



**Interim Financial Report to Shareholders
for the Half Year Ended 31 December 2017**



CONTENTS

CORPORATE INFORMATION	3
DIRECTOR'S REPORT	4
AUDITOR'S INDEPENDENCE DECLARATION	7
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
STATEMENT OF FINANCIAL POSITION	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION	15
INDEPENDENT AUDITOR'S REVIEW REPORT	16



DIRECTORS' REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

The Directors of Accelerate Resources Limited ("the Company") present their report for the half-year ended 31 December 2017.

DIRECTORS

The names of Directors in office at any time during or since the end of the period were as follows:

Name	Date appointed / resigned
Ms Yaxi Zhan Managing Director	Appointed 7 March 2017
Mr Andrew Haythorpe Executive Director	Appointed 7 September 2017
Mr Terry Topping Non-Executive Director	Appointed 7 March 2017
Mr Grant Mooney Non-Executive Chairman	Appointed 1 June 2017

PRINCIPAL ACTIVITIES

Accelerate Resources Limited is an Australian gold and cobalt focused exploration Company.

REVIEW OF OPERATIONS AND RESULTS

The Company's Board and management brings together a highly skilled and experienced team of professionals who have a wealth of operational and technical experience in exploring resource projects worldwide.

The Company is committed to increasing shareholder wealth through the acquisition, exploration and development of mineral resources throughout Australia. Maximum leverage is provided to shareholders through the strategy of consolidating dominant landholdings within mineralised provinces and adding significant value to those landholdings. The major commodity focus is cobalt and gold.

The Company holds 100% legal and beneficial ownership of 2 exploration licences which comprise the Mt Read Cobalt Project in Tasmania which is considered to be prospective for cobalt, copper, gold and nickel (Mt Read Cobalt Tenements).

Further, in Western Australia the Company holds 100% legal and beneficial ownership of 3 exploration licences and 2 applications for exploration licences, which together with the Company's existing exploration licence and application for an exploration licence (together, WA Gold Tenements), comprise 4 projects across Western Australia which are considered to be prospective for gold.

Mt Read Cobalt Project

The Mt Read Cobalt Project (also known as the Sorell Project) comprises two granted exploration licences, EL6/2013 and EL7/2013 covering 226km². It encompasses a belt of early Cambrian to Cambrian volcanosedimentary rocks correlated with the Mount Read Volcanics (MRV) of western Tasmania. The MRV are host to all western Tasmania's significant base and precious metal mines and mineral occurrences, several of which have been significant producers of base metals for over 100 years.



DIRECTORS' REPORT (CONTINUED)

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

WA Gold Projects

Bulgera Project

The Bulgera Project (Bulgera) comprises two granted exploration licences, E52/3316 and E52/3276, covering 36.8km² over the north eastern end of the Plutonic Well Greenstone Belt, 200km north east of Meekatharra. The project is located 10km east of the Marymia mining centre and 48km via road from the operating Plutonic gold mine which has produced over 5 million ounces of gold since 1990. The Plutonic mine was recently purchased by Toronto listed Superior Gold Inc. (TSX-V:SGI).

The project contains four shallow open pits that have undergone two phases of mining between 1996 and 1998 and again between 2003 and 2004.

Mt Monger Project

The Mount Monger Project (Mt Monger) comprises two granted exploration licence, E25/525 and E25/565, covering 23.5km² in the Bulong district, 43km east of Kambalda and approximately 70km by road from Kalgoorlie. The project is located 8km east of Silver Lake Resources Ltd's (ASX: SLR), currently operating 1.2Mtpa Randalls gold mill.

Exploration drilling by earlier workers and more recently by POZ Minerals Limited (ASX: POZ) has outlined a 2.5km long mineralised gold trend, the Kiaki Soaks prospect, along the Bare Hill Shear Zone, within Mt Monger. The mineralised zone is open to the north and lies along the sheared contact between Archaean basalts in the west and sediments to the east.

Comet Project

The Comet Project (Comet) comprises one exploration licence application E20/908 covering 37.2km², located approximately 115km south southwest of Meekatharra and 20km southeast of Cue.

The project covers part of the Meekatharra to Mount Magnet Greenstone belt located at the southern end of the Tuckabianna Shear Zone. The project lies immediately to the north and along strike of the Comet gold mine but has had very little modern exploration carried out within the licence area. Initial exploration by Newcrest Mining Ltd and Westgold Resources NL, during the mid-1990s identified a mineralised gold trend in shallow RAB drilling to the north of the Comet mine.

Pilbara Gold Project

The Pilbara Gold Project (Pilbara Gold) comprises one exploration licence application E46/1192 covering 31.9km², located approximately 70km east northeast of Nullagine and 120km southeast of Marble Bar in the Pilbara region of Western Australia. The historic Eastern Creek gold mining centre is located approximately 15km west of the project.

The project covers part of the Fortesque Basin of the Pilbara Craton and includes units of the Hardey Formation along the western project boundary. The Hardey Formation is overlain by the basalts of the Kyalena Formation which cover the remainder of the project area to the east. Sedimentary units of the Hardey Formation are thought to be prospective for conglomerate hosted gold mineralisation.

DIVIDENDS

There were no dividends paid, recommended or declared during the period.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes in the state of affairs of the Company.



**DIRECTORS' REPORT (CONTINUED)
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

EVENTS SUBSEQUENT TO REPORTING PERIOD

In January 2018, pursuant to its IPO Prospectus dated 30 November 2017, the Company issued the following securities:-

- 25,000,000 fully paid ordinary shares at a price of \$0.20 per share pursuant to the Public Offer;
- 5,000,000 fully paid ordinary shares at a price of \$0.0001 and 5,000,000 unlisted options exercisable at \$0.25 each and on or before 12 February 2022 to the IPO Lead Manager, GTT Ventures (or its nominees) for corporate advisory and lead manager services;
- 5,000,000 fully paid ordinary shares and 4,000,000 unlisted options to project vendors. The Company executed and completed acquisition agreements for its WA gold projects and Mt Read Cobalt projects, for agreed aggregate consideration of 5,000,000 with a deemed price of \$0.20 each and 4,000,000 unlisted options exercisable at \$0.25 each and expiring 30 April 2021;
- 1,000,000 Shares at \$0.0001 per share to Executive Director Mr Andrew Haythorpe as part of his remuneration package; and
- 100,000 Shares at \$0.001 per Share to Ventnor Capital for company secretarial services provided to the Company.

The Company was admitted to the official list of the Australian Securities Exchange (ASX) on 12 February 2018 and commenced trading on the ASX on 14 February 2018.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.

OPERATING RESULTS FOR THE PERIOD

The loss after tax for the half-year ended 31 December 2017 was \$266,618.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Yaxi Zhan', is written over a horizontal dashed line.

Yaxi Zhan
Managing Director

Date: 16 March 2018
Perth

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Accelerate Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 16 March 2018



**STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	31 December 2017
	\$
Other income	357
Consulting fees	(38,070)
Travel costs	(24,740)
Listing expenses	(67,620)
Office and administration expenses	(36,545)
Share based payment expense	(100,000)
Total Expenses	<u>(266,618)</u>
Loss before income tax expenses	<u>(266,618)</u>
Income tax expense	-
Loss after income tax for the half-year	<u>(266,618)</u>
Other comprehensive income for the half-year	
Other comprehensive income for the half-year, net of income tax	-
Total comprehensive loss for the half-year	<u><u>(266,618)</u></u>
Basic and Diluted Loss per share (cents per share)	(3.02)

The accompanying notes form part of this financial report



**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	31 December 2017 \$	30 June 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	5,135,469	133,956
Trade and other receivables		32,160	6,975
Prepayment		75,813	12,297
Total Current Assets		5,243,442	153,228
Non-Current Assets			
Exploration and evaluation expenditure		83,653	30,000
Total Non-Current Assets		83,653	30,000
TOTAL ASSETS		5,327,095	183,228
LIABILITIES			
Current Liabilities			
Trade and other payables		5,102,873	27,388
Total Current Liabilities		5,102,873	27,388
TOTAL LIABILITIES		5,102,873	27,388
NET ASSETS		224,222	155,840
EQUITY			
Issued capital	4	527,313	192,313
Reserves	4	328,408	328,408
Accumulated losses		(631,499)	(364,881)
TOTAL EQUITY		224,222	155,840

The accompanying notes form part of this financial report



**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Share Capital	Reserves	Retained Losses	Total Equity
Note	\$	\$	\$	\$
Balance as at 7 March 2017	-	-	-	-
Loss for the period	-	-	(364,881)	(364,881)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss for the period	-	-	(364,881)	(364,881)
Share based payments	-	328,408	-	328,408
Shares issued during the period	202,000	-	-	202,000
Share issue costs	(9,687)	-	-	(9,687)
Balance as at 30 June 2017	192,313	328,408	(364,881)	155,840
Balance as at 1 July 2017	192,313	328,408	(364,881)	155,840
Total Comprehensive Loss for the Half Year				
Loss for the period	-	-	(266,618)	(266,618)
Other comprehensive income	-	-	-	-
Total Comprehensive Loss for the period	-	-	(631,499)	(110,778)
Transactions with Equity Holders				
Share based payments	100,000	-	-	100,000
Shares issued during the period	250,000	-	-	250,000
Share issue costs	(15,000)	-	-	(15,000)
Balance as at 31 December 2017	527,313	328,408	(631,499)	224,222

The accompanying notes form part of this financial report



**STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	31 December 2017 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees		(321,534)
Payments for exploration and evaluation expenditures		(53,653)
Net cash used in operating activities		(375,187)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash from investing activities		-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares (net of costs)		335,000
Net cash provided by financing activities		335,000
Net decrease in cash and cash equivalents		(40,187)
Cash and cash equivalents at the beginning of the half year		133,956
Cash and cash equivalents at the end of the half-year	3	93,769

The accompanying notes form part of this financial report



NOTES TO THE INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These half-year financial statements have been prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This half-year financial report does not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the Company during the interim reporting period.

Comparative information

No comparatives are included for statement of profit or loss and other comprehensive income as the Company was only incorporated on 7 March 2017.

Basis of preparation

The half-year financial report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half-year.

Standards and Interpretations applicable to 31 December 2017

In the half-year ended 31 December 2017, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2017.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and therefore no material change is necessary to Company's accounting policies.

Standards and Interpretations in issue not yet adopted applicable to 31 December 2017

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2018.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to the Company's accounting policies.

**NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED)
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

NOTE 2: DIVIDENDS

There have been no dividends declared or recommended and no distributions made to shareholders or other persons during the period.

NOTE 3: CASH AND CASH EQUIVALENTS

	31 December 2017 \$	30 June 2017 \$
Cash at bank and on hand	93,769	133,956
Restricted cash – receipts from IPO subscription (i)	5,041,700	-
	<u>5,135,469</u>	<u>133,956</u>

- (i) The balance relates to fund received from IPO subscriptions. As stated in Note 7, in January 2018, 25,000,000 shares at a price of \$0.20 were issued to raise \$5,000,000. \$41,700 were refunded due to over subscriptions.

NOTE 4: ISSUED CAPITAL

		31 December 2017 \$	30 June 2017 \$
(a) Issued and Paid Up Capital			
Fully paid ordinary shares		<u>527,313</u>	<u>192,313</u>
(b) Movements in fully paid shares on issue	Issue price	Shares	\$
Balance as at 1 July 2017	\$	8,020,000	192,313
Issue of shares	0.10	2,500,000	250,000
Share based payment to a director	0.10	1,000,000	100,000
Share issue costs		-	(15,000)
Balance as at 31 December 2017		<u>11,520,000</u>	<u>527,313</u>
(c) Reserve		No. Options	\$
Balance as at 1 July 2017		<u>6,000,000</u>	<u>328,408</u>
Balance as at 31 December 2017		<u>6,000,000</u>	<u>328,408</u>

During the reporting period ended 31 December 2017, no options were exercised to take up ordinary shares.



NOTES TO THE INTERIM FINANCIAL REPORT (CONTINUED) FOR THE HALF-YEAR ENDED 31 DECEMBER 2017

NOTE 5: SEGMENT REPORTING

The Company has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Company identified only one segment, being exploration assets in Australia. The Company is domiciled in Australia.

NOTE 6: CONTINGENT ASSETS AND LIABILITIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 7: EVENTS SUBSEQUENT TO REPORTING PERIOD

In January 2018, pursuant to its IPO Prospectus dated 30 November 2017, the Company issued the following securities:-

- 25,000,000 fully paid ordinary shares at a price of \$0.20 per share pursuant to the Public Offer;
- 5,000,000 fully paid ordinary shares at a price of \$0.0001 and 5,000,000 unlisted options exercisable at \$0.25 each and on or before 12 February 2022 to the IPO Lead Manager, GTT Ventures (or its nominees) for corporate advisory and lead manager services;
- 5,000,000 fully paid ordinary shares and 4,000,000 unlisted options to project vendors. The Company executed and completed acquisition agreements for its WA gold projects and Mt Read Cobalt projects, for agreed aggregate consideration of 5,000,000 with a deemed price of \$0.20 each and 4,000,000 unlisted options exercisable at \$0.25 each and expiring 30 April 2021;
- 1,000,000 Shares at \$0.0001 per share to Executive Director Mr Andrew Haythorpe as part of his remuneration package; and
- 100,000 Shares at \$0.001 per Share to Ventnor Capital for company secretarial services provided to the Company.

The Company was admitted to the official list of the Australian Securities Exchange (ASX) on 12 February 2018 and commenced trading on the ASX on 14 February 2018.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial periods.



**DIRECTORS' DECLARATION
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

In the opinion of the Directors of Accelerate Resources Limited:

1. The financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors

A handwritten signature in blue ink, appearing to read 'Yaxi Zhan', with a horizontal line underneath it.

Yaxi Zhan
Managing Director

Perth
Dated: 16 March 2018



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
ACCELERATE RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Accelerate Resources Limited, which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Accelerate Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Accelerate Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

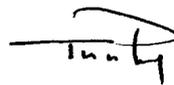
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Accelerate Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature of 'RSM' in black ink.

RSM AUSTRALIA PARTNERS

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 16 March 2018