



**Consolidated Interim Financial Report  
For the Half-Year Ended 31 December 2019**



## CONTENTS

CORPORATE INFORMATION	2
DIRECTOR'S REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	6
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	7
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	8
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	9
CONSOLIDATED STATEMENT OF CASH FLOWS	10
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	11
DIRECTORS' DECLARATION	19
INDEPENDENT AUDITOR'S REVIEW REPORT	20



## CORPORATE INFORMATION

### Accelerate Resources Limited

ABN 33 617 821 771

### Directors

Mr Grant Mooney  
Non-Executive Chairman

Ms Yaxi Zhan  
Managing Director

Mr Terry Topping  
Non-Executive Director

Mr Andrew Haythorpe  
Non-Executive Director

### Company Secretary

Ms Deborah Ho

### Registered and Principal Office

Suite 4, 16 Ord Street  
West Perth, WA 6005

Telephone: (08) 9482 0500

### Website

[www.ax8.com.au](http://www.ax8.com.au)

### Stock Exchange

Australian Securities Exchange (ASX Limited)  
Home Exchange Perth

### Securities

Code: AX8  
Quoted Shares

### Share Registry

Advanced Share Registry  
110 Stirling Hwy  
Nedlands WA 6009

Australian Telephone: 1300 113 258  
International Telephone: (618) 9389 8033  
Website: [advancedshare.com.au](http://advancedshare.com.au)

### Auditor

RSM Australia Partners  
Level 32, Exchange Tower, 2 The Esplanade  
Perth, WA 6000

Telephone: (08) 9261 9100



## **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

The Directors of Accelerate Resources Limited and its controlled entities ("the Group"), present their interim financial report for the half-year ended 31 December 2019.

### **DIRECTORS**

The names of Directors in office at any time during or since the end of the half-year ended 31 December 2019 were as follows:

<b>Name</b>	<b>Date Appointed / Resigned</b>
Ms Yaxi Zhan (Managing Director)	Appointed 7 March 2017
Mr Andrew Haythorpe (Non-Executive Director)	Appointed as Executive Director from 7 September 2017 until 29 May 2019. Appointed as Non-Executive Director from 29 May 2019.
Mr Grant Mooney (Non-Executive Chairman)	Appointed 1 June 2017
Mr Terry Topping (Non-Executive Director)	Appointed 7 March 2017

### **PRINCIPAL ACTIVITIES**

The Group is an Australian gold, base metals and industrial minerals focused exploration entity.

### **REVIEW OF OPERATIONS AND RESULTS**

#### **TAMBELLUP KAOLIN PROJECT, WA – HALCYON RESOURCES PTY LTD 100%**

Towards the end of 2019, Accelerate Resources Limited completed the acquisition of Halcyon Resources Pty Ltd, 100% owner of the Tambellup Kaolin Project, comprising E70/4969 and the Griffin Process for the innovative production method to process Tambellup Kaolin to High Purity Alumina (HPA).

The Tambellup Kaolin Project 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.

Subsequent to the end of 2019, the Group completed a 52 Hole Aircore drilling program in February 2020, with results pending.

#### **COMET GOLD PROJECT, WA – ACCELERATE RESOURCES 100%**

The Comet Gold Project comprises one granted exploration license, E20/908 covering 37 km<sup>2</sup> and one exploration license under application, located approximately 115 km south southwest of Meekatharra and 20 km southeast of Cue. The project covers part of the Meekatharra to Mount Magnet Greenstone belt, located at the southern end of the Tuckabianna Shear Zone.

The project lies immediately to the north and along strike of the Comet gold mine, with little modern exploration has been carried out within the license area. Initial exploration by Newcrest Mining Ltd and Westgold Resources NL, during the mid-1990's identified a mineralised gold trend in shallow RAB drilling to the north of the Comet mine.



## REVIEW OF OPERATIONS AND RESULTS (CONTINUED)

The RAB drilling returned a number of significant gold values over 1.4 km strike. A second zone of anomalous drilling lies approximately one kilometre to the east where RAB and limited RC drilling returned anomalous gold values. Neither of these targets have been followed up by further exploration or drilling.

### **MOUNT MONGER GOLD PROJECT, WA – ACCELERATE RESOURCES 100%**

The Mount Monger project comprises two granted exploration licenses, E25/525 and E25/565 and one exploration license application E25/586, covering 35.3 km<sup>2</sup> in the Bulong district, 43 km east of Kambalda and approximately 70 km by road from Kalgoorlie. The project area is located 8 km east of Silver Lake Resources Ltd's currently operating 1.2 Mtpa Randall's gold mill.

Exploration drilling by earlier workers and more recently by POZ Minerals Ltd, now Gib River Diamonds Ltd (ASX: GIB) outlined a 2.5 km long mineralised gold trend, the Kiaki Soaks prospect, along the Bare Hill Shear Zone, within the Mount Monger project. 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.

### **MT READ PROJECT, TASMANIA - ACCELERATE RESOURCES 100%**

In the second half of 2019, the Group undertook a data review of the Mt Read project and provided database access for several interested parties to conduct initial due diligence reviews.

The Group's Mount Read Project is located on the Sorell Peninsular in Western Tasmania. 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 including 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. The intersection of up to 46m @ 0.11% copper in TCDD002 (see ASX announcement 6 September 2018), illustrates the potential for broad zones of mineralisation.

### **BULGERA PROJECT, WA – ACCELERATE RESOURCES 0% (DIVESTED)**

The Bulgera Gold Project is situated at the northern end of the multi-million ounce producing Plutonic Well greenstone belt of Western Australia and comprises two granted exploration licences E52/3276 and E52/3316.

As announced to the ASX on the 9 July 2019, the Group completed the sale of 100% interest in the title and rights of the Bulgera Gold Project to Norwest Minerals Limited, for a cash consideration of \$220,000 (inclusive of GST).

## DIVIDENDS

There were no dividends paid, recommended or declared during the half-year ended 31 December 2019.



## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

## EVENTS SUBSEQUENT TO REPORTING PERIOD

On 22 January 2020, the Company received a notice under section 249D of the Corporations Act 2001 (Cth) signed by GTT Global Opportunities Pty Ltd and its related parties to call a General Meeting of Shareholders. The meeting has been scheduled to be held on 20 March 2020.

On 28 January 2020, the Company successfully raised \$120,418 (before costs) through a Placement at \$0.02455 per share via the issue of 4,905,000 fully paid ordinary shares.

The Company's registered office has changed to Suite 4, 16 Ord Street, West Perth, WA 6005.

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 Group, the results of those operations or the state of affairs of the Group in future financial periods.

## OPERATING RESULTS FOR THE PERIOD

The loss after tax for the half-year ended 31 December 2019 was \$287,754 (2018: loss of \$565,361).

## 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 306(3)(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: 13 March 2020  
Perth

**RSM Australia Partners**

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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 2019, 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 AUSTRALIA PARTNERS



TUTU PHONG  
Partner

Perth, WA  
Dated: 13 March 2020



**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	Note	31 December 2019 \$	31 December 2018 \$
<b>Revenue</b>			
Other income		55,479	24,697
<b>Expenses</b>			
Corporate and professional expenses		(134,955)	(157,830)
Director and employee benefits		(109,334)	(190,491)
Administration expenses		(21,972)	(155,126)
Other expenses		(37,829)	(81,603)
Depreciation expenses		(17,847)	(2,116)
Share based payment expense		-	(2,892)
Exploration expenditure		(21,296)	-
<b>Total Expenses</b>		<b>(287,754)</b>	<b>(565,361)</b>
<b>Loss before income tax expenses</b>		<b>(287,754)</b>	<b>(565,361)</b>
Income tax expense		-	-
<b>Loss after income tax for the half-year</b>		<b>(287,754)</b>	<b>(565,361)</b>
<b>Other comprehensive income for the half-year</b>			
Other comprehensive income for the half-year, net of income tax		-	-
<b>Total comprehensive loss for the half-year</b>		<b>(287,754)</b>	<b>(565,361)</b>
Basic and Diluted Loss per share (cents per share)		(0.58)	(1.19)

The accompanying notes form part of this financial report



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2019**

	Note	31 December 2019 \$	30 June 2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	514,621	683,235
Other current assets	5	129,666	106,148
Asset held for sale		-	200,000
<b>Total Current Assets</b>		<b>644,287</b>	<b>989,383</b>
<b>Non-Current Assets</b>			
Exploration and evaluation expenditure	7	3,706,680	3,279,957
Plant and equipment		7,826	11,619
Right of use asset	6	53,976	-
<b>Total Non-Current Assets</b>		<b>3,768,482</b>	<b>3,291,576</b>
<b>TOTAL ASSETS</b>		<b>4,412,769</b>	<b>4,280,959</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	187,472	79,707
Lease liabilities	9	20,986	-
<b>Total Current Liabilities</b>		<b>208,458</b>	<b>79,707</b>
<b>Non-Current Liabilities</b>			
Lease liabilities	9	34,723	-
<b>Total Non-Current Liabilities</b>		<b>34,723</b>	-
<b>TOTAL LIABILITIES</b>		<b>243,181</b>	<b>79,707</b>
<b>NET ASSETS</b>		<b>4,169,588</b>	<b>4,201,252</b>
<b>EQUITY</b>			
Issued capital	10	5,917,995	5,661,905
Reserves	11	1,487,077	1,487,077
Accumulated losses		(3,235,484)	(2,947,730)
<b>TOTAL EQUITY</b>		<b>4,169,588</b>	<b>4,201,252</b>

The accompanying notes form part of this financial report



**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>Issued Capital</b>	<b>Reserves</b>	<b>Accumulated Losses</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance as at 1 July 2018</b>		<b>5,661,905</b>	<b>1,480,471</b>	<b>(1,232,628)</b>	<b>5,909,748</b>
Loss for the half-year		-	-	(565,361)	(565,361)
Other comprehensive income		-	-	-	-
Total Comprehensive Loss for the half-year		-	-	<b>(565,361)</b>	<b>(565,361)</b>
Share based payments		-	2,892	-	2,892
<b>Balance as at 31 December 2018</b>		<b>5,661,905</b>	<b>1,483,363</b>	<b>(1,797,989)</b>	<b>(5,347,279)</b>
<b>Balance as at 1 July 2019</b>		<b>5,661,905</b>	<b>1,487,077</b>	<b>(2,947,730)</b>	<b>4,201,252</b>
Loss for the half-year		-	-	(287,754)	(287,754)
Other comprehensive income		-	-	-	-
Total Comprehensive Loss for the half-year		-	-	<b>(287,754)</b>	<b>(287,754)</b>
Shares issued during the half-year	10	259,000	-	-	259,000
Share issue costs	10	(2,910)	-	-	(2,910)
<b>Balance as at 31 December 2019</b>		<b>5,917,995</b>	<b>1,487,077</b>	<b>(3,235,484)</b>	<b>4,169,588</b>

The accompanying notes form part of this financial report

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019**

	31 December 2019	31 December 2018
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(265,046)	(771,436)
Payments for exploration and evaluation expenditures	(146,759)	(1,132,711)
Interest received	10,479	24,697
Other income received	45,000	-
<b>Net cash (used in) operating activities</b>	<b>(356,326)</b>	<b>(1,879,450)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of plant and equipment	(14,052)	(1,146)
Cash acquired from asset acquisition	4,674	-
Proceeds on sale of asset	200,000	-
<b>Net cash provided by / (used in) investing activities</b>	<b>190,622</b>	<b>(1,146)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Capital raising cost	(2,910)	-
<b>Net cash (used in) financing activities</b>	<b>(2,910)</b>	<b>-</b>
Net decrease in cash and cash equivalents	(168,614)	(1,880,596)
Cash and cash equivalents at the beginning of the half-year	683,235	3,434,084
<b>Cash and cash equivalents at the end of the half-year</b>	<b>514,621</b>	<b>1,553,488</b>

The accompanying notes form part of this financial report



## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

### NOTE 1: GENERAL INFORMATION

Accelerate Resources Limited and its controlled entities is a public company listed on the Australian Stock Exchange (trading under the symbol 'AX8'), incorporated and operating in Australia.

### NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

#### Statement of compliance

The half-year interim report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

#### Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the financial statements are consistent with those adopted and disclosed in the Group's 2019 annual financial report for the year ended 30 June 2019, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

#### a. Changes in Accounting Policy, Accounting Standards and Interpretations

During the half-year ended 31 December 2019, the Group has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2019. AASB 16 *Leases* became mandatorily effective on 1 January 2019 and was adopted on 1 July 2019. Accordingly, this standard applies for the first time to this set of financial statements.

#### AASB 16 Leases

AASB 16 replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

- (a) Right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:
  - i. Investment property, the lessee applies the fair value model in AASB 140 Investment Property to the right-of-use asset; or
  - ii. Property, plant or equipment, the applies the revaluation model in AASB 116 Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and



## NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### **AASB 16 Leases (Continued)**

- (b) Lease liabilities are accounted for on a similar basis to other financial liabilities, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

The Group has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of corporative information.

The Group applied the practical expedient for short-term leases exemptions to leases with lease terms that end within 12 months of the date of initial application.

The Group recognised right-of-use assets totalling \$65,661 (net of straight line lease liability upon implementation) representing its right to use the underlying asset and lease liabilities representing its obligations to make lease payments with exemptions for short-term leases and leases of low-value items. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

In calculating the present value of lease payments, the Group used an incremental borrowing rate of 4.75%. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

The following is a reconciliation of total operating lease commitments at 30 June 2019 to the lease liabilities recognised at 1 July 2019:

	\$
<b>Total operating lease commitments disclosed at 30 June 2019</b>	<b>22,050</b>
<i>Recognition exemptions</i>	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Operating lease liabilities before discounting	22,050
Discounted using incremental borrowing rate	(1,910)
Operating lease liabilities	20,140
Reasonably certain extension options	45,521
<b>Total lease liabilities recognised under AASB 16 at 1 July 2019</b>	<b>65,661</b>



**NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**b. Going Concern Basis**

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of \$287,754 and had net cash outflows from operating activities of \$356,326 for the half year ended 31 December 2019. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Directors believe that it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- As disclosed in Note 15, on 28 January 2020, the Company issued 4,905,000 fully paid ordinary shares at an issue price of \$0.02455 per share to raise \$120,418 via a share placement;
- The Company has the ability to issue additional equity securities under the *Corporations Act 2001* to raise further working capital; and
- The Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

Accordingly, the Directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

**NOTE 3: DIVIDENDS**

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

**NOTE 4: CASH AND CASH EQUIVALENTS**

	<b>Consolidated 31 December 2019 \$</b>	<b>Consolidated 30 June 2019 \$</b>
Cash at bank	514,621	683,235
	<b>514,621</b>	<b>683,235</b>

## NOTE 5: OTHER CURRENT ASSETS

	Consolidated 31 December 2019 \$	Consolidated 30 June 2019 \$
Accounts receivable	2,915	7,613
GST receivable	17,132	12,159
Deposit	86,376	86,376
Prepayments	23,243	-
	<b>129,666</b>	<b>106,148</b>

## NOTE 6: RIGHT-OF-USE ASSET

	Consolidated 31 December 2019 \$	Consolidated 30 June 2019 \$
Right-of-use asset	53,976	-
		-
<b>Movements in Right-Of-Use Asset</b>		\$
Balance at 1 July 2019		-
Adjustment on transition to AASB 16		65,661
Additions		-
Balance at 31 December 2019		65,661
<b>Accumulated Depreciation</b>		
Balance at 1 July 2019		-
Depreciation expense		11,685
Balance at 31 December 2019		11,685
<b>Net Book Value</b>		
31 December 2019		<b>53,976</b>



## NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE

	<b>Consolidated 31 December 2019 \$</b>	<b>Consolidated 30 June 2019 \$</b>
Exploration and evaluation expenditure – Tasmania	3,245,613	3,199,438
Exploration and evaluation expenditure – Western Australia	461,067	80,519
	<b>3,706,680</b>	<b>3,279,957</b>
<b><i>Movements in exploration and evaluation expenditure</i></b>		<b>\$</b>
<b><i>Exploration and evaluation expenditure – Tasmania</i></b>		
Balance as at 1 July 2019		3,199,438
Additions		46,175
Impairment		-
Balance as at 31 December 2019		<b>3,245,613</b>
<b><i>Exploration and evaluation expenditure – Western Australia</i></b>		
Balance as at 1 July 2019		80,519
Additions (1)		380,548
Impairment		-
Balance as at 31 December 2019		<b>461,067</b>

(1) Included in the additions is acquisition of exploration and evaluation asset amounting to \$254,326 from Halcyon Resources Pty Ltd (Halcyon).

On 18 November 2019, the Company acquired Halcyon for a purchase consideration of \$259,000 which consisted of 7,000,000 fully paid ordinary shares and contingent consideration of 15,000,000 shares. The acquisition of Halcyon has been treated as an asset acquisition.

Details of the acquisition are as follows:

	<b>Fair value \$</b>
Cash	4,674
Exploration and evaluation asset	254,326
Net assets acquired	259,000
Acquisition-date fair value of the total consideration transferred	<b>259,000</b>
Representing:	
Shares in Accelerate Resources Limited issued to vendor*	259,000
Contingent consideration**	-
	<b>259,000</b>



## NOTE 7: EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

\* 7,000,000 ordinary shares were issued at 3.7 cents as partial payment for the acquisition.

\*\* Contingent consideration consists of:

- 7,000,000 shares, only payable upon announcement by the Company of an inferred mineral resource from the project of either:
  - 5M tonnes of Kaolin Clay containing 45% minus 45 micron clay with an 82% ISO brightness; or
  - 5M tonnes of Kaolin Clay containing not less than an average of 29% Al<sub>2</sub>O<sub>3</sub> at an optimal fraction size.
- 8,000,000 shares, only payable upon shipment of 50,000 tons of Kaolin Clay.

## NOTE 8: TRADE AND OTHER PAYABLES

	<b>Consolidated 31 December 2019 \$</b>	<b>Consolidated 30 June 2019 \$</b>
Trade payables	113,980	27,512
Accruals	65,184	10,000
Other payables	8,308	42,195
	<b>187,472</b>	<b>79,707</b>

## NOTE 9: LEASE LIABILITIES

	<b>Consolidated 31 December 2019 \$</b>	<b>Consolidated 30 June 2019 \$</b>
Current	20,986	-
Non-Current	34,723	-
	<b>55,709</b>	<b>-</b>



## NOTE 10: ISSUED CAPITAL

	31 December 2019 No.	30 June 2019 No.	31 December 2019 \$	30 June 2019 \$
Fully paid ordinary shares	<b>54,620,000</b>	47,620,000	<b>5,917,995</b>	5,661,905
		<b>Issue price</b>	<b>Shares</b>	<b>Amount</b>
		\$	No.	\$
<i>Movements in Issued Capital</i>				
Balance as at 1 July 2019			47,620,000	5,661,905
Acquisition of Halcyon Resources		<b>0.037</b>	7,000,000	259,000
Share Issue Cost			-	(2,910)
Balance as at 31 December 2019			<b>54,620,000</b>	<b>5,917,995</b>

During the half-year ended 31 December 2019, no options were exercised to take up ordinary shares.

## NOTE 11: RESERVES

	31 December 2019 \$	30 June 2019 \$
Option reserve	<b>1,487,077</b>	<b>1,487,077</b>
	<b>Options</b>	<b>Amount</b>
	No.	\$
<i>Movements in Option Reserve</i>		
Balance as at 1 July 2019	15,200,000	1,487,077
Balance as at 31 December 2019	<b>15,200,000</b>	<b>1,487,077</b>

Summary of options granted as at 31 December 2019 are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jul 2019	Granted	Expired / Forfeited / Other	Exercised	Balance at 31 Dec 2019
28/04/2017	30/02/2021	\$0.25	6,000,000	-	-	-	6,000,000
18/01/2018	30/04/2021	\$0.25	4,000,000	-	-	-	4,000,000
18/01/2018	12/02/2022	\$0.25	5,000,000	-	-	-	5,000,000
13/08/2018	30/04/2020	\$0.25	200,000	-	-	-	200,000
			<b>15,200,000</b>	-	-	-	<b>15,200,000</b>



## NOTE 12: SEGMENT REPORTING

The Group 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 Group identified only one segment, being exploration assets in Australia. The Group is domiciled in Australia.

## NOTE 13: CONTINGENT ASSETS AND LIABILITIES

There is no contingent assets or contingent liabilities, other than that stated in Note 7.

## NOTE 14: COMMITMENTS

Operating lease commitments consists of the various mining tenement leases.

	<b>31 December 2019</b>	<b>30 June 2019</b>
	<b>\$</b>	<b>\$</b>
Within 1 year	32,454	24,441
Not later than 1 year but less than 5 years	10,873	3,036
More than 5 years	-	-
	<b>43,327</b>	<b>27,477</b>

## NOTE 15: EVENTS SUBSEQUENT TO REPORTING PERIOD

On 22 January 2020, the Company received a notice under section 249D of the Corporations Act 2001 (Cth) signed by GTT Global Opportunities Pty Ltd and its related parties to call a General Meeting of Shareholders. The meeting has been scheduled to be held on 20 March 2020.

On 28 January 2020, the Company successfully raised \$120,418 (before costs) through a Placement at \$0.02455 per share via the issue of 4,905,000 fully paid ordinary shares.

The Company's registered office has changed to Suite 4, 16 Ord Street, West Perth, WA 6005.

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 Group, the results of those operations or the state of affairs of the Group in future financial periods.



## DIRECTORS' DECLARATION FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

In the opinion of the Directors of Accelerate Resources Limited:

1. The consolidated 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 Group's financial position as at 31 December 2019 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', is written over a horizontal blue line.

Yaxi Zhan  
Managing Director

Perth  
Dated: 13 March 2020

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

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Accelerate Resources Limited, which comprises the statement of financial position as at 31 December 2019, 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 of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*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 consolidated entity's financial position as at 31 December 2019 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.

**THE POWER OF BEING UNDERSTOOD**  
**AUDIT | TAX | CONSULTING**

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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:

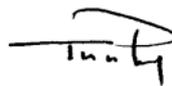
- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2, which indicates that the consolidated entity incurred a loss of \$287,754 and had net cash outflows from operating activities of \$356,326 for the half-year ended 31 December 2019. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

A handwritten signature of the RSM firm, consisting of the letters "RSM" in a stylized, cursive script.

RSM AUSTRALIA PARTNERS

A handwritten signature of Tutu Phong, appearing as a stylized, cursive signature.

TUTU PHONG  
Partner

Perth, WA  
Dated: 13 March 2020