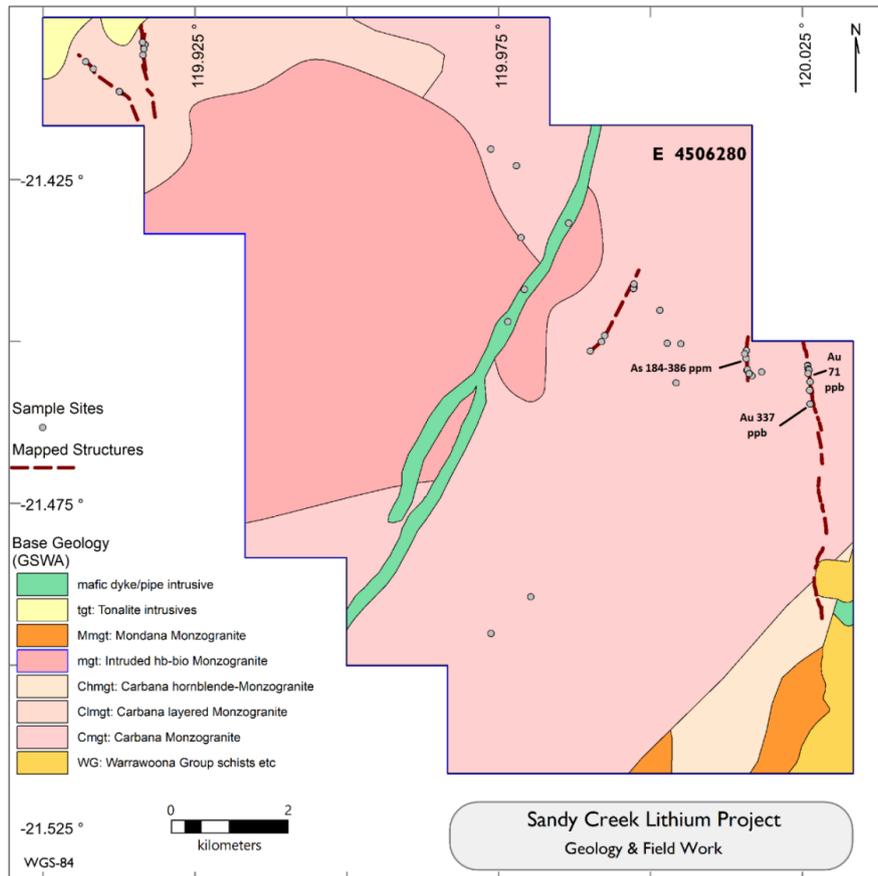


Figure 13: E45/6280 rock chip sampling results  
(Source: ASX:AX8 10 March 2023)

Within E45/6278 and 6279, AX8 collected 88 samples from numerous pegmatite bodies mapped in 2022 east of the Archer Deposit. Results for lithium and rare earth elements (REE) returned only background values apart from one tin value of 33.7 ppm and three cerium assays over 100 ppm (maximum 150 ppm) (Figure 14).

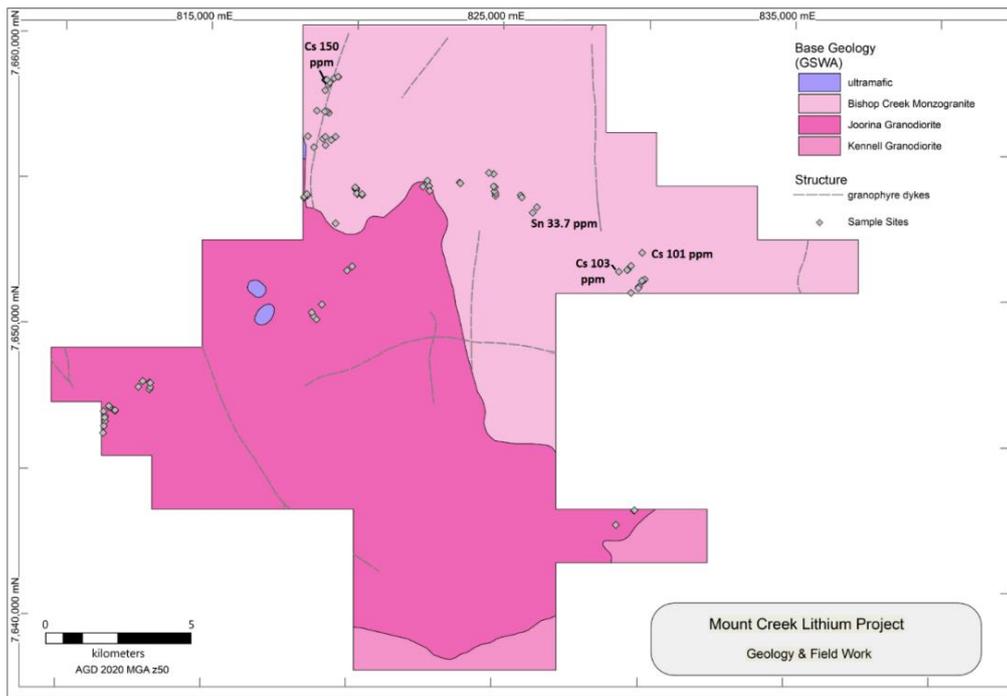


Figure 14: E45/6278 rock chip sampling and results  
(Source: ASX:AX8 10 March 2023)

#### 4.4 Exploration Potential

The East Pilbara lithium prospectivity is conceptual using the 5-10km targeting from a known prospective granite, the Moolyella and Bonney Downs Monzogranites as a guide. No spodumene bearing pegmatites have been identified to date.

## 5. East Pilbara Manganese Projects

### 5.1 Location and Access

The Woodie Woodie North Manganese Project, the Mt Sydney Manganese Project and the Ripon Hills East Project which occur on separate tenement groups in this report are termed collectively the East Pilbara Manganese Projects. They are situated 125km east of Marble Bar, 70km to the north of the Woodie Woodie Manganese Mine and 240km from the port of Port Hedland (Figure 3). The Projects cover about 633 km<sup>2</sup>.

### 5.2 Regional Geological Setting

The Manganese deposits and occurrences are located on the east and west sides of the Oakover Basin. The Oakover Basin is a late Mesoproterozoic part of the broader Collier Basin dated around 1.1Ga and part of the Bangemall Supergroup (Brown *et al* 2022). The Basin lies unconformably on Archean Fortescue Group and is described by Jones (2017) as a local half graben with geometry inherited from a Neoproterozoic rifting event. Fault hosted manganese deposits occur along the faulted 'active' eastern margin and flat lying sedimentary deposits occur along the western more 'passive' margin. The basin is considered by Jones (2017) and Spinks *et al* (2018) to be restricted to open ocean circulation and anoxic which resulted in the development of a large reservoir of Mn<sup>2+</sup> and Fe<sup>2+</sup>.

The sedimentary source host rock stratigraphy to the mineralisation is considered to be the eponymous Manganese Group within the Oakover Basin and are a likely correlative of the Ilgarari Formation in the broader Collier Basin (Spinks *et al* 2018). The sediments have variable 'episodic' high concentration of manganese carbonates which are considered to reflect varying oxidation states and precipitation of manganese oxides due to pulses of oxygenation.

The Oakover Basin deposits although recognised as sedimentary also form many other styles, such as supergene enriched stratiform deposits, fault hosted and lateritic accumulations.

The fault hosted mineralisation within the Archean Carawine Dolomite which lies unconformably below the Oakover Basin Manganese Group is also now considered to be the same age as the sedimentary deposits with the same source (Spinks *et al* 2018). The overlying Pinjian Chert Breccia (Figure 16) is considered to represent a paleokarst surface or forms paleokarst features in the Carawine Dolomite where the dolomite has been dissolved away (Williams, 1989).

Economic manganese mineralisation has been mined from Woodie Woodie, Ripon Hills, and Mt Sydney (Figure 15). Consolidated Minerals' Woodie Woodie mine is a world-class high-grade manganese producer, well-known for its premium high-grade low-impurity Manganese product for the last 50 years. In 2007, it was sold to Ukrainian owned Palmary Group company for \$A1.3 billion. Current owner since 2017 is the Chinese owned TMI Group.

The orebodies range in size from 0.2 Mt to 5.5 Mt with an average of 0.5 Mt. Historically, more than 56 deposits and over 35 Mt of high-grade manganese have been mined within the Woodie Woodie Mine Corridor (Jones *et al*, 2013) with a spatial association with north west trending fault corridors.

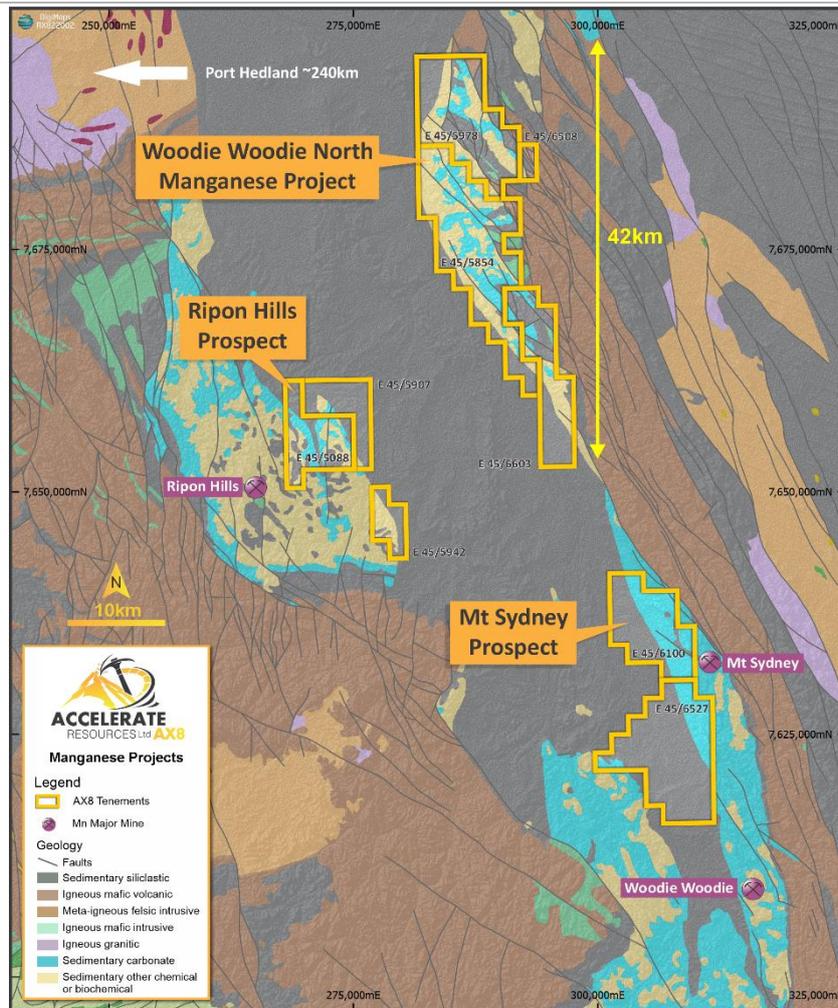


Figure 15: Regional geology map of the East Pilbara Manganese Projects  
(Source: ASX AX8 8 October Presentation 2023)

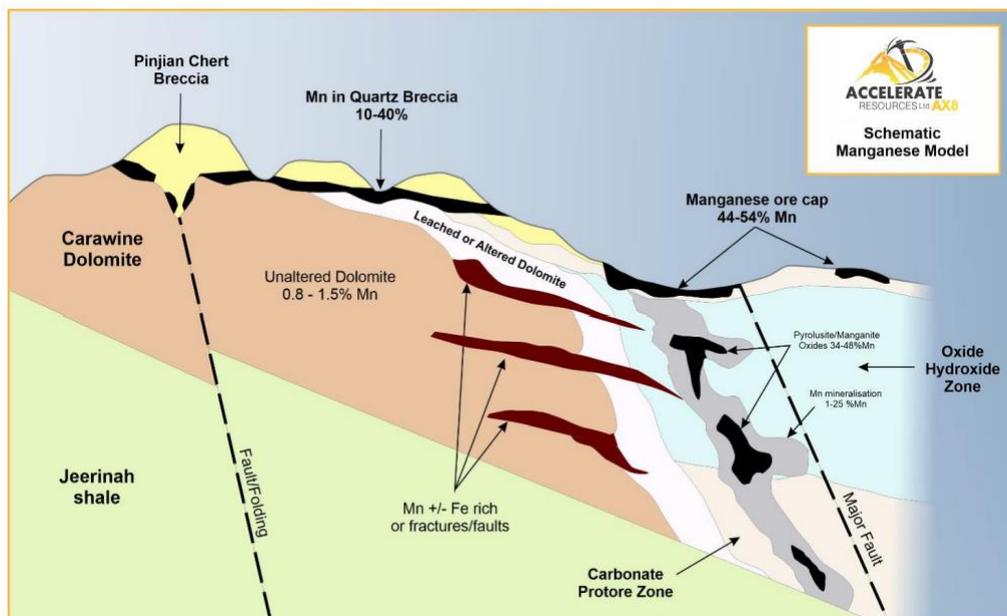


Figure 16: East Pilbara Manganese Mineralisation Model-Schematic  
(Source: ASX:AX8 25 October 2021)

## 5.2 Local Geology

At Woodie Woodie North the mineralisation is hosted in sedimentary beds of the Manganese Group, paleokarst Pinjian Chert and fault/dissolution zones within the underlying Carawine Dolomite (Figure 17). Supergene enrichment of all styles of mineralisation makes source determination difficult.

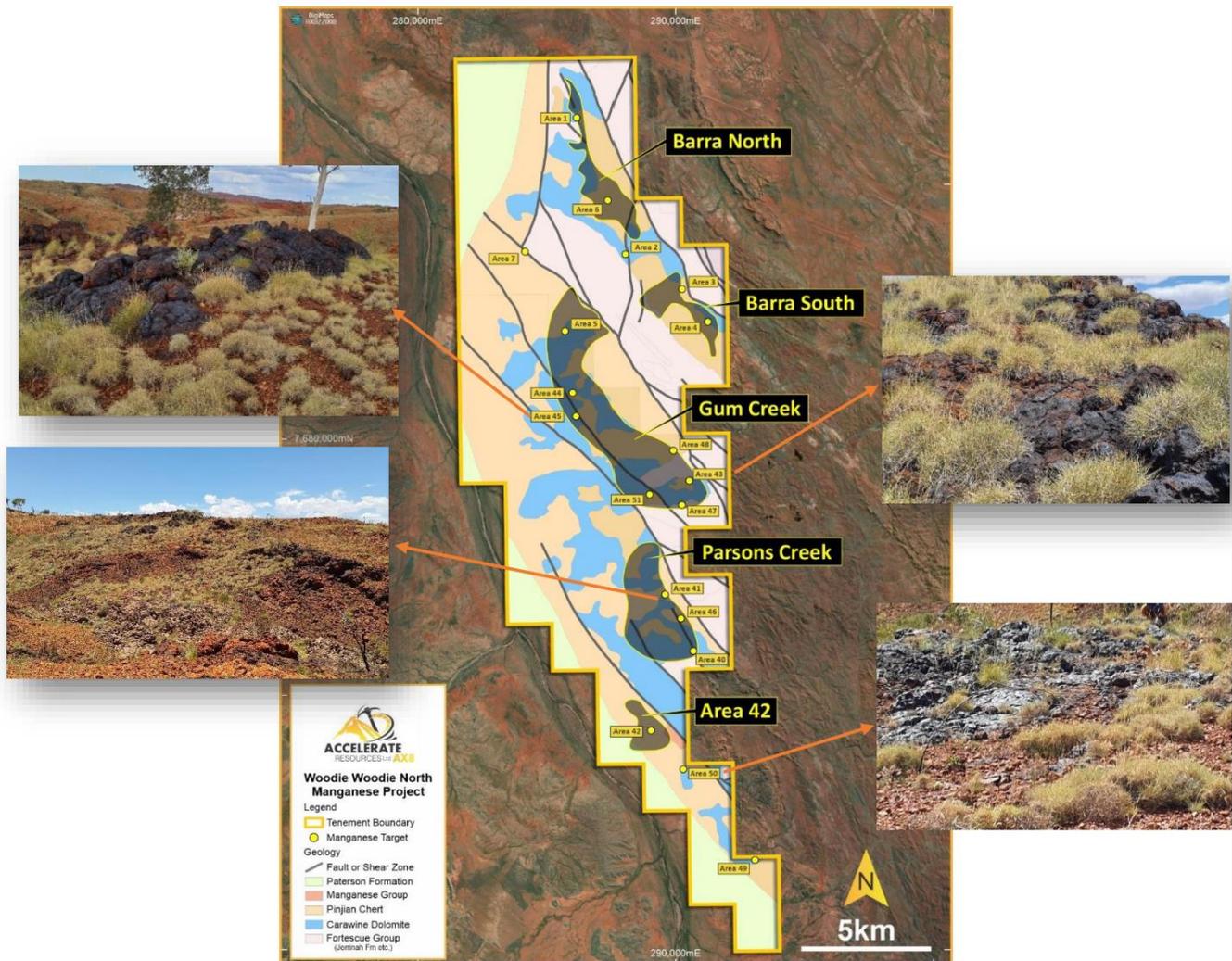


Figure 17: Location of Manganese Target Corridors – Woodie Woodie North  
(Source: ASX: AX8 16 February 2023)

The mineral occurrences of the western Oakover Basin are reported to contain more sediment hosted sub-horizontal mineralisation within the Manganese group, and Pinjian Chert with less hosted in faulted Carawine Dolomite. The mineralisation is also iron rich compared to the eastern deposits.

## 5.3 Exploration History

Historical drilling drill results confirmed near surface high-grade manganese mineralisation in an area currently known as Area 42 (Figure 17). Drill results include.

- 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.

Further to the north at Barramine, on E45/5978, results from previous explorers drilling returned.

- 15m at 24.3% Mn from 37m (BRC 290) & 7m at 26.2% Mn from 67m including 3m @ 39.3% Mn.
- 18m at 21.4% Mn from 73m (BRC 241) including 3m at 36.1% Mn from 86m.
- 8m at 22.4% Mn from 34m (BRC 169) including 2m at 36.2% Mn from 36m.
- 7m at 22.3% Mn from 37m (BRC 332) including 1m at 29.3% Mn from 40m.
- 10m at 19.3% Mn from 91m (BRC 266) including 2m at 35.3% Mn from 93m.
- 10m at 19.4% Mn from 10m (BRC 318) including 6m at 23.6% Mn from 12m.

Due diligence by Accelerate confirmed historical drill hole locations and surface manganese mineralisation, including multiple historical rock chip samples with +50% Mn within the project area.

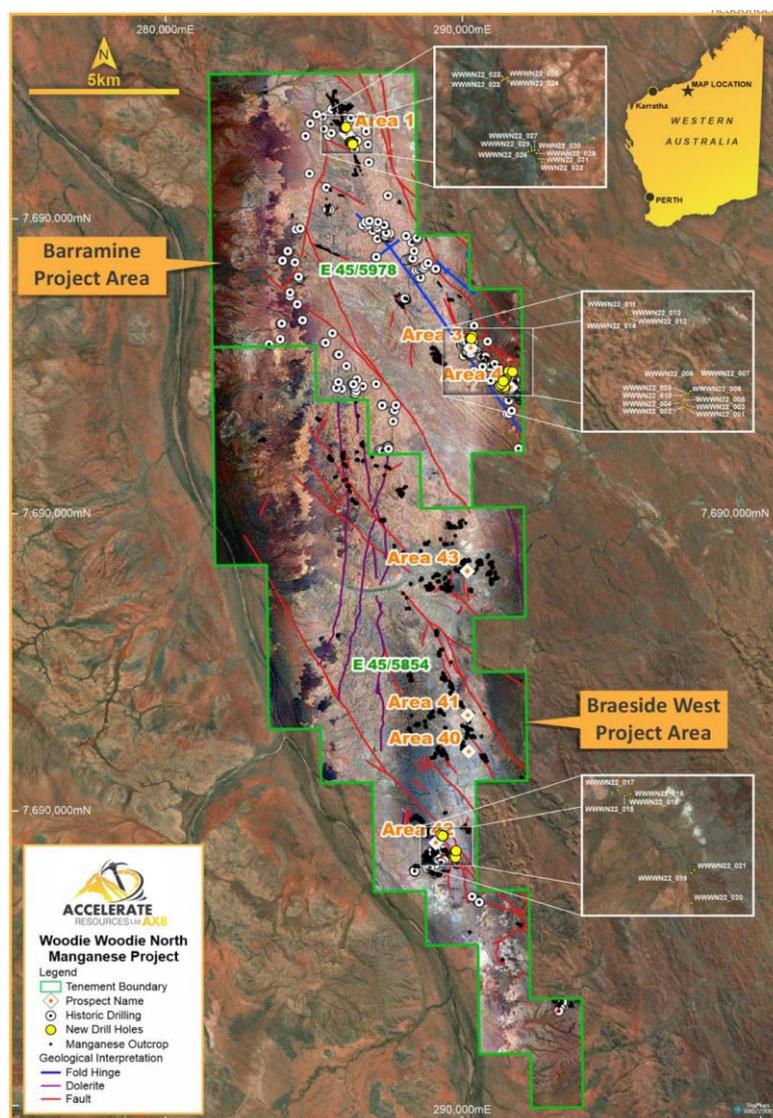


Figure 18: Location of the previous drilling and manganese rich outcrop  
(Source ASX:AX8 Jan 2023 Quarterly Report)

Multiple campaigns of extensional RC drilling in 2022 and 2023 have been completed by Accelerate with significant extensions of mineralisation confirmed at Area 42, where multiple layers of stacked

mineralisation similar to Woodie Woodie have been identified. Figure 19 shows a cross section through the Nathan's Flat area at Area 42 showing the mineralisation.

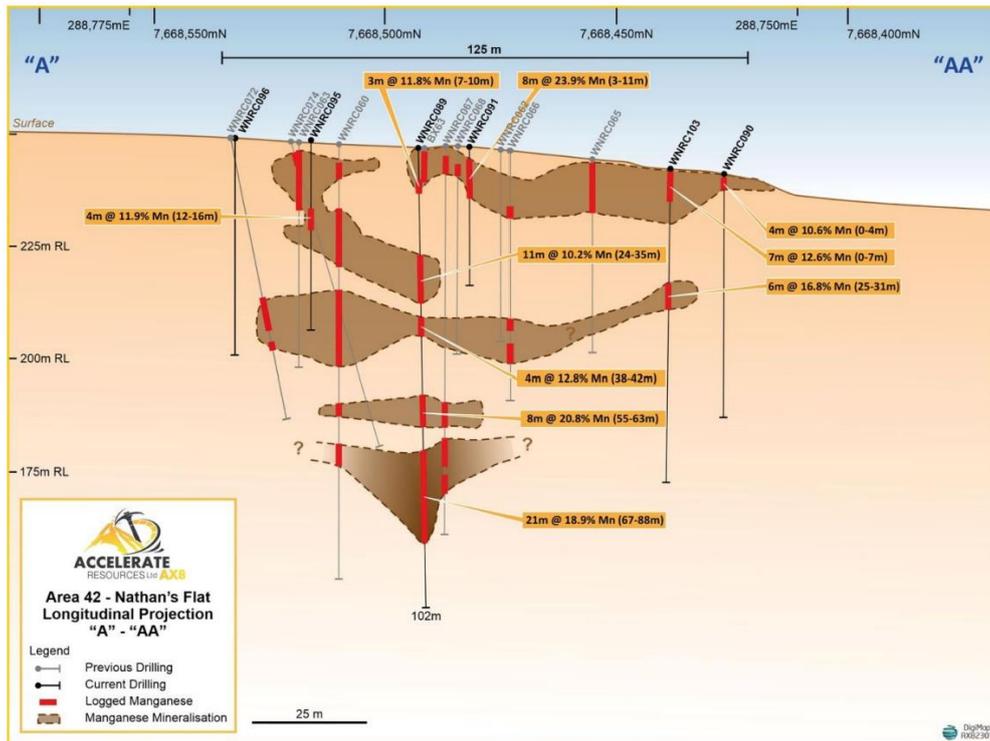


Figure 19: Cross section through mineralisation at Area 42 Nathan's Flat  
(Source: ASX: AX8 7 August 2023)

Other areas of focus are Areas 1,3, 4 and 5 (Figure 20). In summary Accelerate have stated around 27,500m of RC has been drilled by previous explorers and a further 9,000m has been drilled by the Company. Intersections of broad (20-44m) moderate to high-grade mineralisation have been returned with some deeper zones also intersected within 5 corridors of focus.

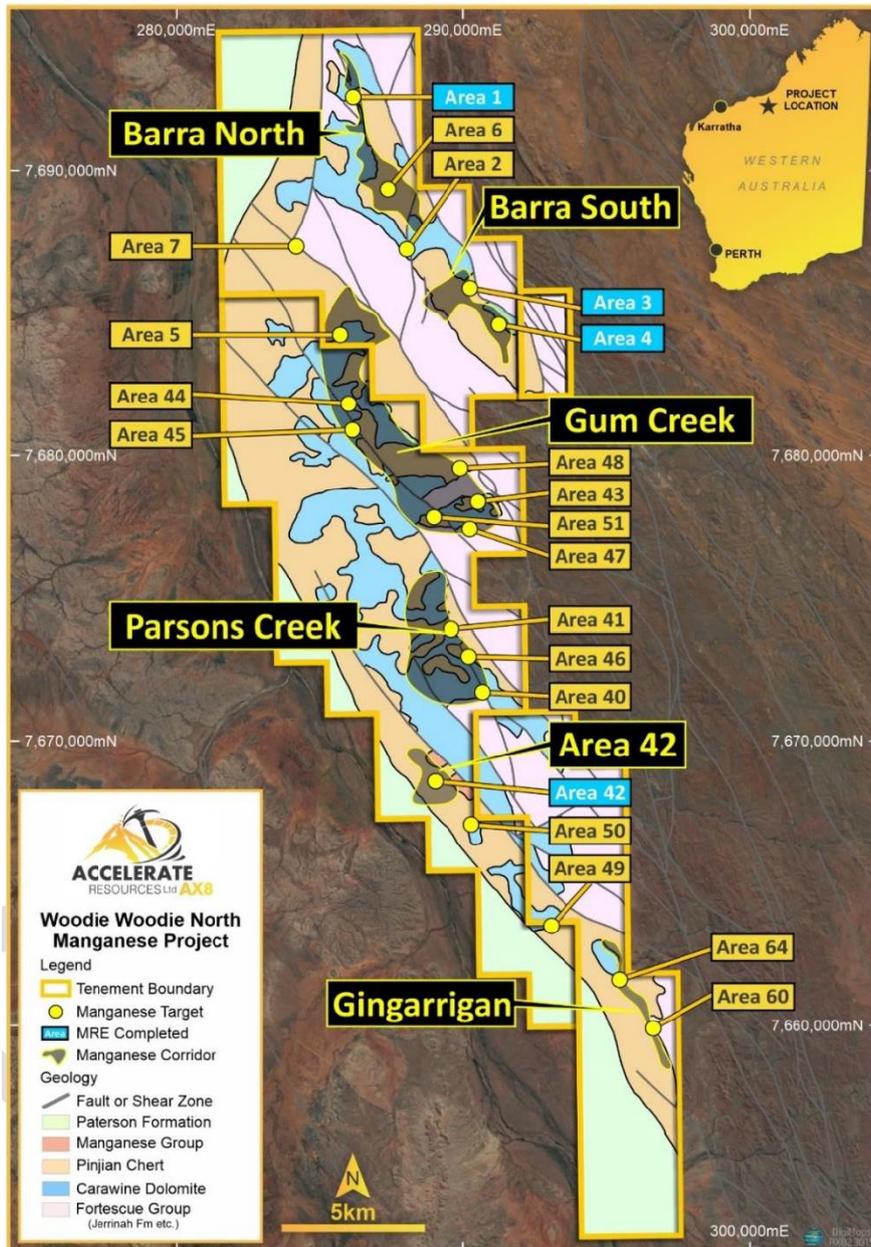


Figure 20: Accelerate 2023 MRE areas and other drilling and targeted areas.  
(Source: ASX: AX8 30 November 2023)

The Ripon Hills East Prospects (E45/5088, E45/5907, and E45/5942) are located immediately east of the Ripon Hills Manganese Deposit. The Project covers 110km<sup>2</sup>, and records indicate very little historic exploration within the license area, despite the presence of favourable mappable surface manganese mineralisation.

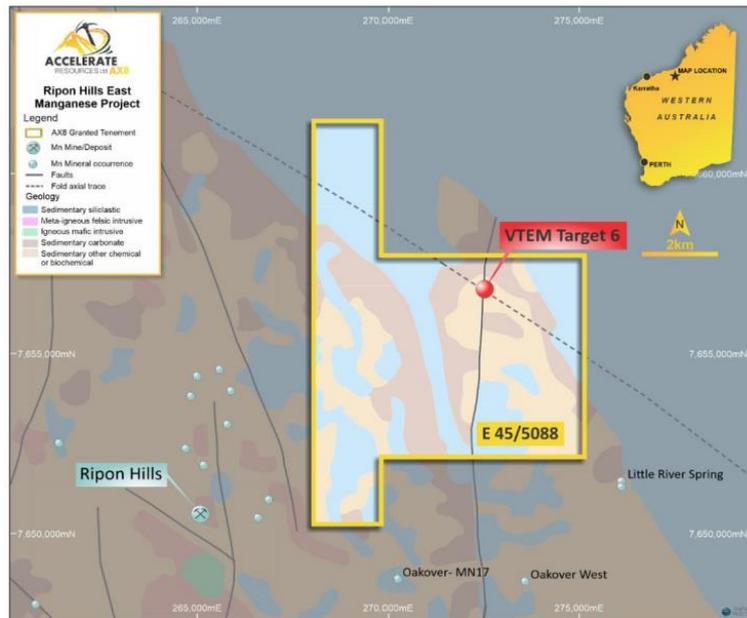


Figure 21: Ripon Hills Geology  
(Source: ASX AX8 25 October 2021)

## 5.4 Mineral Resources

On the 30 November 2023 Accelerate announced an initial Inferred Resource of 1.2Mt at 19.1% Mn at a cut-off grade of 15% Mn at Area 42, Barra North (Area1) and Barra South (Area 3 and Area 4) Table 2. The currently defined resource has been classified as Inferred based on the following criteria:

- Estimation of tonnage is based on a single global density value for each of the main geological and geochemical domains.
- Drill hole spacing is variable, ranging from 10m x 10m to 40m x 40m. Generally good continuity is demonstrated in areas of closely spaced drilling, however extension along strike has been implied by a single hole. Infill drilling will help to improve the grade continuity in these areas.
- A cut-off grade of 15% Mn was used based on sample statistics and grade-tonnage curves, with Table 2 also showing the resource totalling 3.0Mt at 14.7% Mn at a 10% cut-off grade.
- Many historical drill holes are missing assay information due to an assumption of no mineralisation.

Table 2 Woodie Woodie North Inferred Resources\*  
(Source ASX:AX8 30 November 2023)

Area	JORC Classification	Tonnes (Mt)	% Mn	% Fe	% SiO <sub>2</sub>	% Al <sub>2</sub> O <sub>3</sub>	% P
Area 1	Indicated	-	-	-	-	-	-
	Inferred	0.04 (0.2)	17.2 (12.8)	14.6 (15.6)	25.8 (29.5)	2.2 (2.5)	0.1 (0.2)
<b>Sub-total</b>	<b>Indicated + Inferred</b>	<b>0.04 (0.2)</b>	<b>17.2 (12.8)</b>	<b>14.6 (15.6)</b>	<b>25.8 (29.5)</b>	<b>2.2 (2.5)</b>	<b>0.1 (0.2)</b>
Area 3	Indicated	-	-	-	-	-	-
	Inferred	0.3 (1.0)	17.5 (13.3)	20.1 (20.0)	27.9 (35.7)	3.0 (2.8)	0.1 (0.1)
<b>Sub-total</b>	<b>Indicated + Inferred</b>	<b>0.3 (1.0)</b>	<b>17.5 (13.3)</b>	<b>20.1 (20.0)</b>	<b>27.9 (35.7)</b>	<b>3.0 (2.8)</b>	<b>0.1 (0.1)</b>
Area 4	Indicated	-	-	-	-	-	-
	Inferred	0.2 (0.6)	16.1 (12.9)	21.8 (21.7)	34.0 (38.2)	2.3 (2.5)	0.1 (0.1)
<b>Sub-total</b>	<b>Indicated + Inferred</b>	<b>0.2 (0.6)</b>	<b>16.1 (12.9)</b>	<b>21.8 (21.7)</b>	<b>34.0 (38.2)</b>	<b>2.3 (2.5)</b>	<b>0.1 (0.1)</b>
Area 42	Indicated	-	-	-	-	-	-
	Inferred	0.7 (1.2)	20.7 (17.0)	15.6 (13.6)	35.6 (45.1)	3.3 (3.2)	0.1 (0.1)
<b>Sub-total</b>	<b>Indicated + Inferred</b>	<b>0.7 (1.2)</b>	<b>20.7 (17.0)</b>	<b>15.6 (13.6)</b>	<b>35.6 (45.1)</b>	<b>3.3 (3.2)</b>	<b>0.1 (0.1)</b>
<b>TOTAL</b>	<b>Indicated</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Inferred</b>	<b>1.2 (3.0)</b>	<b>19.1 (14.7)</b>	<b>17.6 (17.4)</b>	<b>33.1 (39.6)</b>	<b>3.0 (2.9)</b>	<b>0.1 (0.1)</b>
	<b>Indicated + Inferred</b>	<b>1.2 (3.0)</b>	<b>19.1 (14.7)</b>	<b>17.6 (17.4)</b>	<b>33.1 (39.6)</b>	<b>3.0 (2.9)</b>	<b>0.1 (0.1)</b>

\*Note the Mineral Resources are reported at cut-offs at 15% Mn and 10% Mn (italics).

The resource is considered by the Competent Person and AX8 (ASX:AX8 30 November 2023) to have reasonable prospects for economic extraction based on continuity of the alteration with all prospects showing potential for extension outside the modelled resources. Dense Media Separation test work shows that the resource material is amenable to upgrading to a concentrate greater than 30% Mn suitable for direct shipping (ASX:AX8 30 November 2023).

The Exploration Targets (Table 3), in addition to the Mineral Resources detailed above, are estimated between 5.2-10.7Mt at 10-19% Mn and include an additional seven areas away from the four Inferred Resources, as determined by ERM (Table 2).

Table 3 Woodie Woodie North Exploration Targets  
(Source ASX:AX8 30 November 2023)

Area	Prospect	Tonnes (Mt range)	Mn grade (% range)
Barra North	Area 1	0.6 – 1.2	10 – 14
Barra South	Area 3	0.7 – 1.4	10 – 20
	Area 4	0.3 – 0.6	9 – 16
	<b>Sub-total</b>	<b>1.6 – 3.2</b>	<b>10 – 17</b>
Area 42		0.5 – 0.9	11 – 22
Parsons Creek	Area 40	0.6 – 1.2	10 – 20
	Area 41	0.1 – 0.2	10 – 20
	Area 46	0.2 – 0.3	10 – 20
<b>Sub-total</b>		<b>1.3 – 2.6</b>	<b>10 – 21</b>
Gum Creek	Area 5	0.3 – 0.6	12 – 18
	Area 43	1.0 – 1.9	10 – 20
	Area 44	0.5 – 0.9	10 – 20
	Area 45	0.7 – 1.3	10 – 20
<b>Sub-total</b>		<b>2.4 – 4.8</b>	<b>10 – 20</b>
<b>TOTAL</b>		<b>5.3 – 10.7</b>	<b>10 – 19</b>

The Exploration Targets demonstrate potential for additional Mineral Resources with further resource definition drilling of extensions to the Mineral Resources at Areas 1, 3, 4, and 42. In addition, seven other prospect areas have defined exploration targets based on the integration of exploration information including geological surface mapping, historical drilling data, and the Company's recent Phase 1 to 4 RC drilling campaigns undertaken during 2022 and 2023.

VRM notes that the Exploration Targets are considered conceptual in nature and insufficient work has been completed to allow for the estimation of a Mineral Resource and it is uncertain whether additional exploration would allow the estimation of a Mineral Resource. The reader is directed to the specific nature of the Exploration Targets as detailed in the AX8 ASX release of 30 November 2023.

### 5.4.1 Informing Data

Estimation of the Mineral Resources was based on the integration of historical drilling carried out by Valiant Consolidated Limited (1996), Shaw River Manganese Limited (2008-2012 - BRC) and Consolidated Minerals Limited (2014 – BSRC) and the Company's recent Phase 1 to 4 Reverse Circulation (RC) drilling campaigns completed during 2022 and 2023 at the Barra North Area 1, Barra South Areas 3 and 4, and Area 42. The drilling dataset used for the Mineral Resource Estimate (MRE) comprises a total of 398 drill holes for 26,952m (Table 4). All current and historical RC holes have been using face sampling hammers with sample collection via cyclone. For current holes samples were geologically logged with a reference sample collected and digitally photographed. Historically the logging was the same however the reference samples have been lost as a consequence of the previous holders' insolvency.

Table 4 Woodie Woodie North Resource Drillhole Summary  
(Source ASX:AX8 30 November 2023)

Area	Type	Number of Holes	Minimum Depth (m)	Maximum Depth (m)	Average Depth (m)	Total Depth (m)
Area 1	Historical	21	5	97	48.4	1,016
	Recent	23	20	72	45.2	1,039
	<b>Total</b>	<b>44</b>	<b>5</b>	<b>97</b>	<b>46.7</b>	<b>2,055</b>
Area 3	Historical	87	24	250	89.8	7,816
	Recent	16	26	80	56.4	903
	<b>Total</b>	<b>103</b>	<b>24</b>	<b>250</b>	<b>84.7</b>	<b>8,719</b>
Area 4	Historical	100	6	196	88.8	8,876
	Recent	13	30	61	47.3	615
	<b>Total</b>	<b>113</b>	<b>6</b>	<b>196</b>	<b>84.0</b>	<b>9,491</b>
Area 42	Historical	35	7	147	28.7	1,005
	Recent	103	27	105	55.2	5,682
	<b>Total</b>	<b>138</b>	<b>7</b>	<b>147</b>	<b>48.5</b>	<b>6,687</b>
<b>Woodie Woodie North</b>	<b>Grand Total</b>	<b>398</b>	<b>5</b>	<b>250</b>	<b>67.7</b>	<b>26,952</b>

### 5.4.2 Sample preparation and Analysis

For the Accelerate drilling average sample size varied from 2kg to 3kg. The samples taken were considered to accurately represent every metre intersected.

Samples were sent to Intertek Genalysis (Perth), where they were first dried to eliminate the moisture present in the sample and then pulverised into a homogeneous powder to ensure prepared samples

were representative of their original, larger coarse samples. For most samples, at least 85% of the material was pulverised to 75µm or better. After sample preparation, the samples were analysed for Al<sub>2</sub>O<sub>3</sub>, BaO, CaO, Cr<sub>2</sub>O<sub>3</sub>, Cu, Fe<sub>2</sub>O<sub>3</sub>, K<sub>2</sub>O, MgO, Mn, Na<sub>2</sub>O, P<sub>2</sub>O<sub>5</sub>, Pb, SO<sub>3</sub>, SiO<sub>2</sub>, TiO<sub>2</sub> & V<sub>2</sub>O<sub>5</sub> using a Li borate fusion/XRF spectrometry method specifically designed for Manganese Ore.

### Historical Drilling

For Shaw River Resources Limited: Samples were sent to Ultra Trace Analytical Laboratories (Canning Vale, WA), where the samples were sorted, dried, and split. The samples were pulverised in a vibrating disc pulveriser and then cast using a 12:22 flux to form a glass bead which was analysed for Al<sub>2</sub>O<sub>3</sub>, BaO, CaO, Fe<sub>2</sub>O<sub>3</sub>, K<sub>2</sub>O, MgO, Mn, Na<sub>2</sub>O, P, Pb, S, SiO<sub>2</sub> and TiO<sub>2</sub> using X-Ray Fluorescence Spectrometry.

No information was found for Valiant Consolidated Limited or Consolidated Minerals Limited sampling analysis methodology. It is understood both companies used in-house mine site XRF laboratories for their assay work.

#### 5.4.3 QA/QC

For the recent drilling, two company standards were inserted alternately into the run of field sample numbers at a frequency of 1 in every 20 samples. Duplicate samples were inserted using the same 1 in every 20 samples.

#### 5.4.4 Bulk Density

An average bulk density value was assigned to each of the five individual domains modelled – Dolomite, Chert, Shale, Alteration zone and Mineralised zone using data from historical metallurgical test work in 2010 and available literature see below:

- Dolomite: 2.95 g/cm<sup>3</sup> (mean value from literature).
- Chert: 2.9 g/cm<sup>3</sup> (met test samples with <10% Mn and Fe and >50% SiO<sub>2</sub>).
- Shale: 2.7 g/cm<sup>3</sup> (median value from literature with dolomite presence).
- Alteration Zone: 3 g/cm<sup>3</sup> (met test samples with Mn+Fe between 10 and 30%).
- Mineralised Zone: 3.5 g/cm<sup>3</sup> (mean value from met test samples with Mn ranging from 15 and 42%).

The Competent Person recommended further density determinations.

#### 5.4.5 Estimation Methodology

Domains representing the broad Mn-Fe alteration zones and the higher-grade (>7% Mn) zones within them were used to constrain the grade interpolation by an Inverse Distance Squared technique. These domains were used as hard boundaries to constrain grade interpolation to within known reasonable limits. Estimates of Mn, Fe, Al<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub>, P<sub>2</sub>O<sub>5</sub>, LOI, MgO, CaO, SiO<sub>2</sub> and TiO<sub>2</sub> were completed to gain an understanding of potential deleterious elements which might inhibit optimal concentrate production of Mn.

## 5.4.6 Metallurgy

Historical metallurgical test work by Shaw River Manganese Limited in 2010 on 12 RC composite samples from 8 RC drillholes has indicated the possibility of successful upgrade of the Mn ore to concentrate grade. The test work programs explored conventional low-cost gravity processing techniques, including screening to remove natural fine clay minerals and Dense Media Separation (DMS) using cyclones, culminating in gravity separation of ultra-fines using a Wilfley Table.

RC drill chips are generally used for preliminary metallurgical investigations to ascertain concentrate specification and prove processing concepts before more comprehensive test work is conducted using diamond core or bulk sampling. As a result, screening processes revealed a relatively high mass reporting to screen undersize (average of 35% of the manganese) resulting in lower overall recoveries than would be in reality. Such a high undersize proportion is not unexpected given RC drill chip samples are heavily pulverized in the drilling process. Results included:

- The oversize material >0.5mm returned DMS concentrate grades ranging from 31% to 48% Mn.
- DMS results showed a strong positive correlation between Mass Recovery and Mn Feed grade indicating that manganese material with low percentage Fe will upgrade to ~40% Mn.
- DMS test work demonstrated that a premium-grade product is achievable with low levels of impurities such as sulphur (average 0.005% S) and phosphorous (average 0.05% P).
- Preliminary Wilfley Table results confirm the liberated nature of the manganese minerals, producing concentrates from ultra-fines as high as 50.7% Mn.

In 2022 a bulk surface sample comprising multiple grab samples of 150kg was collected by Accelerate who conducted preliminary beneficiation test work. The company concluded that a direct shipping product (DSO) could be produced with both lump and fine products grading over 40%.

Leach and purification results also confirm the mineralisation has potential to produce High Purity Manganese Sulphate Monohydrate (HPMSM) with results of 99.9% manganese sulphate purity using samples from Area 42 at Woodie Woodie North (ASX: AX8 5 April 2023).

### **Competent Persons Statement**

The information in the report titled "Maiden Mineral Resource Demonstrates the upside Potential of the Woodie Woodie North Project" dated 30 November 2023, that relates to the Woodie Woodie North Mineral Resources is based on information compiled by Ms Felicity Hughes. Ms Hughes is an independent consultant at ERM Ltd. who was engaged by Accelerate Resources Ltd. and is a Member of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM). Ms Hughes has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Ms Hughes consents to the disclosure of the information in the report (ASX:AX8 30 November 2023) in the form and context in which it appears.

## 5.4.7 VRM Comment

As required by the VALMIN Code, Clause 4.1, VRM is required to undertake an assessment of the reasonableness of the inputs into our valuation. VRM has undertaken a high-level review of the Mineral

Resource estimation reports and technical data to provide an assessment of the reasonableness of the Mineral Resource estimates for the Woodie Woodie North Manganese Project.

The contents of the review have been based on the following report to the ASX of the 30 November 2023 entitled "Maiden Mineral Resources and Exploration Targets Demonstrate the Upside Potential of the Woodie Woodie North Manganese Project". In VRM's opinion, the information provided was of reasonable quality and satisfactorily addressed the requirements for an assessment of the reasonableness of the approach to the various Mineral Resource estimates. The underlying geological or geochemical datasets have not been validated, nor has there been a complete audit or reassessment of the resource. The Mineral Resources for the Project have not been re reported or re estimated as a part of this report. The technical data was reviewed at a high level, however full due diligence was not undertaken.

VRM concurs with the Competent Person that more work is required to determine more accurate bulk densities for the individual domains and more drilling is required to provide a more robust sample population so that geostatistics can be undertaken and to better inform the extent and continuity of the mineralisation. Under these circumstances it is likely that further material from the Exploration Target will report to the Inferred Resource Classification.

## 5.5 Exploration Potential

The exploration potential is for small pods of fault-controlled mineralisation within the Carawine Dolomite and Pinjian Chert breccia. The overlying but less extensive Manganese Group sediment hosts shallowly dipping stratiform mineralisation which may be of lower grade but more continuous where present. Exploration for the rich economic accumulations is complex due to the complex overprinting karst geometry of the terrain.

## 6. Comet Gold/Lithium Project

### 6.1. Location and Access

The project is located 7km south east of Cue in the Murchison Region of Western Australia and consists of four exploration licenses and two exploration licence applications for a total of 342km<sup>2</sup>.

### 6.2 Regional Geological Setting

The project area is broadly located within the Mt Magnet to Meekatharra Greenstone Belt. The belt strikes in a north easterly direction and gold deposits are located close to the Tuckabianna and other north trending shear zones. Gold deposits such as Venus, Eclipse, Comet, and Friars are located within a kilometre of the tenement boundary. High-grade gold occurs in quartz veined iron-rich sedimentary rocks near the contact with mafic lithologies. This is significant as this setting is analogous to other economic gold deposits elsewhere in the Cue District.

As series of intrusions occur within the belt ranging from syn-volcanic to late volcanic and the undeformed post volcanic Garden Granites part of the Bald Rock Supersuite dated between 2637–2602 (Figure 22) Ma (Van Kranendonk and Ivanic, 2008).

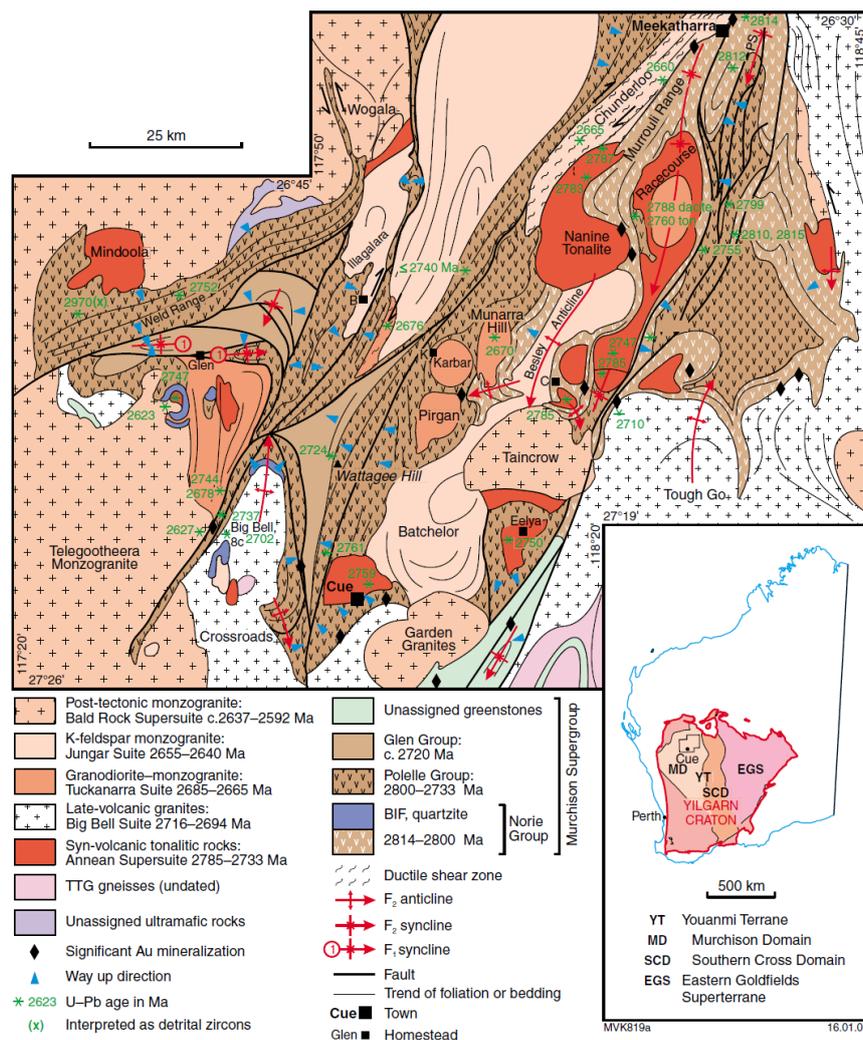


Figure 22: Northern Murchison Geological Interpretation  
(Source: Van Kranendonk and Ivanic 2008)

### 6.3 Local Geology

The tenements cover an area of volcanoclastic sediments and mafic volcanics as part of the Mt Magnet to Meekatharra Greenstone belt including banded iron formation which hosts the Tuckabianna and other gold deposits along strike to the north and south of the tenements.

The Garden Granites are central to the western tenements in the Project. These represent the Bald Rock post tectonic Supersuite as shown in Figure 22.

GSWA open-file geochemical data indicate elevated lithium is present within the Garden Granites (Figure 23).

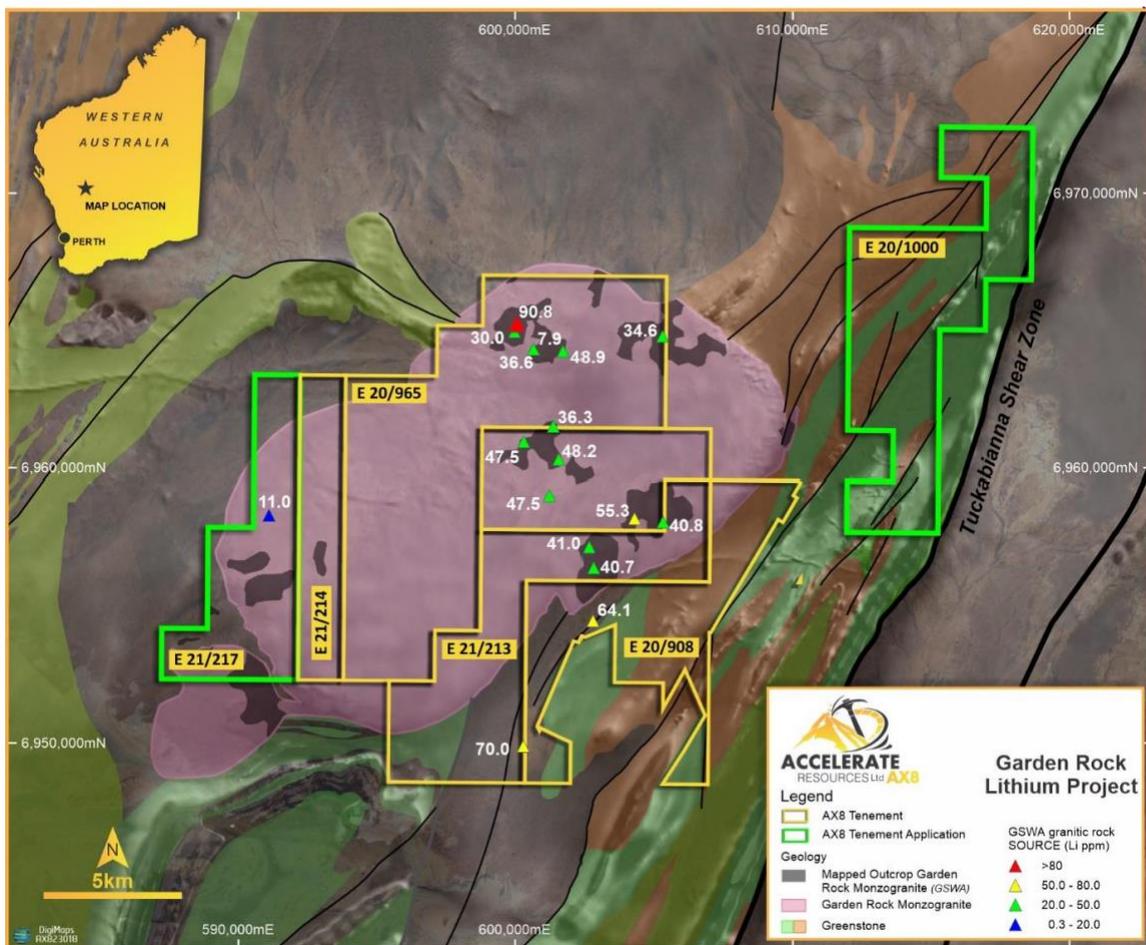


Figure 23: Garden Rock Geology and GSWA sampling lithium geochemistry  
(Source: ASX: AX8 6 September 2023)

### 6.4 Exploration History

Initial exploration by Newcrest Mining Ltd (**Newcrest**) and Westgold Resources NL (**Westgold**), during the mid-1990s identified a mineralised gold trend, over 1.4 km strike, detected by shallow RAB drilling to the north of the Comet mine (Comet North trend). A second zone of gold anomalism was also identified approximately one kilometre to the east at the Comet East prospect. (Figure 24).

The Comet North trend lies immediately to the north and along strike of the Comet gold mine. During 1995 Westgold completed a total of 579 RAB holes for 12,891m along the northern extension of the

Comet mineralised trend and over the Comet East gold anomaly. The drilling returned a number of significant results at Comet North, over 1.4 km strike, including.

- PAB017 3m at 2.02 g/t gold from 10m
- PAB186 2m at 1.65 g/t gold from 13m
- PAB233 1m at 2.22 g/t gold from 15m
- PAB289 2m at 1.47 g/t gold from 14m
- PAB391 2m at 1.56 g/t gold from 25m
- PAB447 2m at 1.71 g/t gold from 22m

Comet East lies approximately one kilometre east of the Comet North Trend. During 1994 Newcrest completed a program of RAB and limited RC drilling, comprising 154 RAB holes for 5,488m and five RC holes for 409m. Follow up RAB drilling by Westgold in 1995 comprised a further 35 holes for 1,366m. The drilling intersected significant gold mineralisation over 160m strike, including.

- PRB305 4m at 7.08 g/t gold from 27m
- PRB620 3m at 2.02 g/t gold from 10m
- PRC269 3m at 4.53 g/t gold from 60m
- PRC283 1m at 4.15 g/t gold from 85m

The Antarctica prospect lies on the southern extension to the Friars - Tuckabianna mineralisation near the eastern boundary of E20/908. Broadly spaced pisolite sampling, by Australmin Holdings Ltd. during 1989 returned a number of anomalous results from the area. Follow up RAB and RC drilling during 1990, comprising 69 RAB holes for 6,337 metres and six RC holes for 476 metres, returned a number of significant results over 1.6km strike, including.

- ATK2636 2m at 3.0 g/t gold from 28m
- ATK2493 1m at 4.92 g/t gold from 28m
- ATK2624 1m at 2.17 g/t gold from 27m
- ARC1020 2m at 1.73 g/t gold from 31m
- ARC1020 3m at 1.30 g/t gold from 38m
- ARC1023 1m at 2.47 g/t gold from 55m
- ARC1023 3m at 2.19 g/t gold from 72m

During 2012, Silver Lake Resources completed eleven RC holes for 500m targeting the northern part of the Antarctica trend, within E20/908. The drilling intersected a number of zones of low-grade gold mineralisation associated with BIF's, including a number of individual metres grading 1 g/t gold (ASX: SLR 2 July 2020). Significant results include.

- 12CORC070 1m at 10.4 g/t gold from 27m to EOH
- 12CORC064 1m at 1.1 g/t gold from 37m
- 12CORC065 1m at 1.1 g/t gold from 42m
- 12CORC068 1m at 1.0 g/t gold from 62m

In 2020 Accelerate drilled 27 RC holes for 1914m. Drilling to validate, infill and step out for the previous drilling at Comet East returned the following results, which demonstrate continuity of the east drilling lode.

- 20CORC002 9m @ 3.89 g/t gold from 34m
- 20CORC003 6m @ 1.11 g/t gold from 30m
- 20CORC019 6m @ 2.29 g/t gold from 44m
- 20CORC024 6m @ 1.45 g/t gold from 50m
- 20CORC022 3m @ 3.10 g/t gold from 13m

At Antarctica 12 RC holes drilled on sections spaced 50m apart resulted in further continuity of down dip mineralisation.

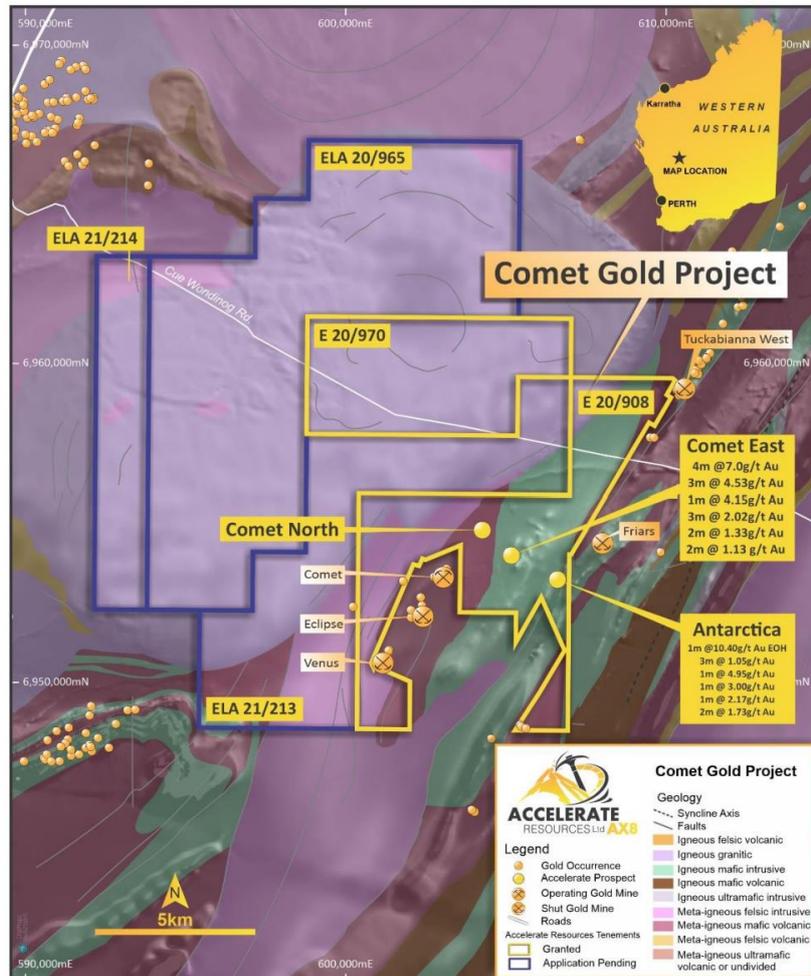


Figure 24: Comet Gold Historical Gold Intersections.  
(Source ASX:AX8 30 July 2021)

## 6.5 Exploration Potential

Potential is for small deposits of medium to high grade BIF hosted orogenic gold. These could be toll treated or sold to other operators in the area.

The Garden Granites may have potential for lithium due to them being late stage post tectonic fractionated intrusions and the GSWA geochemistry shows anomalous lithium. The prospectivity for lithium is highly conceptual with no spodumene bearing pegmatites identified.

## 7. Valuation Methodology

The VALMIN Code outlines various valuation approaches that are applicable for Properties at various stages of the development pipeline. These include valuations based on market-based transactions, income or costs as shown in Table 5 and provides a guide as to the most applicable valuation techniques for different assets.

Table 5: VALMIN Code 2015 valuation approaches suitable for mineral Properties.

<b>Valuation Approaches suitable for mineral properties</b>				
<b>Valuation Approach</b>	<b>Exploration Projects</b>	<b>Pre-development Projects</b>	<b>Development Projects</b>	<b>Production Projects</b>
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

In accordance with the definitions used in the VALMIN Code the Accelerate Projects are best described as Early Exploration projects. The Woodie Woodie North Project has JORC 2012 Inferred Mineral Resources and Exploration Targets which were reported on 30 November 2023.

In VRM's opinion, the Woodie Woodie North Manganese projects should be valued using a comparable transaction method based on Resource Multiples as a primary valuation method for the Inferred Mineral Resources (with appropriate discounts applied), additional valuation, using a Geoscientific or Kilburn approach has been added to the Resource valuation for a total project valuation.

### 7.1 Previous Valuations

VRM has been made aware of a previous non-public valuation for E45/5978 containing Prospect Areas 1 to 7 owned by Accelerate in July 2022. The valuation considered a non-public inferred resource on Areas 3 and 4 and was estimated at \$1.9M. The valuation was conducted when the Mn price was about 20% higher than the current price.

### 7.2 Valuation Subject to Change

The valuation of any mineral Property is subject to several critical inputs most of these change over time. The valuation date used in this report is 6th October 2023 however the Report considers information up to 30 November 2023. This valuation is subject to change due to updates in the geological understanding, variable assumptions and mining conditions, climatic variability that may impact on the development assumptions, the ability and timing of available funding to advance the properties, the current and future metal prices, exchange rates, political, social, environmental aspects of a possible development, a multitude of input costs including but not limited to fuel and energy prices, steel prices, labour rates and supply and demand dynamics for critical aspects of the potential development like mining equipment. While VRM has undertaken a review of several key technical aspects that could impact the valuation there are numerous factors that are beyond the control of VRM.

As at the date of this Report in VRM's opinion there have been no significant changes in the underlying inputs or circumstances that would make a material impact on the outcomes or findings of this Report.

## 7.3 General assumptions

The Mineral Assets of Accelerate Resources are valued using appropriate methodologies as described Table 5 and in the following sections. The valuation is based on several specific assumptions detailed above, including the following general assumptions.

- That all information provided to VRM is accurate and can be relied upon.
- The valuations only relate to the Mineral Assets located within the tenements controlled by the respective Companies, and not the Companies, their shares or market value.
- That the mineral rights, tenement security and statutory obligations were fairly stated to VRM and that the mineral licence will remain active.
- Only tenements which allow exploration and exploitation have been valued.
- That all other regulatory approvals for exploration and mining are either active or will be obtained in the required and expected timeframe.
- That the owners of the mineral assets can obtain the required funding to continue exploration activities.
- The Manganese price assumed (where it is used / considered in the valuation) is as at 30 November 2023, being US\$4.15 per \$DMTU this equates to an amount per tonne which is multiplied based on the % Mn in the final shipped product of Manganese Ore Mn32% Fe20%, Tianjin-SA (source S&P Capital IQ) This is the latest monthly reported price.
- The Lithium price (where it is used / considered in the valuation) is as at 25 November 2023, being US\$25,365/t (source S&P Capital IQ).
- The US\$ - AUS\$ exchange rate of 0.6349 (www.xe.com).
- All currency in this report are Australian Dollars or AUD, unless otherwise noted, if a particular value is in United States Dollars, it is prefixed with US\$.

## 7.4 Market Based Valuations

As the projects being valued in this Report are dominantly prospective for manganese and lithium it is important to note the current market conditions of the manganese and lithium concentrates and supply and demand fundamentals of the manganese and lithium markets.

### 7.4.1 Manganese Market Analysis

The primary use (85-90%) for manganese is in the production of steel alloys, therefore the market is tied to iron ore demand. A secondary use which is predicted to increase in demand is in the production of nickel-manganese-cobalt (NMC) batteries which are commonly used in hybrid and electric vehicles (EVs). Increased EV production is why manganese demand is predicted to rise over the next few years. However, production from giant high grade mines such as in South Africa, Gabon, and Australia has historically kept up with demand keeping a cap on higher prices (Figure 25).

New uses such as micronutrients and downstream production of High Purity Manganese Sulphate Monohydrate (HPMSM) for batteries as being investigated by companies such as Firebird Metals and Accelerate using lower grade ores are some of areas of growth outside the direct shipping of ore at around 32-44% Mn to China.

A number of studies by companies such as Firebird Metals (ASX: FRB 30 August 2023), Black Canyon (ASX: BCA 17 April 2023) and RDG Technologies (ASX: RDG 1 June 2021) have published plans to produce an onsite concentrates of around 30% Mn using Dense Media Separation (DMS) which then would be used to manufacture precursor chemicals such as  $MnSO_4$  for battery production. So far, no onshore

production has eventuated in Australia, with the more likely outcomes being sales on concentrate in China’s battery production supply chain.

The potential ores from the Oakover district are likely to be suitable for the direct shipping of a beneficiated DMS concentrate or the production of high purity Mn sulphate for use in the lithium-ion battery market. It is for this reason that the price used was a beneficiated tonnage for direct shipping Manganese Ore Mn32% Fe20%, Tianjin-SA (\$/DMTU) (Figure 25).

Commodity Price

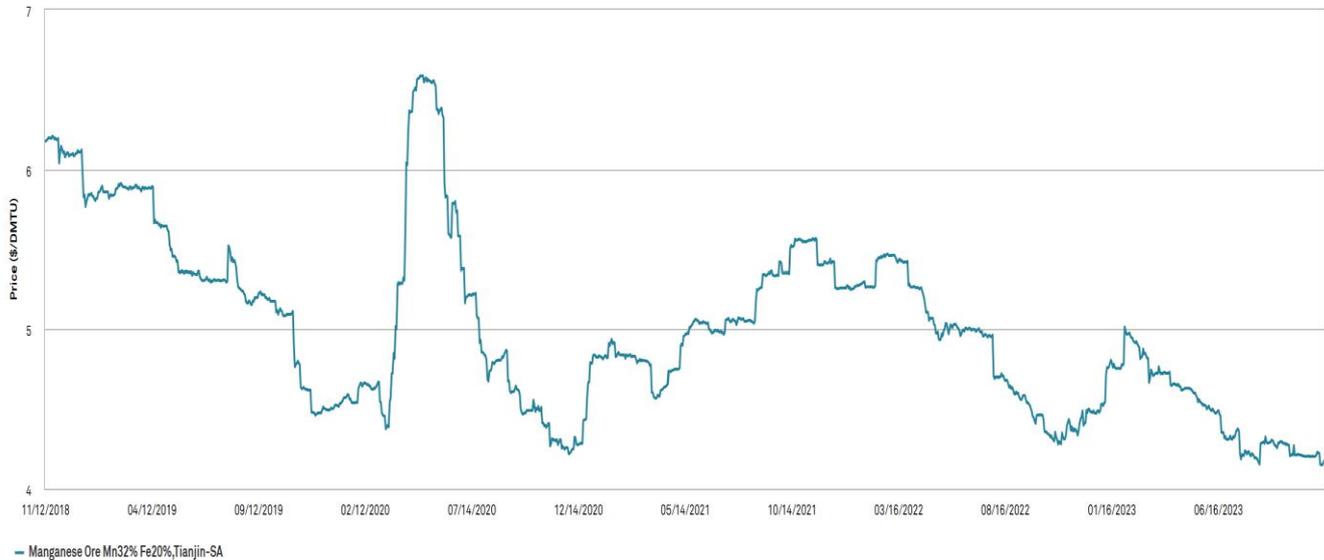


Figure 25: Five-year Manganese Ore 32% price (US\$) from October 2018 to October 2023. (Source: S&P Capital IQ)

## 7.4.2 Lithium Market Analysis

The lithium price is directly linked to the demand for lithium-ion batteries, largely for use in electric vehicles (EVs). This report is not intended to provide a detailed account for the lithium market however there has been a significant increase over the past several years toward reducing carbon emissions especially from vehicles. There has been a significant increase in EV sales, especially post the main impact of COVID-19 on the global economy with several governments around the world providing subsidies and incentives to promote the uptake of EV use. Additional demand for lithium stems from large-scale electrical storage batteries to support the energy transition to renewables, ensuring a more efficient delivery of steady baseload power. In addition to the rapidly increasing EV and battery demand there is the ongoing demand increase for lithium in several traditional uses including ceramics, lubricants increase. Since 2015 the percentage of global lithium production used in batteries has increased from 31% to approximately 80%, while the global mine production has increased from 34,000t in 2013 to 107,000t in 2021 (USGS Minerals Yearbook 2015 and 2023).

The lithium market has been particularly buoyant and volatile since early 2022 with prices recently easing to just below \$40,000 per tonne of lithium carbonate but still significantly higher than 2018 to 2021 (Figure 26). The Geoscientific Valuation for lithium projects in the Pilbara has been factored up by 20% to the account for the buoyant lithium price when compared to the pre 2021 price however it should be noted that the lithium carbonate price has reduced by around 60% since the high of late 2022.

## Commodity Price



Figure 26: Five-year Global Average Lithium Carbonate price (AUS\$) per tonne from November 2018 to November 2023  
 (Source: S&P Capital IQ)

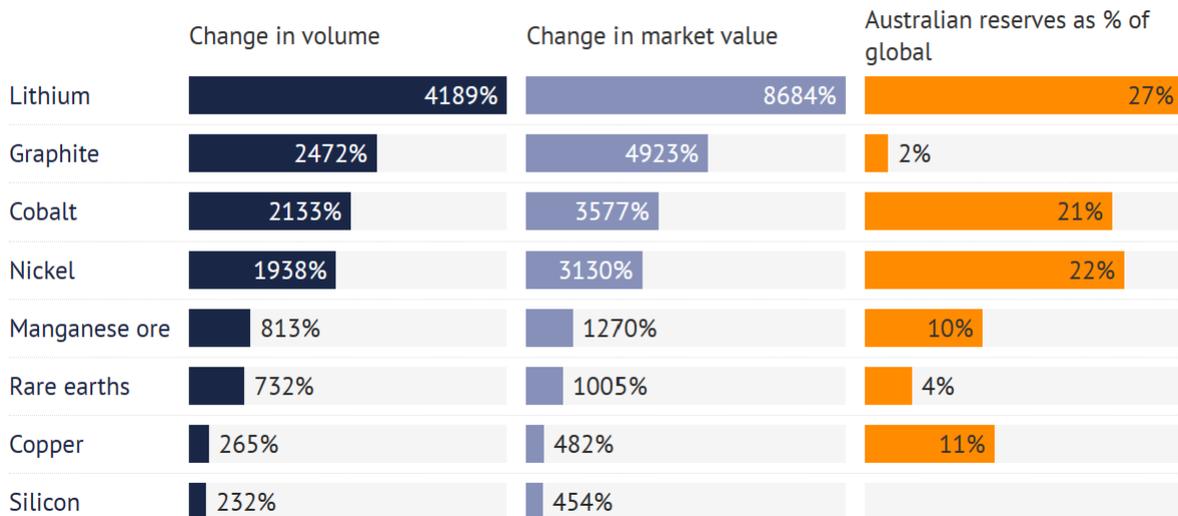
## Outlook

According to S & P Global Research, the passenger electric vehicle PEV sector demand for lithium and cobalt has been below expectations so far in the second half of 2023. In China, the pre-National Day holiday restocking and year-end demand surge failed to fully materialize in stark contrast to seasonal trends in preceding years. The Platts-assessed lithium carbonate CIF North Asia price has been declining since 20 June 2023. The price dropped 21.1% in the month-to-13 Oct. 23 period to \$22,500/t, its lowest in 23 months. This price reflects the spot value of battery-grade material on a CIF North Asia basis for deliveries to the main ports of China, Japan, and South Korea.

Lithium refineries are cutting production in response to squeezed margins, as chemical prices are falling faster than concentrate costs and pessimism over near-term demand. Lithium chemical prices have dropped below the production costs of using spodumene and lepidolite concentrate, sourced on spot pricing. Chinese lithium brine production is also declining due to seasonal factors. China's market strength exposes Australia to considerable risk. While Australia produces about half the world's lithium ore, it sends 97% of production to China for processing. Figure 27 below is graph showing future project demand for a range of critical mineral including lithium and manganese and the % reserves that Australia has in these commodities.

## Demand for critical energy minerals

2020–2040



Source: Grattan Institute, IEA

Figure 27: Projected Demand for Critical minerals

## 7.5 Valuation of Advanced Properties

There are several valuation methods that are suitable for advanced Properties including the following:

- Financial modelling including discounted cash flow (**DCF**) valuations (generally limited to Properties with published Ore Reserves),
- Comparable Market Based transactions including Resource and Reserve Multiples
- Joint Venture Transactions
- Yardstick valuations

At the Valuation Date there are Inferred Mineral Resources and Exploration Targets estimated for the Woodie Woodie North Project. An income valuation approach is commonly only undertaken when there are current Ore Reserves with Financial Modelling.

### 7.5.1 Comparable Market Based Transactions – Resource Based

A comparable transactional valuation is a simple and easily understood valuation method which is broadly based on the real estate approach to valuation. It can be applied to a transaction based on the contained metal for projects with Mineral Resource Estimates reported. Advantages of this type of valuation method include that it is easily understood and applied, especially where the resources or tenement area is comparable, and the resource or exploration work is reported according to an industry standard (like the JORC Code or NI43-101).

However, it is not as robust for projects where the resources are either historic in nature, reported according to a more relaxed standard, or are using a cut-off grade that reflects a commodity price that is not justified by the current market fundamentals. If the projects being valued are in the same or a

comparable jurisdiction, then it removes the requirement for a geopolitical adjustment. Finally, if the transaction being used is recent then it should reflect the current market conditions.

Difficulties arise when there are a limited number of transactions, where the projects have subtle but identifiable differences that impact the economic viability of one of the projects. For example, the requirement for a very fine grind required to liberate gold from a sulphide rich ore or where the ore is refractory in nature and requires a non-standard processing method.

The information for the comparable transactions has been derived from various sources including the ASX and other securities exchange releases associated with these transactions, a database compiled by VRM for exploration stage projects (with resources estimated) and development ready projects.

This valuation method is the primary valuation method for exploration or advanced (pre-development) projects where Mineral Resources have been estimated. More advanced projects would typically be valued using an income approach due to the modifying factors for a mining operation being better defined.

The preference is to limit the transactions and resource multiples to completed transactions from the past two to five years in either the same geopolitical region or same geological terrain. The comparable transactions have been compiled where Mineral Resources and in some cases Ore Reserves have been estimated. Appendix A details the Resource Multiples for a series of transactions that are considered at least broadly comparable with the Projects.

### 7.5.2. Yardstick Valuation

A yardstick valuation was undertaken as a check of the comparable transactions. This yardstick valuation is based on a rule of thumb as supported by a large database of transactions where resources and reserves at various degrees of confidence are multiplied by a percentage of the spot commodity price as per Table 6. The yardstick valuation factors used in this report are in line with other yardstick valuation factors commonly used by other independent specialists and used in other VALMIN reports. The US\$-AUS\$ exchange rate and manganese price \$US per dtmu as of 25 November 2023 and documented above have been used to determine the yardstick valuation.

Table 6: Typical Yardstick Multiples used for Manganese Projects.

Resource or Reserve Classification	Lower Yardstick Multiple (% of Spot price)	Upper Yardstick Multiple (% of Spot price)
Ore Reserves	2%	5%
Measured Resources (less Proved Reserves)	1%	2%
Indicated Resources (less Probable Reserves)	0.5%	1%
Inferred Resources	0.25%	0.5%
2004 or other (Mineral Resource Target)	0.1	0.25

## 7.6 Exploration Asset Valuation

To generate a value of an early-stage exploration Property or the exploration potential away from a mineral deposit it is important to value all the separate parts of the mineral assets under consideration. In the case of the advanced Properties the most significant value drivers for the overall Property are the declared Mineral Resources or Ore Reserves, while for earlier stage Properties a significant contributor

to the Property's value is the exploration potential. There are several ways to determine the potential of pre-resource Properties, these being:

- A Geoscientific (Kilburn) Valuation.
- Comparable transactions (purchase) based on the Properties' area or Mineral Resource estimates (both current and historic).
- Joint Venture terms based on the Properties' area; and
- A prospectivity enhancement multiplier (PEM).

The methodology to determine the Comparable transactions based on a projects area is undertaken using the same methodology as that described for the Comparable transactions' valuation for advanced projects section; however transactional value is applied to the project's area rather than the Mineral Resources or Ore Reserves. The Joint Venture terms valuation is similar to the comparable transactions based on the project area, other than a discount to the Joint Venture terms is applied to account for the time value of money (an appropriate discount rate is applied) and a discount to the earn-in expenditure to account for the chance that the Joint Venture earn-in expenditure is not completed in the agreed timeframe.

VRM considers a Geoscientific or Kilburn valuation as a robust valuation method. The area based comparable transaction multiples can also be useful in valuations but are strongly related to the projects tenement area so can be conservative for small areas and overstated for large areas. It is the view of VRM that the least transparent and most variable valuation method is a PEM valuation as this depends on an assessment of the effectiveness of the expenditure.

### 7.6.1 Geoscientific (Kilburn) Valuation

One valuation technique that is widely used to determine the value of a project that is at an early exploration stage without any Mineral Resources or Ore Reserve estimates was developed and is described in an article published in the CIM bulletin by Kilburn (1990). This method is widely termed the Geoscientific method where a series of factors within a project are assessed for their potential.

While this technique is somewhat subjective and open to interpretation it is a method that when applied correctly by a suitably experienced specialist enables an accurate estimate of the value of the project. There are five critical aspects that need to be considered when using a Kilburn or Geoscientific valuation, these are the base acquisition cost, which put simply is the cost to acquire and continue to retain the tenements being valued. The other aspects are the proximity to both adjacent to and along strike of a major deposit (Off Property Factors), the occurrence of a mineral system on the tenement (On Property Factors), the success of previous exploration within the tenement (Anomaly Factors) and the geological prospectivity of the geological terrain covered by the mineral claims or tenements (Geological Factors). In early-stage projects often the anomaly factors and geological factors have limited information.

While this valuation method is robust and transparent it can generate a very wide range in valuations, especially when the ranking criteria are assigned to a large tenement. This method was initially developed in Canada where the mineral claims are generally small therefore reducing the potential errors associated with spreading both favourable and unfavourable ranking criteria to be spread over a large tenement. Therefore, VRM either values each tenement or breaks down a larger tenement into areas of higher and lower prospectivity.

Table 7 documents the ranking criteria that were used in conjunction with the base acquisition cost (**BAC**) for the project tenements to determine the technical valuation of the project.

VRM determines the BAC based on the holding cost of maintaining the tenement for the next year. That cost is determined by the minimum exploration commitment required on the tenement. For the Accelerate tenements the BAC has been determined using the exploration commitments for the tenement. These commitments were confirmed from DMIRS for the Accelerate tenements in Western Australia.

The technical valuation derived from the Kilburn ranking factors are frequently adjusted to reflect the geopolitical risks associated with the location of the project and the current market conditions toward a specific commodity or geological terrain. These adjustments can either increase or decrease the technical value to derive the fair market valuation.

Using the ranking criteria from Table 7 along with the base acquisition costs tabulated in the appendices an overall technical valuation is determined.

Table 7: Ranking criteria are used to determine the Geoscientific technical valuation.

Geoscientific Ranking Criteria				
Rating	Off-property factor	On-property factor	Anomaly factor	Geological factor
0.1				Generally unfavourable geological setting
0.5			Extensive previous exploration with poor results	Poor geological setting
0.9			Poor results to date	Generally unfavourable geological setting, under cover
1.0	No known mineralisation in district	No known mineralisation within	No targets defined	Generally favourable geological setting
1.5	Mineralisation identified	Mineralisation identified	Target identified; initial indications positive	
2.0	Resource targets identified	Exploration targets identified		Favourable geological setting
2.5			Significant intersections – not correlated on section	
3.0	Along strike or adjacent to known mineralisation	Mine or abundant workings with significant previous production		Mineralised zones exposed in prospective host rocks
3.5			Several significant ore grade intersections that can be correlated	
4.0	Along strike from a major mine(s)	Major mine with significant historical production		
5.0	Along strike from world class mine			

The total technical valuation was adjusted to derive a market valuation by making a market factor adjustment and a locational adjustment. A market factor was derived to account for the status of the market.

For early-stage Projects (where there are no Mineral Resources estimated), VRM considers the Geoscientific (Kilburn) Valuation method to be the most robust and is commonly the primary valuation method used for the surrounding exploration potential.

## 7.6.2 Prospectivity Enhancement Multiplier (PEM) Valuation

As outlined in Table 5 and in the VALMIN Code a cost – based or appraised value method is an appropriate valuation technique for early-stage exploration Properties. Under this method, the previous exploration expenditure is assessed as either improving or decreasing the potential of the Property. The prospectivity enhancement multiplier (**PEM**) involves a factor which is directly related to the success of the exploration expenditure to advance the Property. There are several alternate PEM factors that can be used depending on the specific Property and commodity being evaluated. Onley, (1994) included several guidelines for the use and selection of appropriate PEM criteria. The PEM ranking criteria used in this report are outlined in Table 8 below. VRM considers the PEM valuation method as a secondary valuation method. In the opinion of the author, it is preferable to use resource multiples for comparable transactions once a JORC 2012 resource has been estimated, however if there are no comparable transactions then a PEM is a viable valuation method.

Table 8: Prospectivity Enhancement Multiplier (PEM) ranking criteria.

PEM Ranking Criteria	
Range	Criteria
0.2 – 0.5	Exploration downgrades the potential
0.5 – 1	Exploration has maintained the potential
1.0 – 1.3	Exploration has slightly increased the potential
1.3 – 1.5	Exploration has considerably increased the potential
1.5 – 2.0	Limited Preliminary Drilling intersected interesting, mineralised intersections
2.0 – 2.5	Detailed Drilling has defined targets with potential economic interest
2.5 – 3.0	A Mineral Resource has been estimated at an Inferred category

## 8. Valuation of Accelerate Mineral Assets

The principal mineral assets all located in Western Australia valued as a part of this ITAR are the East Pilbara Manganese Project where the Woodie Woodie North Project includes a Mineral Resource and an Exploration Target, the Karratha (Prinsep and Mt Sholl Projects), the Karratha (Roebourne South and Mt Sholl East Projects), the East Pilbara Lithium Projects and the Comet Lithium/Gold Project all located in Western Australia.

As detailed above Accelerate has Mineral Resource estimates (Table 2) and a Mineral Exploration Target (Table 3) outlined on the Woodie Woodie North Manganese Project.

BDO has requested VRM to undertake a valuation of the projects in accordance with the VALMIN Code using valuation methods that VRM considered to be reasonable. As an income valuation is not considered a viable valuation method VRM has completed alternate valuations of the projects with the preferred valuation being based on the comparable transaction resource multiple approach for the Mineral Resources supplemented by a Kilburn Valuation for the Exploration.

Other valuations are based on several techniques, these being a Yardstick method as a cross check for the reported Mineral Resources and Exploration Targets for the Woodie Woodie North Project. The surrounding exploration tenure for the East Pilbara Manganese Projects has been valued considering a Kilburn or Geoscientific valuation method and a Prospectivity Enhancement Multiplier (PEM) method as described further below.

The Karratha and East Pilbara Lithium projects, the Comet Gold/Lithium Project, have been valued using a Geoscientific valuation method as the primary valuation method with PEM the secondary method.

The 2% NSR which is included in the Proposed Transaction is considered to be of negligible value as no drilling has yet been conducted and hence no resource has been established on the tenements. While there are targets for exploration, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain whether the targets for future exploration will result in the estimation of a Mineral Resource. Additionally, the time required to delineate a Mineral Resource, make an assessment as to the viability of any conceptual project development, develop the project and pay the proposed royalty is likely to be extensive. Therefore, on a current value basis the proposed royalty is considered to have negligible value.

### 8.1 Comparable Transactions – Resource Multiples

#### 8.1.1 Woodie Woodie North Resource Multiples

For the manganese Mineral Resources on the Woodie Woodie North project, an analysis of recently (in the past five years) completed project-based manganese transactions was compiled for projects that are considered possibly comparable in geopolitical jurisdictions, of similar geology and possible development scenario, assumed to be an open pit mining operation with an onsite processing facility producing a manganese oxide concentrate using Dense Media Separation (DMS). Typical operations that beneficiate ore achieve Direct Shipping grades of over 32% Mn. It is for this reason that the Mn price of Manganese Ore Mn32% Fe20%, Tianjin-SA (\$/DMTU) was used. There are very few comparable

transactions in the past five years so VRM has had to increase the time frame of comparable transactions that could be used.

The final set of data used to derive the valuation included four transactions involving manganese resources, as detailed in Appendix A. The Ant Hill/Sunday Creek transaction which has the highest multiple as \$5.61 per tonne was a complicated related party transaction with associated loans greater than the price paid in shares back to the purchaser in order to get the project into production. This transaction has been retained but its importance diminished by using the average of the transactions as the upper end of the valuation range rather than using the average to inform the preferred valuation.

The comparable transactions used for the valuation are mostly compiled from projects with no feasibility studies. The resource multiples based on the comparable transactions have been normalised to the manganese price at the transaction date.

Applying this methodology, the median normalised multiple is \$0.41 per tonne. VRM considers that the range that should be determined based on the comparable transactions with the minimum value determined based on the median of the four transactions with a multiple of \$0.41 per tonne to generate the lower end of the valuation range. The most recent and the transaction that VRM considered most comparable, being the Trek – Edge transaction as the preferred valuation (using a multiple of \$0.58 per tonne and the upper valuation range being the average of the four identified transactions being \$1.64 per tonne.

The resource multiples detailed above and supported by the information in Appendix A have been used along with the Mineral Resource estimates in Table 2 to derive the value of the Mineral Resources within the tenements that contain Mineral Resources. The contained manganese in the Mineral Resources has been calculated by VRM based on the reported Resource tonnage and grades, and results in a slightly different contained manganese for the Accelerate Projects compared to the declared MRE's. This variation is due to rounding in the estimates.

In determining the tonnage of direct shipping ore VRM has divided the metal tonnes stated in the resource by 3 to arrive at a DSO product of 33%. No allowance has been made for moisture loss. The value of the exploration potential within the tenements away from the Woodie Woodie North Mineral Resources, including the Exploration Target has been determined by a Geoscientific/Kilburn method. This is VRM's preferred valuation method.

Table 9, below summarises the valuation of the Inferred Manganese Mineral Resources owned by Accelerate.

Therefore, VRM considers that the Mineral Resources within the Accelerate Woodie Woodie North Project have a market value, based on comparable transactions, of between **\$0.55 million** and **\$2.2 million** with a preferred valuation of **\$0.8 million**. Note this does not include the exploration potential, including the Woodie Woodie North Exploration Target, which has preferred value of **\$1.6 Million** and a range of between **\$0.8 million** and **\$2.4 million** using the Geoscientific/Kilburn Method as detailed in Section 8.3 below.

Table 9: Comparable transaction valuation of the Mineral Resource estimates.

Comparable Transaction Valuation Mineral Resource estimates			
	Lower (min)	Preferred (Median)	Upper (Average)
Accelerate Woodie Woodie North Mineral Resource estimates (contained MnO) 1.29Mt direct shipping material		1.33	
Resource Multiple (MnO)	\$0.41	\$0.58	\$1.64
<b>Accelerate Mineral Resource Valuation (\$ million)</b>	<b>\$0.6</b>	<b>\$0.8</b>	<b>\$2.2</b>

Note appropriate rounding has been applied to the valuation totals. US\$ to A\$ exchange rate of 0.6349 has been applied.

## 8.2 Yardstick Method

As detailed above the yardstick method can also be considered as a valuation approach, particularly as a cross check or supporting valuation technique to support the valuation generated by a comparable transaction method. This method is typically used as a supporting approach for valuation of Ore Reserves and / or Mineral Resources and is based on a percentage of the current metal price.

For Mineral Resource estimates, a common yardstick value would be between 0.5% and 5% of the current commodity price, dependent on the Mineral Resource classification as at the valuation date. For lower classification levels such as Inferred Mineral Resources this percentage is lower reflecting the higher uncertainty compared to Indicated or Measured categories. The risks relating to the resources described above have been incorporated into the Yardstick approach. The yardstick multiples are commonly used for gold transactions and has been developed by the valuation industry as a basis of possible project valuations based on a large dataset of gold transactions. As there are few transactions for manganese projects this is considered a reasonable guide as to a possible value however due to the lack of transactions it is considered a useful guide to a possible valuation.

VRM has applied a range of percentage values, corresponding to the classification of the Manganese Mineral Resources (Table 2) and Exploration Targets (Table 3) within the Projects and the manganese price at the valuation date in order to value the resources within the Projects. In determining the tonnage of direct shipping ore VRM has divided the metal tonnes stated in the resource by 3 to arrive at a DSO product of 33%. No allowance was made for moisture loss. The valuations are summarised in Table 10.

Table 10: Yardstick valuation of the Mineral Resources within Accelerate Projects

Yardstick Valuation Summary of Mineral Resources in the Accelerate Projects							
Classification	Yardstick Factors	Resources (MnO Mt con)	A\$/tonne Concentrate @33%	Equity	Lower (\$M)	Midpoint (\$M)	Upper (\$M)
<b>Accelerate Mineral Resource Estimates (100% Equity)</b>							
Inferred MnO Resources	0.25 – 0.5%	1.33	215.68	100%	\$0.72	\$1.08	\$1.44
MnO Exploration Target	0.1 – 0.25%	3.52	215.68	100%	\$0.76	\$1.33	\$1.90
<b>Valuation Accelerate Mineral Resources (\$ million)</b>				<b>100%</b>	<b>\$1.5</b>	<b>\$2.4</b>	<b>\$3.3</b>

Note – Yardstick Valuation based on manganese price of \$4.15US per DTMU at an exchange rate of 0.635 The contained manganese may vary slightly from the reported contained metal due to the contained metal in the table above being calculated by VRM. Appropriate rounding has been applied to the Mineral Resource estimates and valuation.

Therefore, VRM considers the Mineral Resources estimates and the Exploration Target within the Accelerate Woodie Woodie North Projects as detailed above to be valued, based on a yardstick approach, at between **\$1.5 million** and **\$3.3 million** with a preferred valuation of **\$2.4 million**.

### 8.3 Geoscientific Valuation

There are several specific inputs that are critical in determining a valid geoscientific or Kilburn valuation, these are ensuring that the specialist undertaking the valuation has a good understanding of the mineralisation styles within the overall region, the tenements and has access to all the exploration and geological information to ensure that the rankings are based on a thorough knowledge of the project. In addition to ensuring the rankings are correct deriving the base acquisition costs (BAC) is critical as that is the primary driver of the final value. In this case the BAC is derived by the exploration commitment to maintain the tenement in good standing. The costs of tenement applications and targeting have not been included.

The Geoscientific rankings were derived for each of the ranking criteria with the Off-Property Criteria considered to be between 1 and 3.5, the On-Property Criteria between 1 and 3, the Anomaly Factor between 1.0 and 4.0 while the Geology Criteria are considered to be between 0.5 and 4.0. When these ranking criteria are combined with the base acquisition cost, as detailed in Appendix B, this has determined the technical value. A range of 20% market discounts to 20% market premiums have been applied to some projects to account for market commodities status for lithium at a current premium to historic markets and manganese at a current discount to historic markets and a range of locational discounts from 0% to 25% has been applied to the technical value. The Technical and Market Values are shown in Table 11. The technical valuation is the base acquisition cost multiplied by the ranking factors outlined in Appendix B while the Market Value is the Technical Value multiplied by the geopolitical risk and market adjustment. Note, the tenements which contain the Resources at Woodie Woodie North are excluded from this method.

Table 11: Geoscientific Valuation of the Exploration tenements excluding the Mineral Resource tenements.

Project	Technical Valuation Low	Technical Valuation Mid	Technical Valuation high	Market Low (\$million)	Market Mid (\$million)	Market High (\$million)
<b>Accelerate Resources Mineral Assets</b>						
Mount Sholl East Project	0.13	0.30	0.46	0.16	0.36	0.55
Roebourne South Project	0.13	0.34	0.56	0.16	0.41	0.67
East Pilbara Lithium	0.32	0.973	1.625	0.31	0.93	1.56
Comet Lithium/Gold	0.674	1.547	2.419	0.61	1.41	2.21
East Pilbara Manganese (ex MRE)	1.31	2.48	3.64	0.83	1.59	2.35
<b>Total AX8 Exploration Assets</b>	<b>2.57</b>	<b>5.64</b>	<b>8.70</b>	<b>2.1</b>	<b>4.7</b>	<b>7.3</b>
<b>Mt Sholl Holdings Mineral Assets</b>						
Prinsep Lithium Project	0.28	0.72	1.16	0.34	0.87	1.39
Mt Sholl Project	0.034	0.10	0.17	0.04	0.12	0.21
<b>Total MSH Exploration Assets</b>	<b>0.32</b>	<b>0.83</b>	<b>1.33</b>	<b>0.4</b>	<b>1.0</b>	<b>1.6</b>

Appropriate rounding to the total valuation has been undertaken. The East Pilbara Manganese valuation excludes the tenements hosting the Mineral Resources

The Accelerate exploration assets are considered by VRM to have a market value using the Geoscientific method of between **\$2.1 million** and **\$7.3 million** with a preferred value of **\$4.7 million**.

The MSH exploration assets are considered by VRM to have a market value using the Geoscientific method of between **\$0.4 million** and **\$1.6 million** with a preferred value of **\$1.0 million**.

#### 8.4 Prospectivity Enhancement Multiplier (PEM) Valuation

VRM has undertaken a PEM valuation of the tenements based on the exploration expenditure either provide by the company or extracted from the DMIRS online tenement database Mineral Titles Online with the expenditure being limited to the exploration portion of the statutory annual tenement expenditure reports (Form 5). In addition to the reported expenditures VRM has assumed that the exploration commitment for the current tenement year has already been spent. Project acquisitions costs were excluded from the analysis as these are considered sunk costs and not contributing to geological / prospectivity knowledge.

The exploration expenditure has been multiplied by the Prospectivity Enhancement Multiplier, as detailed in Table 8, to generate the PEM valuation. To generate a range in the PEM valuation VRM has assessed the effectiveness of the exploration expenditure and therefore used an upper and lower PEM multiple to generate a range of likely values of each of the tenements with these combined into the table below which shows the total valuation of each of the Projects. The preferred valuation is the average of the upper and lower PEM valuation. Table 12 details the expenditure, the PEM valuations for each project. The PEM multiples for each of the tenements are detailed in the appendices to this report.

Table 12: PEM Valuation (\$ million) for the exploration tenements including tenements containing Mineral Resources

Project	Total Exploration Expenditure	PEM Valuation Low	PEM Mid-Point	PEM Valuation High	Contains Resource? Y/N
<b>Accelerate Mineral Assets</b>					
Mount Sholl East Project	\$335,258	0.25	0.29	0.33	
Roebourne South Project	\$486,647	0.36	0.42	0.47	
East Pilbara Lithium	\$172,738	0.17	0.20	0.22	
Comet Lithium/Gold	\$577,048	0.77	0.90	1.02	
East Pilbara Manganese	\$1,859,291	4.34	4.78	5.23	Yes
<b>Total AX8 Mineral Asset Valuation</b>		<b>5.9</b>	<b>6.6</b>	<b>7.3</b>	
<b>Mt Sholl Holdings Pty Ltd Mineral Assets</b>					
Mt Sholl Project	\$459,030	0.46	0.53	0.60	
Prinsep Lithium Project	\$133,564	0.17	0.19	0.20	
<b>Total MSH Mineral Asset Valuation</b>		<b>0.6</b>	<b>0.7</b>	<b>0.8</b>	

Note Appropriate rounding has been undertaken.

For the Accelerate tenements, the market valuation as determined by the PEM valuation method has resulted in a value between **\$5.9 million** and **\$7.3 million** with a preferred valuation of **\$6.6 million**.

For the MSH tenements, the market valuation as determined by the PEM valuation method has resulted in a value between **\$0.6 million** and **\$0.8 million** with a preferred valuation of **\$0.7 million**.

## 9. Risks and Opportunities

### 9.1 General Risks and Opportunities

There are JORC 2012 Mineral Resource estimates within the East Pilbara Manganese Projects at the Woodie Woodie North Project.

Mineral exploration, by its very nature has significant risks, particularly for early-stage projects, of which many of the Project areas are considered. Based on the industry-wide exploration success rates it is possible that no additional significant economic mineralisation will be located within any of the Projects. Even in the event significant mineralisation does exist within the Projects, factors both in and out of the control of the Company may prevent the identification or development of such mineralisation.

There are often environmental, safety and regulatory risks associated with exploration. This may include, but is not limited to, factors such as community consultation and agreements, as well as environmental considerations. Once more advanced, Projects are assessed for risks associated with mining, metallurgical and processing facilities requirements and services, ability to develop infrastructure appropriately, and mine closure processes. Assessment of these risks would be addressed in successive technical-economic studies, which generally commence once a Project has initiated Mineral Resource definition drilling and estimation activities. A risk exists that fatal flaws may be identified during these studies, that impede project development.

The data included in this Report and the basis of the interpretations herein have been derived from a compilation of data included in annual and quarterly technical reports and ASX releases sourced from the companies and other public data. In addition, company presentations and academic literature has been used to evaluate the historic exploration data, and to ascertain the prospectivity potential and possible mineralisation systems present within the tenement holdings.

There are two potential sources of uncertainty associated with this type of information compilation; 1. significant material information may not have been identified in the data compilation, and 2. There is a potential risk associated with the timely release of the exploration reports related to the areas of interest. That is, under the current regulations associated with annual technical reporting, any report linked to a current tenement that is less than five years old remains confidential and the company can also make submissions to ensure the reports remain confidential for longer periods. In addition, historical reports are not all digitally available. Therefore, obtaining the historical reports often requires extremely time-consuming and costly searches. There could also be duplication and compilation errors associated with several of the publicly available data compilations; this is commonly associated with multiple reporting of the exploration activities by different tenement managers using different grid references for the exploration activities. As such, these data may not be available and may have material errors that could have a material impact on potential exploration decisions.

Often the historical exploration reports do not include or discuss the use of quality assurance and quality control (**QAQC**) procedures as part of the sampling programs. Therefore, it is difficult to determine the validity and reliability of much of the historical samples, even where original assays are reported. The inability to properly validate all the exploration data reported herein, which has an impact on the proposed exploration, increases the exploration risk.

Global economics such as changes to commodity prices and access to capital to fund exploration can be considered as both risks and opportunities. These are factors that are outside of the control of the Company, as are broader societal issues. For example, at the time of drafting this Report, the impact of post COVID-19 associated supply chain issues is being felt globally and inflationary pressure are leading to uncertainty in the investment environment. There has also been a recent increase in the recognition of the need for a rapid transition of the global energy requirements and there has been a significant push toward a change toward a lower carbon intensity power generation. This shift has dramatically changed the demand profile for several “green” or “future facing” commodities including lithium, nickel, copper in the electrification of vehicles and manganese in power generation.

## 9.2 Project Specific Risks and Opportunities

All the projects have additional exploration potential adjacent to or along strike of the current Mineral Resources and regional exploration targets that require additional evaluation and assessment. These Resource extensions are a material opportunity on each of the projects.

The most significant risk for the Woodie Woodie North Project, is associated with the likely processing flow sheet including a Dense Media Separation (DMS) to produce a concentrate that is currently assumed in the reasonable prospects for eventual economic extraction (RPEEE) assessment of the Mineral Resource. A significantly larger resource than the current inferred resource would be required in order to justify the capital needed to construct such a plant. The commercialisation route would then be to process the ore to concentrate stage using DMS to create a product over 30% Mn and then direct ship to China.

For the regional Projects there are the typical risks associated with early-stage exploration projects. While there are risks that no additional material that may be exploitable would be delineated, VRM considers that these risks are minimal and that there is a significant opportunity associated with the potential to delineate additional mineralisation within the Projects.

## 10. Preferred Valuations

Based on the valuation techniques detailed above, Table 13 provides a summary of the valuations derived for the Mineral Resources and the exploration potential within the projects by the various techniques. Figure 28 graphically shows the valuation range and preferred valuation for the Mineral Resources and exploration potential within the projects and the combined valuation range and preferred valuation for the mineral assets.

### **Accelerate Mineral Asset Valuation**

#### **East Pilbara Manganese - Woodie Woodie North**

VRM's preferred valuation for Woodie Woodie North is based on the comparable transaction approach added to the Geoscientific/Kilburn for the exploration valuation outside the Mineral Resources.

The PEM valuation based on expenditure and prospectivity gives an artificially high result due to high prospectivity but low conversion of drilling expenditure to Mineral Resources.

The Yardstick method values both Mineral Resources and the Exploration Target. This result is broadly comparable to the preferred method and is a secondary valuation method.

#### **East Pilbara Manganese Regional Projects including Mt Sydney and Ripon Hills East**

The Geoscientific method is considered the preferable method to value the exploration potential adjacent to the Mineral Resources. For the early-stage exploration projects the Geoscientific method is supported by the PEM method where the expenditures are based on the last five years expenditure and the proportion of the minimum exploration expenditure since the last tenement anniversary.

Based on the rationale outlined in the body of this Report, VRM is of the view that the Mineral Resource estimates is most appropriately valued considering a comparable transaction approach coupled with the Geoscientific/Kilburn method, while the exploration potential of the regional tenements is most appropriately valued applying a Geoscientific/Kilburn valuation method.

On this basis in VRM's opinion, as detailed in Table 13 the market value of the Mineral Assets owned by Accelerate is between **\$2.6 million** and **\$9.5 million** with a preferred valuation of **\$5.5 million**.

#### **Mt Sholl Holdings Pty Ltd Mineral Asset Valuation**

VRM has undertaken a valuation of the Mineral Assets owned by MSH, being the Mt Sholl Project and the Prinsep Project and considers that the preferred valuation technique is a Geoscientific/Kilburn approach with this method supported by a PEM valuation. Using the preferred valuation method VRM considers that the market value of the Mineral Assets owned by MSH to be between **\$0.4 million** and **\$1.6 million** with a preferred valuation of **\$1.0 million**.

The 2% NSR is considered to be of negligible value as no drilling has yet been conducted and hence no resource has been established on the tenements. While there are targets for exploration, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain whether the targets for future exploration will result in the estimation of a Mineral Resource. Additionally, the time required to delineate a Mineral Resource, make an assessment as to the viability of any conceptual project development, develop the project and pay the proposed royalty is likely to be extensive. Therefore, on a current value basis the proposed royalty is considered to have negligible value.

Table 13: Valuation Summary Projects by method

Note the totals may not add due to rounding in the valuations.

Project		Valuation	Method	Lower Valuation (\$ million)	Preferred Valuation (\$ million)	Upper Valuation (\$ million)
<b>Accelerate Mineral Assets</b>						
Woodie Woodie N Project MRE	<b>MRE Inferred</b>	<b>Primary</b>	<b>Comparable</b>	<b>0.6</b>	<b>0.8</b>	<b>2.2</b>
Woodie Woodie N Project MRE	MRE + Exploration Target	Secondary	Yardstick	1.5	2.4	3.3
Woodie Woodie N Project Expl.	<b>Exploration + Target</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.8</b>	<b>1.6</b>	<b>2.4</b>
Woodie Woodie N Project All	Exploration + MRE	Secondary	PEM	4.3	4.8	5.2
East Pilbara Mn Project Total		<b>Primary</b>		<b>1.4</b>	<b>2.4</b>	<b>4.5</b>
East Pilbara Mn Project Total		Secondary		1.5	2.4	3.3
Mt Sholl East	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.2</b>	<b>0.4</b>	<b>0.6</b>
Mt Sholl East	Exploration	Secondary	PEM	0.3	0.3	0.3
Roebourne South	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.2</b>	<b>0.4</b>	<b>0.7</b>
Roebourne South	Exploration	Secondary	PEM	0.4	0.4	0.5
East Pilbara Lithium	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.3</b>	<b>0.9</b>	<b>1.6</b>
East Pilbara Lithium	Exploration	Secondary	PEM	0.2	0.2	0.2
Comet	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.6</b>	<b>1.4</b>	<b>2.2</b>
Comet	Exploration	Secondary	PEM	0.8	0.9	1.0
<b>Accelerate Total Mineral Asset Valuation</b>		<b>Primary</b>		<b>2.6</b>	<b>5.5</b>	<b>9.5</b>
		Secondary		3.0	4.2	5.4
<b>Mt Sholl Holdings Pty Ltd Mineral Assets</b>						
Prinsep	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.3</b>	<b>0.9</b>	<b>1.4</b>
Prinsep	Exploration	Secondary	PEM	0.2	0.2	0.2
Mt Sholl	<b>Exploration</b>	<b>Primary</b>	<b>Kilburn</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>
Mt Sholl	Exploration	Secondary	PEM	0.5	0.5	0.6
<b>Mt Sholl Holdings Pty Ltd Mineral Asset Valuation</b>		<b>Primary</b>		<b>0.4</b>	<b>1.0</b>	<b>1.6</b>
		Secondary		0.6	0.7	0.8

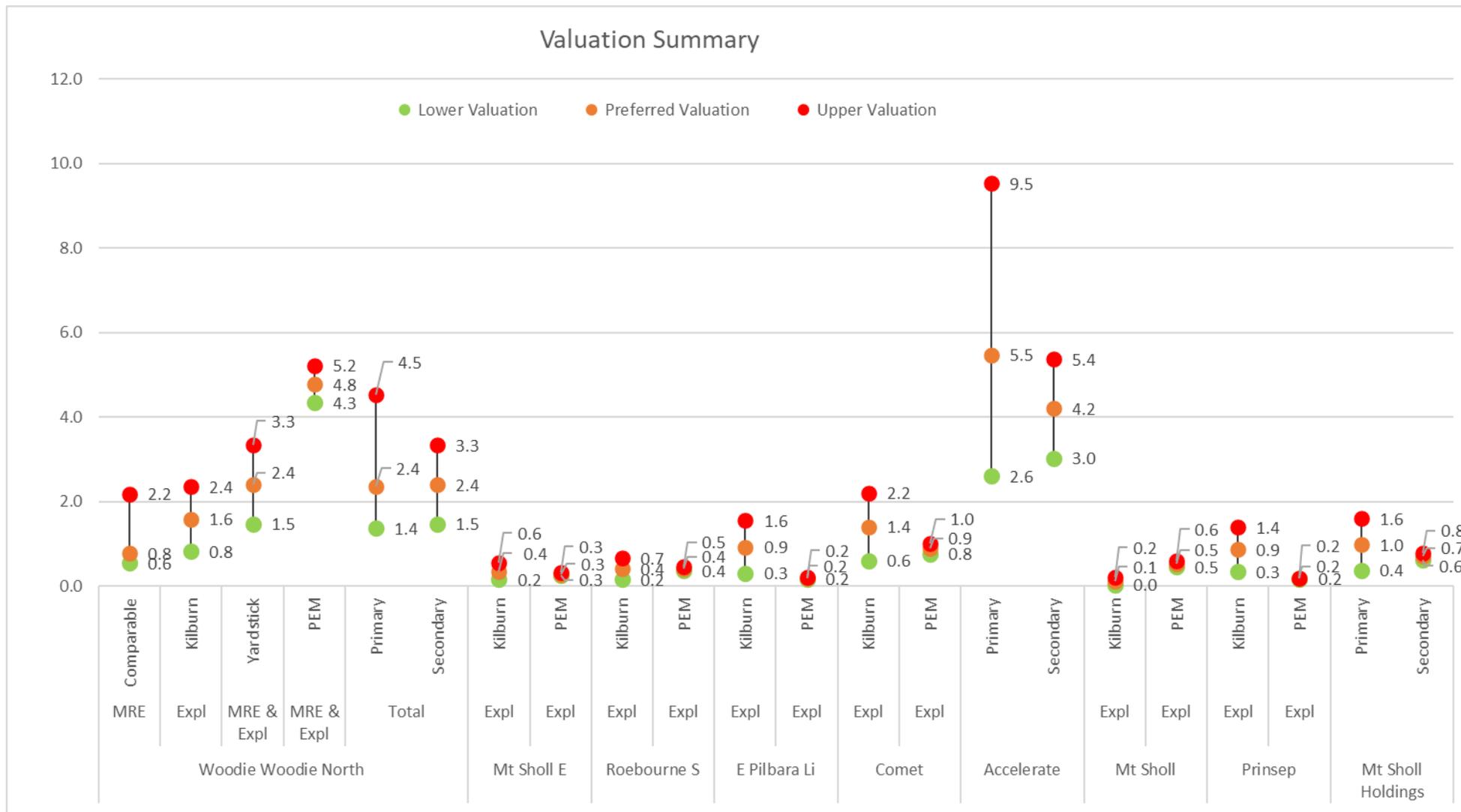


Figure 28: Valuation Summary

## 11. References

The reference list below includes public domain and unpublished company reports obtained either directly from the Company or ASX releases of previous Joint Venture holders or previous holders of the tenements.

The Annual Technical Reports lodged with the DMIRS and subsequently made public either after five years or when the tenement was surrendered are listed in the Project specific references section below.

### 11.1 Published References

Brown, T, Duuring, P, Morin-Ka, S and Strong, CA, 2022, Manganese: a mineral systems analysis: Geological Survey of Western Australia, Record 2022/5, 9p

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Hickman, A. H., Huston, D. L., Van Kranendonk, M. J., and Smithies, R. H., 2006, Geology and mineralization of the west Pilbara — a field guide: Western Australia Geological Survey, Record 2006/17, 50p.

Joint Ore Reserves Committee, **2012**. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) [online]. Available from: <http://www.jorc.org> (The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia).

Jones, S., McNaughton, N.J., Grguric, B., 2013 Structural controls and timing of fault-hosted manganese at Woodie Woodie, East Pilbara, Western Australia, Ore Geology Reviews, Volume 50, 2013, pg. 52-82,

Jones, S. A. 2017. Geology and geochemistry of fault-hosted hydrothermal and sedimentary manganese deposits in the Oakover Basin, east Pilbara, Western Australia. Australian Journal of Earth Sciences 64, 63-102.

Nisbet, B.W. 1984. An Exploration Model for Tantalum Pegmatites with an Example from the Pilgangoora Area, Pilbara, Western Australia. 7th Australian Geological Conference Abstracts No. 12, Sydney, NSW, Geological Society of Australia, pg. 409.

Onley, P.G; 1994; Multiples of Exploration Expenditure as a Basis for Mineral Valuation; Proceedings of VALMIN 94; pages 191 to 197; The Australasian Institute of Mining and Metallurgy, Carlton, Australia; ISBN 1 875776 036.

Spinks, S. C., Thorne, R. L., Sperling, E., White, A., Armstrong, J., leGras, M., Birchall, R., Munday, T. (2018) Sedimentary Manganese as Precursors to the Supergene Manganese Deposits of the Collier Group; Capricorn Orogen, Western Australia. CSIRO, Australia. EP18235. p. 36.

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VALMIN Committee, 2015. Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code) [online]. Available from: <http://www.valmin.org> (The VALMIN Committee of the Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists).

Van Kranendonk M., and Ivanic T.J., 2008. A new lithostratigraphic scheme for the northeastern Murchison Domain, Yilgarn Craton GSWA Annual Review 2007-2008.

Williams, I.R., 1989 Balfour Downs, Western Australia (second edition). Geological Survey of Western Australia 1:250 000 Geological Series— Explanatory notes. SF 51–9.

## 12. Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Webmineral [www.webmineral.com](http://www.webmineral.com), Wikipedia [www.wikipedia.org](http://www.wikipedia.org). Some of the following terms are taken from the 2015 VALMIN Code.

**Annual Report** means a document published by public corporations on a yearly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Australasian** means Australia, New Zealand, Papua New Guinea, and their offshore territories.

**Code of Ethics** means the Code of Ethics of the relevant Professional Organisation or Recognised Professional Organisations.

**Corporations Act** means the Australian Corporations Act 2001 (Cth).

**Experts** are persons defined in the Corporations Act whose profession or reputation gives authority to a statement made by him or her in relation to a matter. A Practitioner may be an Expert. Also see Clause 2.1.

**Exploration Results** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Feasibility Study** means a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate at the time of reporting that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre-feasibility Study.

**Financial Reporting Standards** means Australian statements of generally accepted accounting practice in the relevant jurisdiction in accordance with the Australian Accounting Standards Board (AASB) and the Corporations Act.

**Independent Expert's Report** means a Public Report as may be required by the Corporations Act, the Listing Rules of the ASX or other security exchanges prepared by a Practitioner who is acknowledged as being independent of the Commissioning Entity. Also see ASIC Regulatory Guides RG 111 and RG 112 as well as Clause 5.5 of the VALMIN Code for guidance on Independent Expert Reports.

**Information Memoranda** means documents used in financing of projects detailing the project and financing arrangements.

**Investment Value** means the benefit of an asset to the owner or prospective owner for individual investment or operational objectives.

**Life-of-Mine Plan** means a design and costing study of an existing or proposed mining operation where all Modifying Factors have been considered in sufficient detail to demonstrate at the time of reporting that extraction is reasonably justified. Such a study should be inclusive of all development and mining activities proposed through to the effective closure of the existing or proposed mining operation.

**Market Value** means the estimated amount of money (or the cash equivalent of some other consideration) for which the Mineral Asset should exchange on the date of Valuation between a willing buyer and a willing seller in an arm's length transaction after appropriate marketing wherein the parties each acted knowledgeably, prudently and without compulsion. Also see Clause 8.1 for guidance on Market Value.

**Materiality** or being **Material** requires that a Public Report contains all the relevant information that investors and their professional advisors would reasonably require, and reasonably expect to find in the report, for the purpose of making a reasoned and balanced judgement regarding the Technical Assessment or Mineral Asset Valuation being reported. Where relevant information is not supplied, an explanation must be provided to justify its exclusion. Also see Clause 3.2 for guidance on what is Material.

**Member** means a person who has been accepted and entitled to the post-nominals associated with the AIG or the AusIMM or both. Alternatively, it may be a person who is a member of a Recognised Professional Organisation included in a list promulgated from time to time.

**Mineable** means those parts of the mineralised body, both economic and uneconomic, that are extracted or to be extracted during the normal course of mining.

**Mineral Asset** means all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment, and infrastructure owned or acquired for the development, extraction, and processing of Minerals in connection with that Tenure.

Most Mineral Assets can be classified as either:

(a) **Early-stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.

(b) **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.

(c) **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.

(d) **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study.

(e) **Production Projects** – Tenure holdings – particularly mines, wellfields, and processing plants – that have been commissioned and are in production.

**Mine Design** means a framework of mining components and processes taking into account mining methods, access to the Mineralisation, personnel, material handling, ventilation, water, power, and other technical requirements spanning commissioning, operation, and closure so that mine planning can be undertaken.

**Mine Planning** includes production planning, scheduling and economic studies within the Mine Design taking into account geological structures and mineralisation, associated infrastructure and constraints, and other relevant aspects that span commissioning, operation, and closure.

**Mineral** means any naturally occurring material found in or on the Earth's crust that is either useful to or has a value placed on it by humankind, or both. This excludes hydrocarbons, which are classified as Petroleum.

**Mineralisation** means any single mineral or combination of minerals occurring in a mass, or deposit, of economic interest. The term is intended to cover all forms in which mineralisation might occur, whether by class of deposit, mode of occurrence, genesis, or composition.

**Mineral Project** means any exploration, development, or production activity, including a royalty or similar interest in these activities, in respect of Minerals.

**Mineral Securities** means those Securities issued by a body corporate or an unincorporated body whose business includes exploration, development or extraction and processing of Minerals.

**Mineral Resources** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Mining** means all activities related to extraction of Minerals by any method (e.g., quarries, open cast, open cut, solution mining, dredging etc).

**Mining Industry** means the business of exploring for, extracting, processing, and marketing Minerals.

**Modifying Factors** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Ore Reserves** is defined in the current version of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Refer to <http://www.jorc.org> for further information.

**Petroleum** means any naturally occurring hydrocarbon in a gaseous or liquid state, including coal-based methane, tar sands and oil-shale.

**Petroleum Resource** and **Petroleum Reserve** are defined in the current version of the Petroleum Resources Management System (PRMS) published by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council, and the Society of Petroleum Evaluation Engineers. Refer to <http://www.spe.org> for further information.

**Practitioner** is an Expert as defined in the Corporations Act, who prepares a Public Report on a Technical Assessment or Valuation Report for Mineral Assets. This collective term includes Specialists and Securities Experts.

**Preliminary Feasibility Study (Pre-Feasibility Study)** means a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors that are sufficient for a Competent Person, acting reasonably, to determine if all or part of the Mineral Resources may be converted to an Ore Reserve at the time of reporting. A Pre-Feasibility Study is at a lower confidence level than a Feasibility Study.

**Professional Organisation** means a self-regulating body, such as one of engineers or geoscientists or of both, that:

(a) admits members primarily on the basis of their academic qualifications and professional experience.

(b) requires compliance with professional standards of expertise and behaviour according to a Code of Ethics established by the organisation; and

(c) has enforceable disciplinary powers, including that of suspension or expulsion of a member, should its Code of Ethics be breached.

**Public Presentation** means the process of presenting a topic or project to a public audience. It may include, but not be limited to, a demonstration, lecture or speech meant to inform, persuade, or build good will.

**Public Report** means a report prepared for the purpose of informing investors or potential investors and their advisers when making investment decisions, or to satisfy regulatory requirements. It includes, but is not limited to, Annual Reports, Quarterly Reports, press releases, Information Memoranda, Technical Assessment Reports, Valuation Reports, Independent Expert Reports, website postings and Public Presentations. Also see Clause 5 for guidance on Public Reports.

**Quarterly Report** means a document published by public corporations on a quarterly basis to provide shareholders, the public and the government with financial data, a summary of ownership and the accounting practices used to prepare the report.

**Reasonableness** implies that an assessment which is impartial, rational, realistic, and logical in its treatment of the inputs to a Valuation or Technical Assessment has been used, to the extent that another Practitioner with the same information would make a similar Technical Assessment or Valuation.

**Royalty or Royalty Interest** means the amount of benefit accruing to the royalty owner from the royalty share of production.

**Securities** has the meaning as defined in the Corporations Act.

**Securities Expert** are persons whose profession, reputation or experience provides them with the authority to assess or value Securities in compliance with the requirements of the Corporations Act, ASIC Regulatory Guides and ASX Listing Rules.

**Scoping Study** means an order of magnitude technical and economic study of the potential viability of Mineral Resources. It includes appropriate assessments of realistically assumed Modifying Factors together with any other relevant operational factors that are necessary to demonstrate at the time of reporting that progress to a Pre-Feasibility Study can be reasonably justified.

**Specialists** are persons whose profession, reputation, or relevant industry experience in a technical discipline (such as geology, mine engineering or metallurgy) provides them with the authority to assess or value Mineral Assets.

**Status** in relation to Tenure means an assessment of the security of title to the Tenure.

**Technical Assessment** is an evaluation prepared by a Specialist of the technical aspects of a Mineral Asset. Depending on the development status of the Mineral Asset, a Technical Assessment may include the review of geology, mining methods, metallurgical processes and recoveries, provision of infrastructure and environmental aspects.

**Technical Assessment Report** involves the Technical Assessment of elements that may affect the economic benefit of a Mineral Asset.

**Technical Value** is an assessment of a Mineral Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by a Practitioner, excluding any premium or discount to account for market considerations.

**Tenure** is any form of title, right, licence, permit or lease granted by the responsible government in accordance with its mining legislation that confers on the holder certain rights to explore for and/or extract agreed minerals that may be (or is known to be) contained. Tenure can include third-party ownership of the Minerals (for example, a royalty stream). Tenure and Title have the same connotation as Tenement.

**Transparency** or being **Transparent** requires that the reader of a Public Report is provided with sufficient information, the presentation of which is clear and unambiguous, to understand the report and not be misled by this information or by omission of Material information that is known to the Practitioner.

**Valuation** is the process of determining the monetary Value of a Mineral Asset at a set Valuation Date.

**Valuation Approach** means a grouping of valuation methods for which there is a common underlying rationale or basis.

**Valuation Date** means the reference date on which the monetary amount of a Valuation in real (dollars of the day) terms is current. This date could be different from the dates of finalisation of the Public Report or the cut-off date of available data. The Valuation Date and date of finalisation of the Public Report **must** not be more than 12 months apart.

**Valuation Methods** means a subset of Valuation Approaches and may represent variations on a common rationale or basis.

**Valuation Report** expresses an opinion as to monetary Value of a Mineral Asset but specifically excludes commentary on the value of any related Securities.

**Value** means the Market Value of a Mineral Asset.

## Appendix A - Comparable Transactions

Project	Country	Buyer Name / Target Name	Date	% Acquired	Deal (\$) 100% Basis	Deal \$ Normalised	Normalising Factor	Resources (T)	Resource Grade Mn %	Tonnes Concentrate at 33% Mn	Non Normalised \$ / t	Normalised \$ / t
Hendeka	Australia	Trek Metals / Edge Minerals	3/06/2022	100%	\$3,961,869	3,262,253	0.82	14,200,000	13%	5,593,939	0.71	\$0.58
Emang	South Africa	Emang Mmogo Mining Resources	5/08/2013	70%	\$3,057,143	3,057,143	1.00	16,500,000	25%	12,400,000	0.25	\$0.25
Sunday Creek	Australia	RDG	19/03/2020	100%	\$30,000,000	27,242,888	0.91	7,700,000	21%	4,853,333	6.18	\$5.61
Emily	USA	NBS Capital Inc	20/04/2020	100.0%	\$666,943	435,191	0.65	6,463,087	19.6%	3,838,682	0.17	\$0.11

The deal value was normalised to the Manganese Ore Mn 32% Fe20%, Tianjin-Sa (\$/Dmtu) price.

Statistics	Non-Normalised \$/t	Normalised \$/t
Average	\$1.83	\$1.64
Median	\$0.48	\$0.41
Min	\$0.17	\$0.11
Max	\$6.18	\$5.61
Most Comparable	\$0.71	\$0.58

## Appendix B - Geoscientific Valuation

Tenement	Equity	Off Property Low	Off Property High	On Property Low	On Property High	Anomaly Low	Anomaly High	Geology Low	Geology High	BAC	Technical Valuation Low	Technical Valuation Mid	Technical Valuation High	Market Low	Market Mid	Market High
<b>Mt Sholl Project</b>																
P 47/1752	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$7,520	0.01	0.02	0.04	0.01	0.03	0.05
P 47/1753	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$6,240	0.01	0.02	0.03	0.01	0.02	0.04
P 47/1756	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$7,000	0.01	0.02	0.04	0.01	0.03	0.04
P 47/1796	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$2,040	0.00	0.01	0.01	0.00	0.01	0.01
P 47/1797	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$7,080	0.01	0.02	0.04	0.01	0.03	0.04
P 47/1798	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$3,920	0.00	0.01	0.02	0.00	0.01	0.02
<b>Total Mt Sholl Project</b>											<b>0.03</b>	<b>0.10</b>	<b>0.17</b>	<b>0.04</b>	<b>0.12</b>	<b>0.21</b>
<b>Mount Sholl East Project</b>																
E 47/3143	75%	3.0	3.5	1.0	1.5	1.0	1.5	1.5	2.0	\$39,000	0.13	0.30	0.46	0.16	0.36	0.55
<b>Total Mount Sholl East Project</b>											<b>0.13</b>	<b>0.30</b>	<b>0.46</b>	<b>0.16</b>	<b>0.36</b>	<b>0.55</b>
<b>Prinsep Lithium Project</b>																
P 47/1754	100%	3.0	3.5	2.0	3.0	1.5	2.0	2.0	3.5	\$7,920	0.14	0.36	0.58	0.17	0.43	0.70
P 47/1755	100%	3.0	3.5	2.0	3.0	1.5	2.0	2.0	3.5	\$7,880	0.14	0.36	0.58	0.17	0.43	0.70
<b>Total Prinsep Lithium Project</b>											<b>0.28</b>	<b>0.72</b>	<b>1.16</b>	<b>0.34</b>	<b>0.87</b>	<b>1.39</b>
<b>Roebourne South Project</b>																
E 47/3173	75%	2.5	3.0	1.0	1.5	1.0	1.5	1.0	1.5	\$50,000	0.09	0.24	0.38	0.11	0.28	0.46
M 47/248	75%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$10,000	0.01	0.03	0.05	0.01	0.04	0.06
M 47/339	75%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$10,000	0.01	0.03	0.05	0.01	0.04	0.06
P 47/1851	75%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$6,720	0.01	0.02	0.03	0.01	0.02	0.04
P 47/1850	75%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$8,000	0.01	0.02	0.04	0.01	0.03	0.05
<b>Total Roebourne South Project</b>											<b>0.13</b>	<b>0.34</b>	<b>0.56</b>	<b>0.16</b>	<b>0.41</b>	<b>0.67</b>
<b>East Pilbara Lithium</b>																
E 45/6278	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$42,000	0.04	0.13	0.21	0.05	0.15	0.26
E 45/6279	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$48,000	0.05	0.15	0.24	0.06	0.17	0.29
E 45/6280	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$37,000	0.04	0.11	0.19	0.04	0.13	0.22
E 45/6416	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$21,000	0.02	0.06	0.11	0.00	0.00	0.00
E45/6604	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$27,000	0.03	0.08	0.14	0.02	0.07	0.12
E45/6615	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$20,000	0.02	0.06	0.10	0.02	0.05	0.09
E45/6634	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$68,000	0.07	0.21	0.34	0.06	0.19	0.31
E46/1522	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$58,000	0.06	0.18	0.29	0.05	0.16	0.26

Tenement	Equity	Off Property Low	Off Property High	On Property Low	On Property High	Anomaly Low	Anomaly High	Geology Low	Geology High	BAC	Technical Valuation Low	Technical Valuation Mid	Technical Valuation High	Market Low	Market Mid	Market High
<b>Total East Pilbara Lithium</b>											<b>0.32</b>	<b>0.97</b>	<b>1.63</b>	0.31	0.93	1.56
<b>Comet Gold Project</b>																
E 21/213	100%	1.0	1.5	1.0	1.5	1.0	1.5	1.0	1.5	\$20,000	0.02	0.06	0.10	0.02	0.06	0.10
E 21/214	100%	0.9	1.0	1.0	1.5	1.0	1.5	1.0	1.5	\$20,000	0.02	0.04	0.07	0.02	0.04	0.07
E 21/217	100%	0.9	1.0	1.0	1.5	1.0	1.5	1.0	1.5	\$15,000	0.01	0.03	0.05	0.01	0.02	0.04
E 20/908	100%	1.5	2.5	2.0	2.5	1.5	2.0	1.5	2.0	\$50,000	0.34	0.79	1.25	0.34	0.79	1.25
E 20/965	100%	0.9	1.0	1.0	1.5	1.0	1.5	1.0	1.5	\$30,000	0.03	0.06	0.10	0.03	0.06	0.10
E 20/970	100%	0.9	1.0	1.0	1.5	1.0	1.5	1.0	1.5	\$20,000	0.02	0.04	0.07	0.02	0.04	0.07
E 20/1000	100%	1.5	2.5	2.0	2.5	2.0	2.5	2.0	2.5	\$20,000	0.24	0.51	0.78	0.18	0.38	0.59
<b>Total Comet Lithium/Gold</b>											<b>0.67</b>	<b>1.55</b>	<b>2.42</b>	<b>0.61</b>	<b>1.41</b>	<b>2.21</b>
<b>East Pilbara Manganese</b>																
E 45/5088	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$50,000	0.08	0.21	0.34	0.06	0.17	0.27
<b>E 45/5854</b>	<b>100%</b>	<b>3.0</b>	<b>3.5</b>	<b>2.0</b>	<b>2.5</b>	<b>3.5</b>	<b>4.0</b>	<b>3.0</b>	<b>3.5</b>	<b>\$43,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
E 45/5907	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$20,000	0.03	0.08	0.14	0.02	0.07	0.11
<b>E 45/5978</b>	<b>100%</b>	<b>3.0</b>	<b>3.5</b>	<b>1.5</b>	<b>3.0</b>	<b>1.5</b>	<b>2.5</b>	<b>3.0</b>	<b>3.5</b>	<b>\$31,000</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
E 45/6508	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$15,000	0.02	0.06	0.10	0.01	0.04	0.06
E45/6603	100%	3.0	3.5	2.0	2.5	2.5	3.5	3.5	4.0	\$20,000	1.05	1.75	2.45	0.63	1.05	1.47
E45/6527	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$35,000	0.05	0.14	0.24	0.03	0.09	0.14
E45/5942	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$20,000	0.03	0.08	0.14	0.02	0.07	0.11
E45/6100	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$21,000	0.03	0.09	0.14	0.03	0.07	0.11
E 45/6508	100%	1.5	2.0	1.0	1.5	1.0	1.5	1.0	1.5	\$15,000	0.02	0.06	0.10	0.02	0.05	0.08
<b>Total East Pilbara Manganese</b>											<b>1.31</b>	<b>2.48</b>	<b>3.64</b>	<b>0.83</b>	<b>1.59</b>	<b>2.35</b>
<b>Total Exploration Assets</b>														<b>2.44</b>	<b>5.69</b>	<b>8.94</b>

To convert the technical valuations to a market valuation a 20% premium was applied to the lithium projects to account for the market interest in lithium projects while a 20% discount was applied to the Manganese Projects due to the low manganese prices. A 25% discount was applied to tenement applications which are not subject to a ballot while tenement applications that are subject to a ballot are excluded from the valuation due to the uncertainty as to if the tenements will be granted to the applicant.

Only tenements which allow exploration and exploitation are valued in this report therefore the miscellaneous licence (L47/779) has not been valued in this report.

## Appendix C - PEM Valuation

Project	Tenement	Equity	Total Exploration Expenditure	PEM Low	PEM High	PEM Valuation Low \$ million	PEM Mid – Point \$ million	PEM Valuation High \$ million	
<b>Mt Sholl Project</b>									
Mt Sholl Project	L 47/779	Misc	100%	\$-	0.0	0.0	0.00	0.00	0.00
Mt Sholl Project	P 47/1752	Prospecting Licence	100%	\$99,272.26	1.0	1.3	0.10	0.11	0.13
Mt Sholl Project	P 47/1753	Prospecting Licence	100%	\$73,162.82	1.0	1.3	0.07	0.08	0.10
Mt Sholl Project	P 47/1756	Prospecting Licence	100%	\$199,756.47	1.0	1.3	0.20	0.23	0.26
Mt Sholl Project	P 47/1796	Prospecting Licence	100%	\$12,871.77	1.0	1.3	0.01	0.01	0.02
Mt Sholl Project	P 47/1797	Prospecting Licence	100%	\$48,668.82	1.0	1.3	0.05	0.06	0.06
Mt Sholl Project	P 47/1798	Prospecting Licence	100%	\$25,298.67	1.0	1.3	0.03	0.03	0.03
<b>Total Mt Sholl Project</b>				<b>\$459,030.81</b>			<b>0.46</b>	<b>0.53</b>	<b>0.60</b>
<b>Mount Sholl East Project</b>									
Mount Sholl East Project	E 47/3143	Exploration Licence	75%	\$335,258.00	1.0	1.3	0.25	0.29	0.33
<b>Total Mount Sholl East Project</b>				<b>\$335,258.00</b>			<b>0.25</b>	<b>0.29</b>	<b>0.33</b>
<b>Prinsep Lithium Project</b>									
Prinsep Lithium project	P 47/1754	Prospecting Licence	100%	\$69,813.79	1.3	1.5	0.09	0.10	0.10
Prinsep Lithium project	P 47/1755	Prospecting Licence	100%	\$63,751.15	1.3	1.5	0.08	0.09	0.10
<b>Total Prinsep Lithium Project</b>				<b>\$133,564.94</b>			<b>0.17</b>	<b>0.19</b>	<b>0.20</b>
<b>Roebourne South Project</b>									
Roebourne South Project	E 47/3173	Exploration Licence	75%	\$112,759.32	1.0	1.3	0.08	0.10	0.11
Roebourne South Project	M 47/248	Mining Lease	75%	\$98,185.00	1.0	1.3	0.07	0.08	0.10
Roebourne South Project	M 47/339	Mining Lease	75%	\$106,113.04	1.0	1.3	0.08	0.09	0.10
Roebourne South Project	P 47/1851	Prospecting Licence	75%	\$75,306.00	1.0	1.3	0.06	0.06	0.07
Roebourne South Project	P 47/1850	Prospecting Licence	75%	\$94,283.90	1.0	1.3	0.07	0.08	0.09
<b>Total Roebourne South Project</b>				<b>\$486,647.26</b>			<b>0.36</b>	<b>0.42</b>	<b>0.47</b>
<b>East Pilbara Lithium</b>									
East Pilbara Lithium	E 45/6278	Exploration Licence	100%	\$48,672.00	1.0	1.3	0.05	0.06	0.06
East Pilbara Lithium	E 45/6279	Exploration Licence	100%	\$55,728.00	1.0	1.3	0.06	0.06	0.07
East Pilbara Lithium	E 45/6280	Exploration Licence	100%	\$42,957.00	1.0	1.3	0.04	0.05	0.06

Project	Tenement		Equity	Total Exploration Expenditure	PEM Low	PEM High	PEM Valuation Low \$ million	PEM Mid – Point \$ million	PEM Valuation High \$ million
East Pilbara Lithium	E 45/6416	Application	100%	\$25,381.00	1.0	1.3	0.03	0.03	0.03
East Pilbara Lithium	E45/6604	Application	100%	\$-	1.0	1.3	0.00	0.00	0.00
East Pilbara Lithium	E45/6615	Application	100%	\$-	1.0	1.3	0.00	0.00	0.00
East Pilbara Lithium	E45/6634	Application	100%	\$-	1.0	1.3	0.00	0.00	0.00
East Pilbara Lithium	E46/1522	Application	100%	\$-	1.0	1.3	0.00	0.00	0.00
<b>Total East Pilbara Lithium</b>				<b>\$172,738.00</b>			<b>0.17</b>	<b>0.20</b>	<b>0.22</b>
<b>Comet Lithium/Gold</b>									
Comet Gold Project	E 21/213	Exploration Licence	100%	\$55,369.00	1.0	1.3	0.06	0.06	0.07
Comet Gold Project	E 21/214	Exploration Licence	100%	\$49,607.00	1.0	1.3	0.05	0.06	0.06
Comet Gold Project	E 21/217	APPLICATION	100%	\$-	1.0	1.3	0.00	0.00	0.00
Comet Gold Project	E 20/908	Exploration Licence	100%	\$385,832.00	1.5	2.0	0.58	0.68	0.77
Comet Gold Project	E 20/965	Exploration Licence	100%	\$50,573.00	1.0	1.3	0.05	0.06	0.07
Comet Gold Project	E 20/970	Exploration Licence	100%	\$35,667.00	1.0	1.3	0.04	0.04	0.05
Comet Gold Project	E 20/1000	APPLICATION	100%	\$-	1.0	1.3	0.00	0.00	0.00
<b>Comet Lithium/Gold</b>				<b>\$577,048.00</b>			<b>0.77</b>	<b>0.90</b>	<b>1.02</b>
<b>East Pilbara Manganese</b>									
Ripon Hills East	E 45/5088	Exploration Licence	100%	\$151,446.89	1.0	1.3	0.15	0.17	0.20
<b>Woodie Woodie North</b>	<b>E 45/5854</b>	<b>Exploration Licence</b>	<b>100%</b>	<b>\$1,446,439.09</b>	<b>2.5</b>	<b>3.0</b>	<b>3.62</b>	<b>3.98</b>	<b>4.34</b>
Ripon Hills East	E 45/5907	Exploration Licence	100%	\$27,203.00	1.0	1.3	0.03	0.03	0.04
<b>Woodie Woodie North</b>	<b>E 45/5978</b>	<b>Exploration Licence</b>	<b>100%</b>	<b>\$207,705.00</b>	<b>2.5</b>	<b>3.0</b>	<b>0.52</b>	<b>0.57</b>	<b>0.62</b>
Woodie Woodie North	E 45/6508	Application	100%		1.0	1.3	0.00	0.00	0.00
Woodie Woodie North	E45/6603	Application	100%		1.0	1.3	0.00	0.00	0.00
Mt Sydney	E45/6527	Application	100%		1.0	1.3	0.00	0.00	0.00
Ripon Hills East	E45/5942	Exploration Licence	100%	\$26,498.00	1.0	1.3	0.03	0.03	0.03
Mt Sydney	E45/6100	Exploration Licence	100%	\$-	1.0	1.3	0.00	0.00	0.00
Woodie Woodie North	E 45/6508	Exploration Licence	100%	\$-	1.0	1.3	0.00	0.00	0.00
<b>Total East Pilbara Manganese</b>				<b>\$1,859,291.98</b>			<b>4.34</b>	<b>4.78</b>	<b>5.23</b>
<b>Total Exploration Assets</b>							<b>6.5</b>	<b>7.3</b>	<b>8.1</b>



## LODGE YOUR PROXY APPOINTMENT ONLINE

 **ONLINE PROXY APPOINTMENT**  
[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)

 **MOBILE DEVICE PROXY APPOINTMENT**  
 Lodge your proxy by scanning the QR code below, and enter your registered postcode.  
 It is a fast, convenient and a secure way to lodge your vote.

## EXTRAORDINARY GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Accelerate Resources Limited and entitled to attend and vote hereby:

### APPOINT A PROXY

The Chair of the Meeting **OR**   **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Extraordinary General Meeting of the Company to be held at **16 Ord Street, West Perth, WA 6005 on Wednesday, 31 January 2024 at 10:00 am (WST)** and at any adjournment or postponement of that Meeting.

**Chair's voting intentions in relation to undirected proxies:** The Chair intends to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chair may change his/her voting intentions on any Resolution. In the event this occurs, an ASX announcement will be made immediately disclosing the reasons for the change.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 6, 7, 8 & 9 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

### VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Approval of the Acquisition	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Creation of a new class of Securities – Performance Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to issue Shares and Performance Shares to Unrelated Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to issue Shares and Performance Shares to Related Vendors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Ratification of prior issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval of Potential Termination Benefits to be given to Richard Hill	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Potential Termination Benefits to be given to Stephen Bodon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval of Potential Termination Benefits to be given to Yaxi Zhan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval of Potential Termination Benefits to be given to Luke Meter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 \* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)  Joint Shareholder 2 (Individual)  Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary  Director/Company Secretary (Delete one)  Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 6, 7, 8 & 9, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 6, 7, 8 & 9.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as they see fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:00 am (WST) on 29 January 2024, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033