



Quarterly Activities Report For the period ended 31 December 2019

Highlights

- Acquisition of Tambellup Kaolin project, WA
- Received second payment from drilling Co-funding program
- Placement completed subsequent to Quarter

Tambellup Kaolin Project, WA – Accelerate Resources 100%

During the December quarter, Accelerate Resources Limited (“Accelerate” or “the Company”) announced that it has entered into a binding agreement for the acquisition of 100% ownership of Halcyon Resources Pty Ltd, which owns the Tambellup Kaolin Project, comprising E70/4969 and intellectual property (the Griffin Process) for the innovative production method to process Tambellup Kaolin to High Purity Alumina (HPA).

About the Project

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

The Kaolin prospects in the Tambellup area have formed due to in-situ weathering of biotite adamellite, which forms the predominant basement rock type in the area (Figure 2). The degree of weathering and thickness of the weathering profile is related to structural features in the underlying basement geology, such as jointing and fracturing related to deformation of the rock mass.

Market Data

ASX Code: AX8

Shares on Issue: 59.5M

CONTACTS

Yaxi Zhan
Managing Director
Suite 4/16 Ord Street
West Perth, 6005, WA

T: 08 9324 2072
E: Yaxiz@Ax8.com.au
P: PO Box 938,
West Perth, WA 6005

BOARD

Grant Mooney
Yaxi Zhan
Andrew Haythorpe
Terence Topping
Brett Tucker

Non-Executive Director
Managing Director
Executive Director
Non-Executive Director
Company Secretary

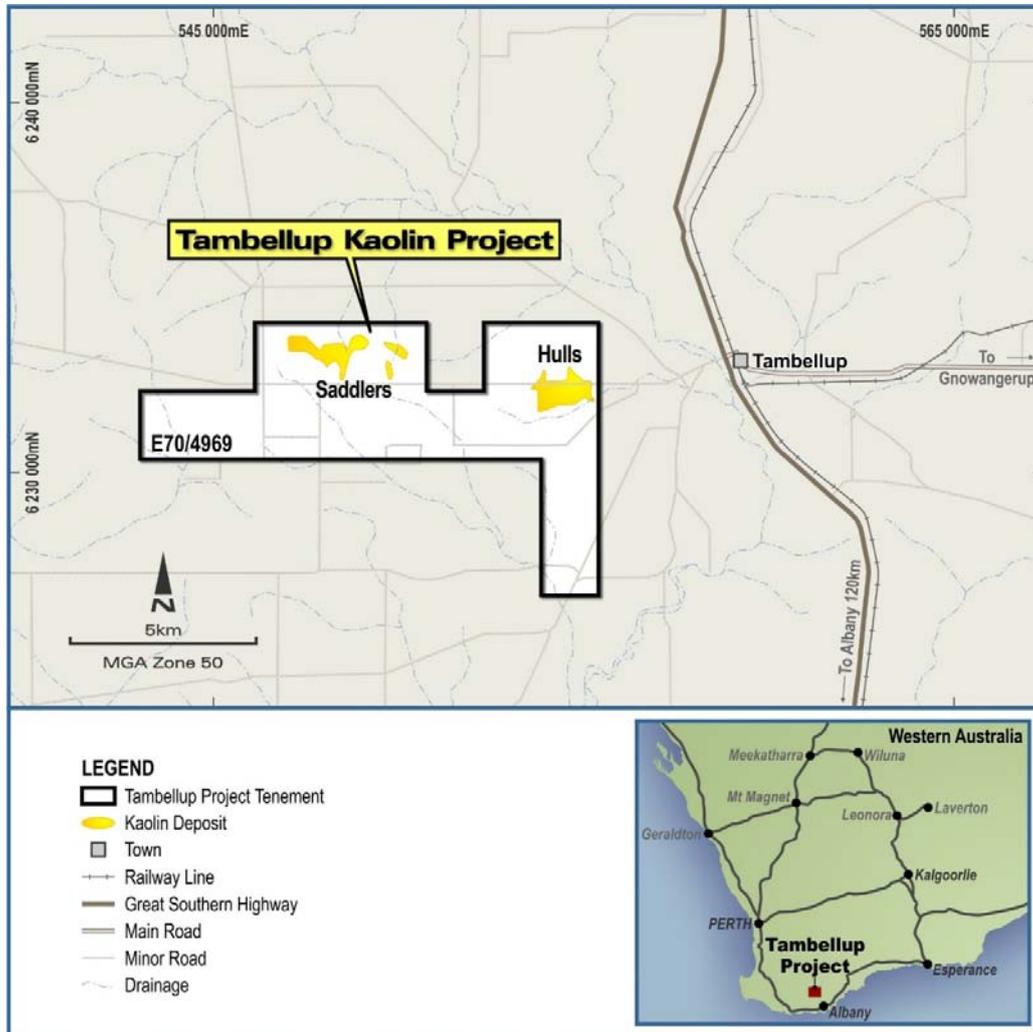


Figure 1: Location of tenement E 70/4969 and nearby infrastructure; the Saddlers and Halls prospect wireframes (GM Minerals Consultants, 2017).

Proposed exploration program

The team of Accelerate Resources is in the process of planning exploration programs to fast track the development of the Tambellup Kaolin Project, including:

- 1) Aircore drilling program.
- 2) Geochemical and Metallurgical sampling and analysis.
- 3) A project wide prospectivity evaluation with surface sampling and mapping programme to identify further target areas.

Mt Read Project, Tasmania - Accelerate Resources 100%

The Company's Mount Read Project is located on the Sorell Peninsular in western Tasmania (Figure 1). The project encompasses a belt of Cambrian volcano-sedimentary rocks correlated with the Mount Read Volcanics ("MRV") of western Tasmania.

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

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

Accelerates' work to date indicates the potential for porphyry and VHMS mineralisation within the Mt Read project. Intersection of up to 46m @ 0.11% copper in TCDD002 (see ASX announcement 6th September 2018), illustrates the potential for broad zones of mineralisation.

The Company is in discussion with various parties regarding potential funding or Joint Ventures for the project.

EDGI Co-funded drilling program, Mt Read Project, Tasmania

As previously announced on 31 October 2018, Accelerate, was a successful applicant for co-funded drilling at the Thomas Creek prospect, under the Exploration Drilling Grant Initiative (EDGI) program for 2018/19. The EDGI program is a drilling co-funding program rolled out for the first time by Mineral Resources Tasmania (a Division of the Department of State Growth), which is preferentially funding high quality, technically and economically sound "green fields" projects that promote innovative exploration or new exploration concepts and technology.

The EDGI co-funding agreement covers 50% of the direct drilling costs up to a total of \$50,000 and \$20,000 for helicopter support, for drilling TCDD004 at Thomas Creek. During the December quarter the Company lodged the final drilling report for TCDD004 and received the final \$50,000 installment of the co-funded drilling grant from Mineral Resources Tasmania.

Corporate

Capital raising to fund the Tambellup Kaolin Project secured

Following the end of the December quarter, the Company successfully completed a raise of \$120,418 (before costs) through a Placement at A\$0.02455 per share. The Placement will utilise the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A. Funds raised under the Placement will provide the Company with funding to its upcoming drilling and exploration programs at the Tambellup Kaolin Project. This was completed to the 708 Sophisticated clients of Alto capital under listed rule 7.1 and 7.1A.

Request to call General Meeting of Shareholders

Following end of the quarter, on 22 January 2020 the Company received a notice under section 249D of the Corporations Act 2001 (Cth) ("Notice") signed by GTT Global Opportunities Pty Ltd and its related parties.

This is the third such action by the same group of shareholders which is disruptive and costly to the Company. Such behavior will not be supported by shareholders, and the Company will seek legal advice. As such, the Board disagrees with the Proposed Resolutions and recommends shareholders vote AGAINST on all Proposed Resolutions.

The Company will call a meeting of shareholders to be held within 2 months of receipt of the Notice in accordance with the requirements of the Corporations Act.

Related party payments

In reference to item 6.1 of the Appendix 5B Quarterly Cashflow Report, the Company recorded \$42,000 worth of payments to related parties and their associates. Specifically, this sum includes payments of salary and wages to the Directors of the Company.

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

For further information please contact

Yaxi Zhan

Managing Director

E: Yaxiz@AX8.com.au | P: +61 8 9324 2072 | W: www.AX8.com.au

Competent Person Statement:

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

Forward Looking Statements

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

—ENDS—

Appendix

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

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

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
Tambellup	E70/4969	Granted	Western Australia	100%
Tambellup	E70/5319	Application	Western Australia	100%
Mount Monger	E25/525	Granted	Western Australia	100%
Mount Monger	E25/565	Granted	Western Australia	100%
Mount Monger	E25/586	Application	Western Australia	100%
Comet	E20/908	Granted	Western Australia	100%
Comet	E20/939	Application	Western Australia	100%
Scotia	E24/220	Application	Western Australia	100%
Sandstone	E57/1118	Application	Western Australia	100%
Mt Read	EL 6/2013	Granted	Tasmania	100%
Mt Read	EL 7/2018	Granted	Tasmania	100%
Mt Read	EL 8/2018	Granted	Tasmania	100%
Mt Read	EL 9/2019	Granted	Tasmania	100%

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

Project	Tenement Number	Status	Location	Comment
Tambellup	E70/4969	Granted	Western Australia	100%
Tambellup	E70/5319	Application	Western Australia	100%

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

Project	Tenement Number	Status	Location	Comment