Accelerate Resources Limited

ABN 33 617 821 771

ANNUAL REPORT

Year Ended 30 June 2019

CORPORATE

Accelerate Resources Limited
ACN: 617 821 771
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

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TABLE OF CONTENTS

CHAIRMAN'S LETTER

Dear Shareholders,
The 2019 Financial Year has seen your Company complete what it set out in its 2018 Prospectus- to test the Mt Read Cobalt-Copper Project in Tasmania through targeted deep drilling of the known magnetic anomalies and undertake field exploration in the area. While the outcome of these drilling programs didn't deliver the high grade results that provide broad market appeal, they confirmed the existence of a large mineralized system that has the capability of hosting broad mineralized zones. With an excellent data set now compiled, your management team are now working to identify partners to continue our field programs into 2020 without AX8 having to spend further funds.

We have actively sought to rationalize our project portfolio to make way for new projects and reduce spend on lower priority projects. More recently, we sold the Bulgera Project in Western Australia for $200,000 to Norwest Minerals and relinquished applications in the Pilbara of WA.

Amid a busy year of exploration, your Board and management were forced to deal with the unwanted distraction of a requisition by a group of shareholders represented by the Company's Corporate Advisers GTT to remove the Board. Pleasingly, the Company was successful in rejecting the resolutions to dismiss the Board. Subsequently, the Company and GTT have engaged for a 12 month term to work together to ensure the best outcome for shareholders.

AX8 has a capital structure ideal for share price appreciation if exploration success is achieved. That is, with less than 50 million shares on issue and a modest market capitalisation, we recognize the importance of securing the right project to provide uplift.

As such, your board and management team are working diligently with our advisers to identify the best project in the preferred commodity for the right consideration to protect, restore and deliver shareholder value in the coming 12 months and beyond. We have recently reduced administrative overheads including board and management costs by up to 50% and retain approximately $700,000 in cash at the end of the Financial Year.
On behalf of the Board, I believe AX8 is in a very strong position going into 2020 secure a joint venture partner for the Mt Read Project and identify a new project to focus our exploration efforts. We are determined to deliver on these key objectives to ensure that value is returned to our loyal shareholders.

Grant Mooney
Chairman

REPORT ON OPERATIONS

Accelerate Resource Limited exploration projects are located in two key jurisdictions:

- The Tasmanian Project – the key focus for exploration activities during 2019
- The Western Australian gold projects.

Figure 1: Accelerate Resources Project Location

1. Tasmanian Projects

The Company's Mount Read Project is located on the Cape Sorell Peninsula, south of Macquarie Harbour and approximately 48 kilometres south of the town of Strahan, in western Tasmania (Figure 2). The project comprises four exploration licences with an area of 492 km². The tenement details are listed in Table 1:

Table 1: List of Mt Read Project Tenements

Licence	Holder	Status	Accelerate Ownership	Area km²
EL6/2013	Accelerate Resources Limited	Granted	100%	224
EL7/2018	Accelerate Resources Limited	Granted	100%	97
EL8/2018	Accelerate Resources Limited	Granted	100%	139
EL9/2018	Accelerate Resources Limited	Granted	100%	32

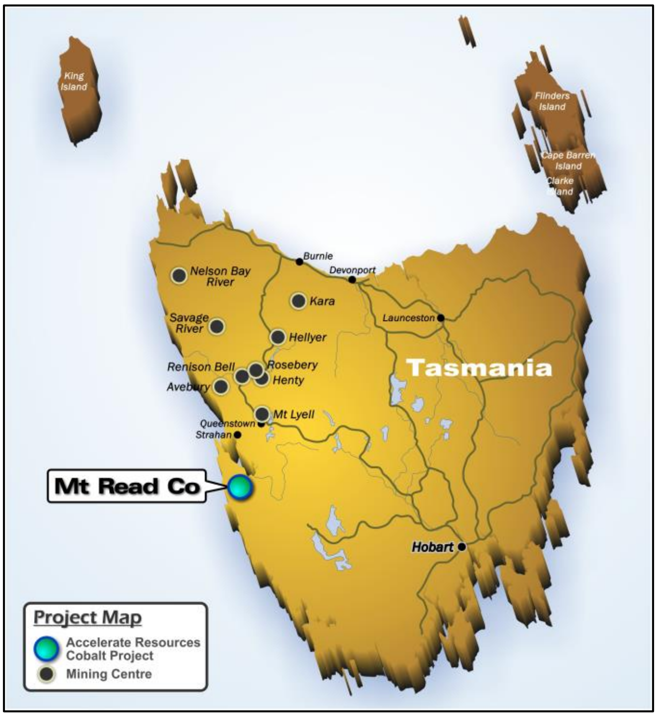

Figure 2: Accelerates Mount Read Project location

The two main prospects comprising the company's Mount Read Project that will be the focus of exploration activity in the first two years of operation are:

- The Thomas Creek Co-Cu-Au prospect; and
- The Henrietta Co-Ni-Cu project.

A number of other base metal targets have been identified within the Mount Read project area. These targets will be reviewed and assessed as part of future exploration activities.

1.1 The Thomas Creek Co-Cu-Au prospect

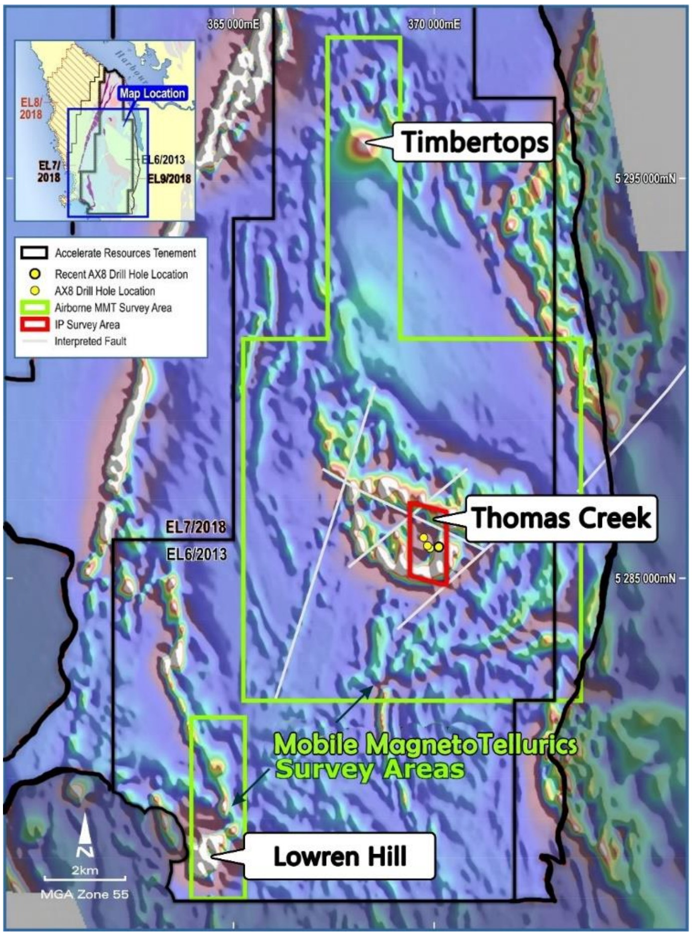

Figure 3: MMT Survey Areas over Thomas Creek Prospect on 1vd RTP Aeromagnetic Imagery

Accelerate Resources ongoing multidisciplinary exploration program on EL6/2013 aims to discover economic Cu, Co and Au mineralization at the Thomas Creek Prospect on the Sorell Peninsula, where the company is targeting a large intrusive related mineralisation system. (Figure 3)

The Thomas Creek Prospect is hosted by the Cambrian – aged Noddy Creek Volcanics (NCV), correlates of the Mount Read Volcanics (MRV), which are host to a number of significant VHMS deposits of varying hybrid styles. The NCV hosts a series of diorite intrusions, and an extensive intrusive complex of diorites occurs at the Thomas Creek Cu-Co-Au prospect, within the southern portion of the NCV, south west of the Ordovician sediments of the Timbertops Syncline.

1.2 2019 Exploration Summary

1.2.1 Completion of drill hole TCDD004

During the year, Accelerate Resources Limited ("Accelerate" or "the Company") completed drill hole TCDD004 to 657.0m EOH at the Thomas Creek cobalt-copper prospect. Drilling by the Company during 2018, 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. (see ASX announcement 6th April 2018) (Figure 4).

The drilling successfully intersected a fertile mineralised system bearing abundant disseminated sulphides and containing several felsic-intermediate intrusions and sulphide veining with associated anomalous copper-cobalt grades. The initial three holes at Thomas Creek, TCDD001, TCDD002 and TCDD003, are interpreted to have intersected alteration consistent with the outer propylitic and intermediate phyllic zones associated with porphyry-style mineralisation.

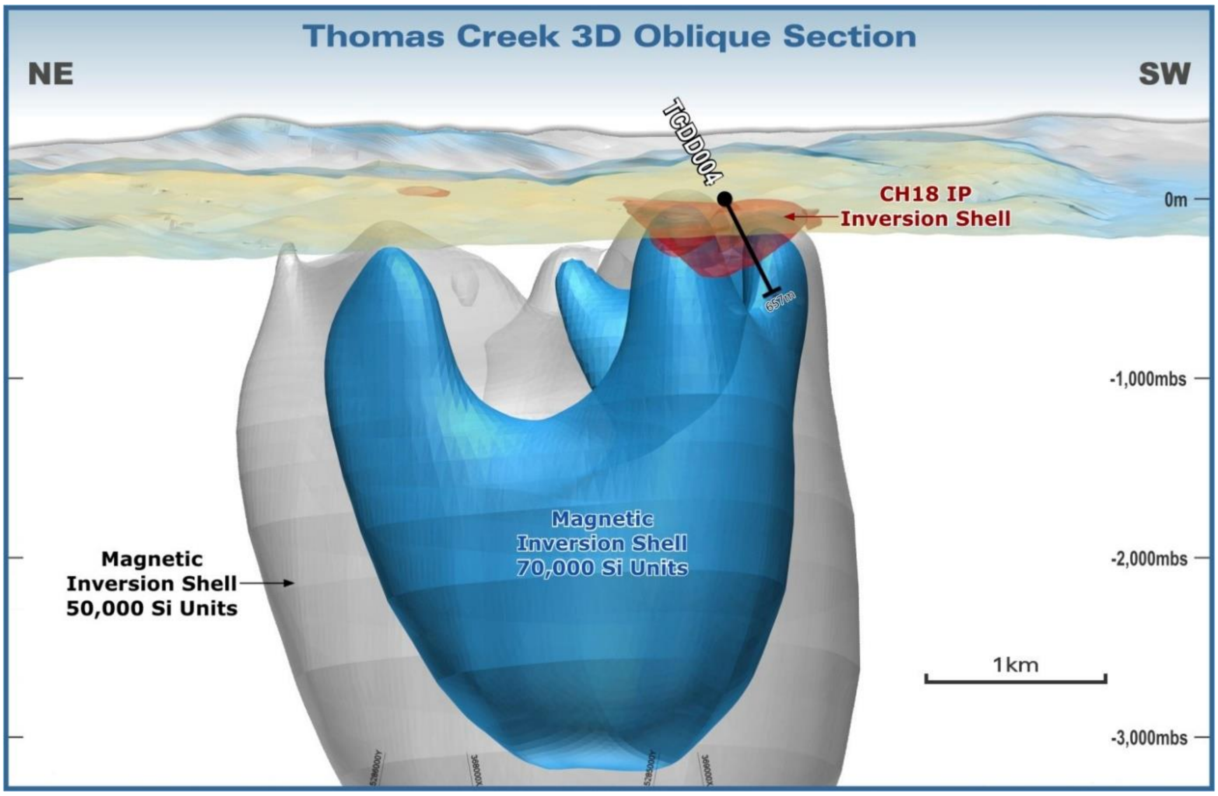

Figure 4: IP chargeability and magnetic inversion shells targeted by TCDD004

1.2.2 Completion of MobileMT survey

During the late 2018, the Company contracted Expert Geophysics Limited to conduct an airborne electromagnetic survey using its Mobile MagnetoTellurics (MobileMT) technology over the larger Thomas Creek prospect area.

The MobileMT system is the latest innovation in airborne electromagnetics and the most recent generation of airborne Audio-Frequency Magnetic Electromagnetic (AFMAG) technologies. (see ASX announcement 20th November 2018).

The ~415 line-kilometre airborne MobileMT survey was completed in early January 2019 and was aimed to define the 3D alteration and structural controls within the larger Thomas Creek porphyry system, to enhance the geological understanding and enable targeting of further potential mineralisation.

1.2.3 New exploration targets identified

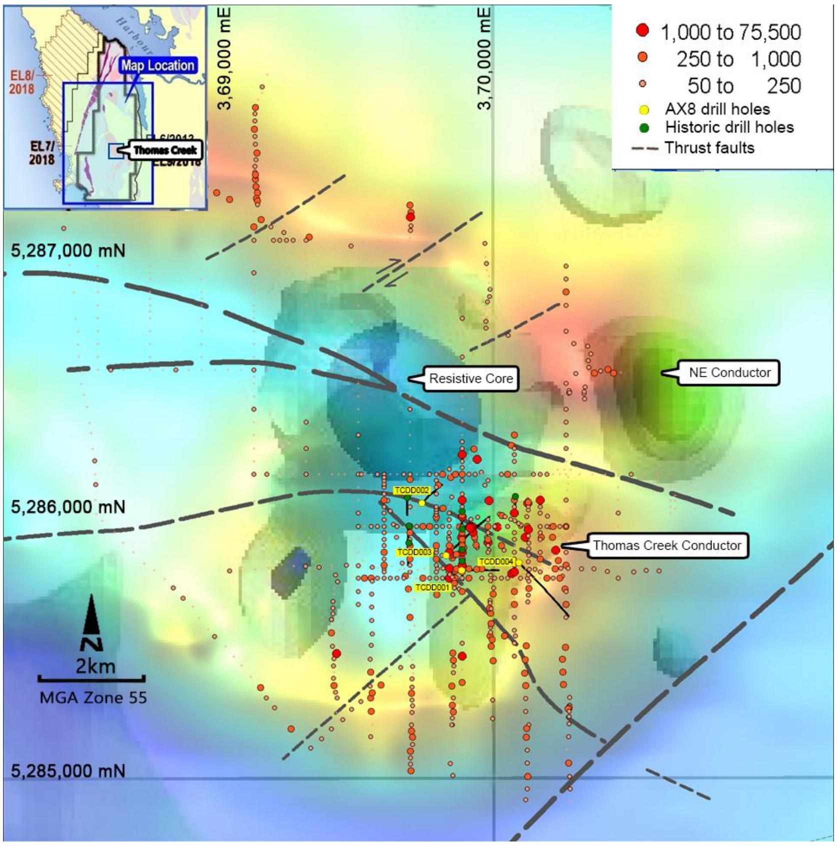

Figure 5: Thomas Creek MobileMT conductivity targets on Aeromagnetic Imagery

Modelling and interpretation of the 3D inversion data from the Mobile MT survey, has highlighted a new conductive anomaly in the northeastern part of the Thomas Creek copper-cobalt prospect. The Mobile MT survey also confirmed a conductive zone associated with the initial Thomas Creek IP Chargeability and geochemical target area, where earlier drilling by the Company (TCDD001-003) has intersected anomalous copper and cobalt mineralisation associated with semi-massive sulphide veins and broad zones of disseminated pyrite and chalcopyrite. (Figure 5).

The newly discovered conductive anomaly in the northeastern part of Thomas Creek, is located on the eastern flank of the Thomas Creek magnetic complex, north of a major northwest-southeast striking regional fault, which separates the target area from the previously identified Thomas Creek mineralisation. (see ASX announcement 8th April 2019 for further details of the Mobile MT survey and results)

2. Western Australia Gold Projects

The Company's current WA gold projects comprise the Mount Monger Project and Comet Project. The Bulgera Project was sold during July 2019 (Figure 6). Current exploration activities by Accelerate has comprised historical data reviews, interpretation and program planning. Future activities will include soil sampling, mapping and drilling programs.

Figure 6: Accelerate Resources WA Gold Projects Location

2.1 Bulgera Gold Project, Western Australia

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 licenses E52/3276 and E52/3316.

In June 2019, the Company received an offer, by Norwest Minerals Ltd, to acquire 100% interest in the Bulgera project for a consideration of $220,000 including GST. The sale of the Bulgera project was subsequently completed and announced to the ASX on 9th of July 2019.

The successful sale of the Bulgera project will boost the Company cash position by $200,000 in the September quarter.

2.2 Mount Monger Gold Project, Western Australia

The project comprises two granted exploration licenses, E25/525 and E25/565 and one exploration license application E25/586, covering 35.3 km^2 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 1.2Mtpa Randall's gold mill. (Figure 7)

Exploration drilling by earlier workers and more recently by POZ Minerals (ASX: POZ) has 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.

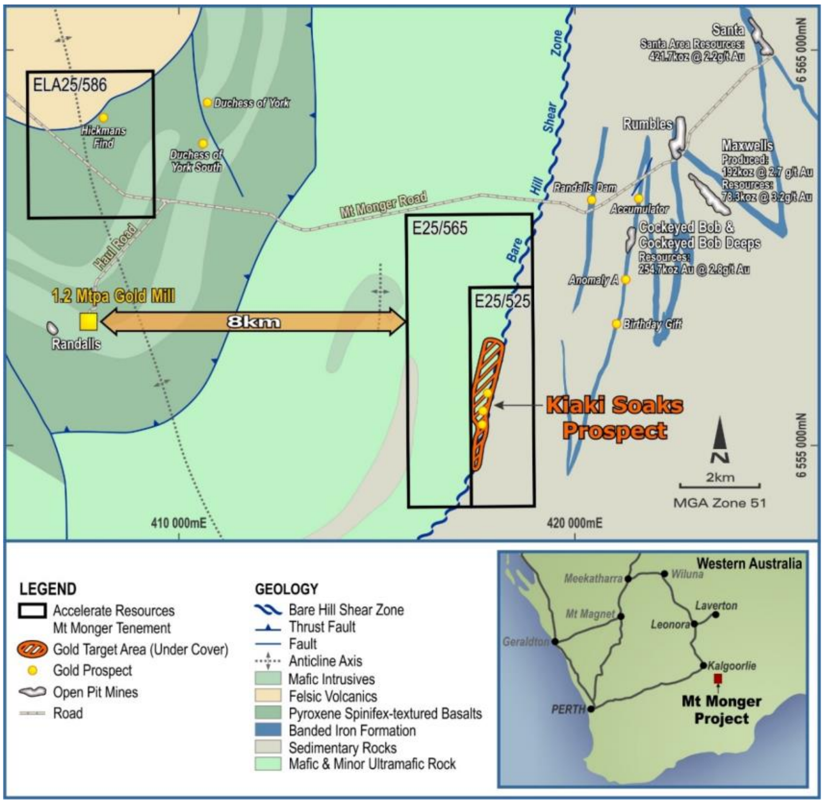

Figure 7 Mount Monger Project Location and Regional Geology

During the year, the Company applied for a new exploration license, E25/586, at the Mount Monger Project. The new application, E25/586, covers 11.8km^2 and is located 3km north of the Randalls gold mill operated by Silver Lake Resources Ltd, (see Figure 7).

The new license application covers the southern closure of the north-northwest striking, Bulong Anticline and includes the Hickman's Find gold prospect, which is located on the thrust faulted and folded contact between felsic rocks in the north and the predominantly komatiite basalt sequence to the south. The Hickman's Find prospect was discovered by GSWA mapping during 1986, with initial drilling by Western Mining Corporation during the mid-late 1980's (25 holes for 1,607m) identifying shallow, narrow, low grade gold mineralisation associated with ferruginous chert.

Proposed exploration by Accelerate will comprise further Aircore drilling to test the strike extension of gold mineralisation north of the Kiaki Soaks prospect. RC drilling will be undertaken to test the identified mineralisation at depth.

2.3 Comet Project, Western Australia

The Comet Gold Project comprises one granted exploration license, E20/908 covering 37 km^2 and one exploration license application, E20/939, 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. (Figure 8)

The project lies immediately to the north and along strike of the Comet gold mine, but very 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.

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 to Accelerates knowledge.

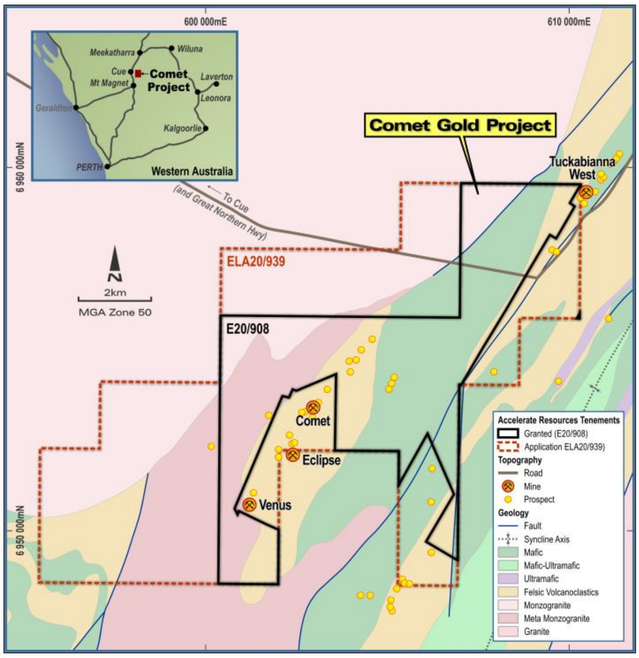

Figure 8: Comet Project tenure and location

DIRECTOR'S REPORT

Your Directors present their Report on Accelerate Resources Limited (the 'Company') for the financial year ended 30 June 2019.

DIRECTORS

The following were Directors of the Company at any time during the reporting period and up to the date of this report, unless otherwise indicated, were Directors for the entire period.

Director	Title	Appointment Date
Mr Grant Mooney	Non-Executive Chairman	1 June 2017
Ms Yaxi Zhan	Managing Director	7 March 2017
Mr Terry Topping	Non-executive Director	7 March 2017
Mr Andrew Haythorpe	Non-Executive Director[1]	7 September 2017

[1] Mr Andrew Haythorpe became a Non-Executive Director as a result of the Company's recent cost reduction activity as announced on 29 May 2019.

COMPANY SECRETARY

Ms Deborah Ho (appointed 14 February 2019)
Mr Brett Tucker (resigned 14 February 2019)

PRINCIPAL ACTIVITIES

The Company is an Australian gold, base metals and cobalt focussed exploration Company.

DIRECTORS REPORT (CONTINUED)

RESULTS

The loss of the Company for the financial year ended 30 June 2019 was $1,715,102 (2018: $867,747).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

EVENTS SUBSEQUENT TO BALANCE DATE

On 9 July 2019, the Company successfully executed a Tenement Sale Agreement to sell 100% of title and rights of Bulgera Gold Project to Norwest Minerals Limited for a consideration of $220,000 cash (inclusive of GST). The Bulgera Gold Project comprised of Exploration Licenses E52/3316 and E52/3276. The Bulgera Project was non-core and the sale was part of the Company's refocus on long term growth opportunities.

There are no other matters or circumstances that have arisen since 30 June 2019 to the date of this report that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

LIKELY DEVELOPMENTS

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

DIVIDEND

No dividends have been paid by the Company during the financial year ended 30 June 2019, nor have the Directors recommended that any dividends be paid.

ENVIRONMENTAL REGULATION

The Directors believe that the Company has, in all material respects, complied with all particular and significant environmental regulations relevant to its operations.

PARTICULARS OF DIRECTORS AND COMPANY SECRETARY

CURRENT DIRECTORS

Grant Mooney	**Executive Chairman**
Qualifications and Experience	Mr. Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. He has extensive experience in the areas of corporate and project management, capital raisings, mergers and acquisitions and corporate governance.
Interest in Shares and Options	1,000,000 Ordinary Shares 1,000,000 Options exercisable at $0.25, expiring on 30 April 2021
Directorships held in other listed entities in the past three years	Non-Executive Director in Barra Resources Limited (from 2002 – present) Non-Executive Director in Carnegie Clean Energy Limited (from 2008 – present) Non-Executive Director in POZ Minerals Limited (from 2008 – present) Non-Executive Director in Talga Resources Limited (from 2014 – present)

DIRECTORS REPORT (CONTINUED)
PARTICULARS OF DIRECTORS AND COMPANY SECRETARY (CONTINUED)

Yaxi Zhan	**Managing Director**
Qualifications and Experience	Yaxi has over 11 years of experience in the resource industry. She has worked in capital raising, mergers and acquisitions and project development with Sinosteel, Norilsk Nickel and within the Australian listed junior exploration sector.
Interest in Shares and Options	3,000,000 Ordinary Shares 3,000,000 Options exercisable at $0.25, expiring on 30 April 2021
Directorships held in other listed entities in the past three years	Nil
Andrew Haythorpe	**Non-Executive Director**
Qualifications and Experience	Mr. Haythorpe has 30 years' experience in the mining industry and has over 20 years of experience in the management of listed public companies on ASX and TSX. His recent Directorship including as Managing Director of Crescent Gold. Under his leadership, Crescent gold grew from an $8m explorer to a $240m producer in 3 years.
Interest in Shares and Options	2,500,000 Ordinary Shares
Directorships held in other listed entities in the past three years	Non-Executive Director in Petratherm Limited (from August 2016 – April 2018) Managing Director in Cirrus Networks Holdings Limited (formerly known as Liberty Resources Limited) (from 2008 – July 2015)
Terry Topping	**Non-Executive Director**
Qualifications and Experience	Mr. Topping has 30 years' experience in the mining industry and has over 20 years of experience in the management of listed public companies on ASX and TSX. Terry has experience in corporate finance, mergers and acquisitions and also as a mining and exploration geologist in Australia and overseas.
Interest in Shares and Options	1,000,000 Ordinary Shares 1,000,000 Options exercisable at $0.25, expiring on 30 April 2021
Directorships held in other listed entities in the past three years	Executive Chairman in Kairos Minerals Limited (from March 2017 – present) Non-Executive Director in Orinoco Gold Limited (from April 2017 – present) Executive Director in Rumble Resources Ltd (from September 2012 – August 2015)

DIRECTORS REPORT (CONTINUED)
PARTICULARS OF DIRECTORS AND COMPANY SECRETARY (CONTINUED)

Deborah Ho	**Company Secretary**
Qualifications and Experience	Ms Ho has over six years of experience in company secretarial, corporate compliance and financial accounting matters. She has acted as Company Secretary to a number of ASX listed and private companies.

DIRECTORS' MEETINGS
The Directors attendances at Board meetings held during the year were:

	Board Meetings	
	Number eligible to attend	Number attended
Grant Mooney	10	10
Yaxi Zhan	10	10
Terry Topping	10	10
Andrew Haythorpe	10	10

The Company does not have any remuneration, nomination or audit committees, these functions are performed by the Board.

The Board also approved six (6) circular resolutions during the year ended 30 June 2019 which were signed by all Directors of the Company.

REMUNERATION REPORT (AUDITED)
This report details the nature and amount of remuneration for each key management person of Accelerate Resources Limited, and for the executives receiving the highest remuneration.

REMUNERATION POLICY
The remuneration policy of Accelerate Resources Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component that provides cost effective services to the Company at an early stage of its development. The Board of Accelerate Resources Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Company, as well as create goal congruence between directors, executives and shareholders.

The Board’s policy for determining the nature and amount of remuneration for key management personnel of the Company is as follows:

- The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the Board.
- All key management personnel receive a base salary or fee appropriate to the skills and responsibility of the role
- The Board reviews key management personnel packages annually by reference to the Company’s performance, executive performance and comparable information from industry sectors.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast development of the Company’s projects. Any bonuses or incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options.

REMUNERATION REPORT (AUDITED) (CONTINUED)
REMUNERATION POLICY (CONTINUED)

Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Key management personnel are also entitled to participate in the employee share and option arrangements.

All remuneration paid to key management personnel is valued at the cost to the Company and expensed. Shares given to key management personnel are valued as the difference between the market price of those shares and the amount paid by key management personnel. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The Board determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting. Fees for Non-Executive Directors are not linked to the performance of the Company. However, to align directors' interests with shareholder interests, the Directors are encouraged to hold shares in the Company and are able to participate in the employee option plan.

PERFORMANCE-BASED REMUNERATION
It is the Company's intention when appropriate to include performance based remuneration as a component of management remuneration, and this was not deemed necessary in the year under review. As outlined within this report, during the year options were issued to key management personnel with no element dependent on the satisfaction of performance conditions. These options were issued to incentivise directors and align their interests to that of the Company and its shareholders.

COMPANY PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTOR AND EXECUTIVE REMUNERATION
The following table shows gross income, profits (losses) and dividends for the last 3 years as a listed entity (incorporated on 7 March 2017), as well as the share price at the end of the respective financial years. As highlighted above, the Company currently does offer any variable remuneration incentive plans or bonus schemes to Directors and, as such, there are no performance related links to the existing remuneration policies.

	2019 $	2018 $	2017 $
Revenue	46,036	21,098	-
Loss after income tax	(1,715,102)	(867,747)	(364,881)
EBITDA	(1,711,883)	(867,065)	(364,841)
EBIT	(1,713,998)	(867,289)	(364,841)
Share price at year-end	0.03	0.14	-
Basic loss per share (cents per share)	(3.60)	(3.65)	(5.13)
Dividends paid	-	-	-

REMUNERATION REPORT (AUDITED) (CONTINUED)

KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

The Board's policy for determining the nature and amount of remuneration key management for the Company is as follows:

The remuneration structure for key management personnel is based on a number of factors, including length of service, particular experience and skills of the individual concerned, and overall performance of the Company. The contracts for service between the Company and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future. Upon retirement key management personnel are paid employee benefit entitlements accrued to date of retirement.

SERVICE AGREEMENTS

The following Directors had contracts in place with the Company during the financial year as detailed below:

Grant Mooney, Executive Chairman

- Confirmation of Appointment dated 1 June 2017 with no termination date;
  - Director fees of $50,000 per annum (post-IPO), amended to $30,000 per annum on 1 May 2019;
  - There will be no payment upon termination.

Yaxi Zhan, Managing Director

- Confirmation of Appointment dated 7 March 2017 with no termination date;
  - Fees of $150,000 per annum (post-IPO), amended to $110,000 per annum on 1 May 2019;
  - There will be no payment upon termination.

Andrew Haythorpe, Non-Executive Director

- Confirmation of Appointment dated 15 August 2017 with no termination date;
  - Fees of up to $100,000 per annum (post-IPO), amended to $20,000 per annum on 1 May 2019; and additionally contractual income of $800 per day worked outside of that annual salary
  - 1 million shares @ $0.001 upon completion of the acquisition of a Cobalt resources project;
  - 1 million shares @ $0.001 upon successful listing on the ASX;
  - There will be no payment upon termination.

Terry Topping, Non-Executive Director

- Confirmation of Appointment dated 7 March 2017 with no termination date;
  - Fees of $40,000 per annum (post-IPO), amended to $20,000 per annum on 1 May 2019;
  - There will be no payment upon termination.

DETAILS OF REMUNERATION

Compensation of Key Management Personnel Remuneration - FY2019

	Short-term Benefits		Post-Employment Benefits	Long-term Benefits	Share-Based Payments		
Key Management Person	**Cash, salary and fees $**	**Other $**	**Superannuation $**	**Long Service Leave $**	**Shares $**	**Options $**	**Total $**
Directors							
Yaxi Zhan	143,333	-	13,617	-	-	-	156,950
Terence Topping	36,667	-	3,483	-	-	-	40,150
Grant Mooney	46,667	-	4,433	-	-	-	51,100
Andrew Haythorpe	95,333	-	-	-	-	-	95,333
Total	**322,000**	**-**	**21,533**	**-**	**-**	**-**	**343,533**

REMUNERATION REPORT (AUDITED) (CONTINUED)
DETAILS OF REMUNERATION (CONTINUED)

Compensation of Key Management Personnel Remuneration - FY2018

	Short-term Benefits		Post-Employment Benefits	Long-term Benefits	Share-Based Payments		
Key Management Person	**Cash, salary and fees $**	**Other $**	**Superannuation $**	**Long Service Leave $**	**Shares $**	**Options $**	**Total $**
Directors							
Yaxi Zhan	56,250	-	5,344	-	-	-	61,594
Terence Topping	15,000	-	1,425	-	-	-	16,425
Grant Mooney	18,750	-	1,781	-	-	-	20,531
Andrew Haythorpe[1]	37,500	-	-	-	300,000	-	337,500
Total	**127,500**	**-**	**8,550**	-	**300,000**	**-**	**436,050**

[1] Appointed on 7 September 2017

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed		At Risk - STI		At Risk - LTI	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
Directors						
Yaxi Zhan	100%	100%	-	-	-	-
Terence Topping	100%	100%	-	-	-	-
Grant Mooney	100%	100%	-	-	-	-
Andrew Haythorpe	100%	100%	-	-	-	-

Cash bonuses granted as compensation for the current financial year.
No cash bonuses were granted during the year ended 2019 (2018: nil).

Other transactions with related parties
There were no other transactions with related parties during the year ended 30 June 2019. (2018: nil).

Loans from key management personnel
As at 30 June 2019, there were no outstanding amounts due to key management personnel (2018: nil).

Use of remuneration consultants
During the financial year ended 30 June 2019, the Company did not engage the services of an independent remuneration consultant to review its remuneration for Directors, key management personnel and other senior executives.

Voting and comments made at the company's Annual General Meeting ('AGM')
At the 2018 Annual General Meeting the remuneration resolution received a "first strike", representation a 'no' vote from 53.74% of shareholders voting at the meeting, either personally or by proxy.

SHARE-BASED PAYMENTS
This section only refers to those shares and options issued as part of remuneration. As a result they may not indicate all shares and options held by a Director or other Key Management Personnel.

Shares
No shares were issued to Directors as part of compensation during the year ended 30 June 2019.

REMUNERATION REPORT (AUDITED) (CONTINUED)
SHARE-BASED PAYMENTS(CONTINUED)

Options
No Director options were granted, exercised, sold or lapsed during the 2019 financial year.

DIRECTORS' INTERESTS
SHAREHOLDING
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the company, including their personally related parties, is set out below:

FY2019

	Opening Balance of Shares No.	Granted as Compensation No.	Additions	Disposals / Other	Closing Balance of Shares No.
30 June 2019					
Directors					
Yaxi Zhan	3,000,000	-	-	-	3,000,000
Terence Topping	1,000,000	-	-	-	1,000,000
Grant Mooney	1,000,000	-	-	-	1,000,000
Andrew Haythorpe	2,500,000	-	-	-	2,500,000
Total	**7,500,000**	**-**	**-**	**-**	**7,500,000**

FY2018

	Opening Balance of Shares No.	Granted as Compensation No.	Additions	Disposals / Other	Closing Balance of Shares No.
30 June 2018					
Directors					
Yaxi Zhan	3,000,000	-	-	-	3,000,000
Terence Topping	1,500,000	-	-	(500,000)	1,000,000
Grant Mooney	1,000,000	-	-	-	1,000,000
Andrew Haythorpe	-	2,000,000	-	500,000	2,500,000
Total	**5,500,000**	**2,000,000**	**-**	**-**	**7,500,000**

OPTION HOLDING
The following table discloses the movement in Directors' and Key Management Personnel's Options during the 2019 financial year.

	Balance 1 Jul 18 No.	Options Granted No.	Options Exercised No.	Options Lapsed No.	Balance 30 Jun 19 No.	Vested during year No.	Vested and exercisable at 30 Jun 19 No.	Not Vested at 30 June 19 No.
Yaxi Zhan	3,000,000	-	-	-	3,000,000	-	3,000,000	-
Terence Topping	1,500,000	-	-	-	1,500,000	-	1,500,000	-
Grant Mooney	1,000,000	-	-	-	1,000,000	-	1,000,000	-
Andrew Haythorpe	-				-		-	
Total	**5,500,000**	**-**	**-**	**-**	**5,500,000**	**-**	**5,500,000**	**-**

REMUNERATION REPORT (AUDITED) (CONTINUED)
DIRECTORS' INTERESTS (CONTINUED)
The following table discloses the movement in Directors' and Key Management Personnel's Options during the 2018 financial year.

	Balance 1 Jul 17 No.	Options Granted No.	Options Exercised No.	Options Lapsed No.	Balance 30 Jun 18 No.	Vested during year No.	Vested and exercisable at 30 Jun 18 No.	Not Vested at 30 June 18 No.
Yaxi Zhan	3,000,000	-	-	-	3,000,000	-	3,000,000	-
Terence Topping	1,500,000	-	-	-	1,500,000	-	1,500,000	-
Grant Mooney	1,000,000	-	-	-	1,000,000	-	1,000,000	-
Total	**5,500,000**	**-**	**-**	**-**	**5,500,000**	**-**	**5,500,000**	**-**

End of Remuneration Report

PROCEEDINGS ON BEHALF OF THE COMPANY
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company or the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

DIRECTORS' INDEMNITIES
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

AUDITOR'S INDEMNITIES
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

CORPORATE GOVERNANCE
The Company's Appendix 4G is released to ASX on the same day the Annual Report is released. Accelerate Resources Limited's Corporate Governance Statement, and the Company's Policies, Charters and Procedures, can be all found on the Company's website.

NON-AUDIT SERVICES
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 15 to the financial statements.

The directors are of the opinion that the services as disclosed in Note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and

- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF RSM AUSTRALIA PARTNERS
There are no officers of the company who are former partners of Australia Partners.

AUDITOR INDEPENDENCE
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.

AUDITOR
RSM Australia Partners continues in office in accordance with section 327 of the Corporations Act 2001.

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

Yaxi Zhan
Managing Director

30 September 2019

RSM Australia Partners

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Accelerate Resources Limited for the year ended 30 June 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 audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2019

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2019

	Note	2019 $	2018 $
Revenue			
Other income		46,036	21,098
		46,036	**21,098**
Expenses			
Accounting and finance		(50,347)	(60,235)
ASIC and ASX		(56,376)	(72,549)
Company secretarial		(36,000)	(13,500)
Corporate advisory		(151,178)	(80,000)
Depreciation		(2,116)	(224)
Director and employee benefits		(440,884)	(136,050)
Insurance		(29,736)	(18,261)
Marketing and promotion		(65,164)	(64,319)
Office and occupancy expenses		(130,432)	(34,028)
Impairment of exploration expenditure	5	(664,668)	-
Other expenses		(127,631)	(89,679)
Share based payments expenses	11	(6,606)	(320,000)
Loss before income tax expense		**(1,715,102)**	**(867,747)**
Income tax expense	12	-	-
Loss before other comprehensive income		**(1,715,102)**	**(867,747)**
Other comprehensive income		-	-
Total comprehensive loss		**(1,715,102)**	**(867,747)**
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the Company			
Basic and diluted earnings per share (cents)	10	**(3.60)**	**(3.65)**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	683,235	3,434,084
Other current assets	4	106,148	134,173
Asset held for sale	5	200,000	-
Total Current Assets		**989,383**	**3,568,257**
Non-Current Assets			
Exploration and evaluation expenditure	5	3,279,957	2,696,538
Plant and equipment	6	11,619	12,590
Total Non-Current Assets		**3,291,576**	**2,709,128**
Total Assets		**4,280,959**	**6,277,385**
LIABILITIES			
Current Liabilities			
Trade and other payables	7	79,707	367,637
Total Current Liabilities		**79,707**	**367,637**
Total Liabilities		**79,707**	**367,637**
Net Assets		**4,221,252**	**5,909,748**
Equity			
Issued capital	8	5,661,905	5,661,905
Reserves	9	1,487,077	1,480,471
Accumulated losses		(2,947,730)	(1,232,628)
Total Equity		**4,201,252**	**5,909,748**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2017		**192,313**	**328,408**	**(364,881)**	**155,840**
Loss after income tax expense for the period		-	-	(867,747)	(867,747)
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(867,747)	(867,747)
Issue of shares		7,250,000	-	-	7,250,000
Share based payments		320,000	1,152,063	-	1,472,063
Share issue costs		(2,100,408)	-	-	(2,100,408)
Balance at 30 June 2018		**5,661,905**	**1,480,471**	**(1,232,628)**	**5,909,748**
Loss after income tax expense for the period		-	-	(1,715,102)	**(1,715,102)**
Other comprehensive income for the period		-	-	-	-
Total comprehensive loss for the period		-	-	(1,715,102)	**(1,715,102)**
Issue of shares		-	-	-	-
Share based payments		-	6,606	-	6,606
Share issue costs		-	-	-	-
Balance at 30 June 2019		**5,661,905**	**1,487,077**	**(2,947,730)**	**4,201,252**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(1,347,653)	(554,427)
Payments for exploration and evaluation expenditure		(1,448,087)	(982,404)
Interest received		46,036	21,098
Net cash (outflows) from operating activities	13	(2,749,704)	**(1,515,733)**
Cash Flows from Investing Activities			
Purchase of plant and equipment		(1,145)	(12,814)
Net cash (outflows) from investing activities		(1,145)	**(12,814)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		-	250,000
Proceeds from initial public offering		-	5,000,000
Capital raising cost		-	(421,325)
Net cash inflow from financing activities		-	**4,828,675**
Net increase / (decrease) in cash and cash equivalents		(2,750,849)	**3,300,128**
Cash and cash equivalents at the beginning of the financial year		3,434,084	133,956
Cash and cash equivalents at the end of the financial year	3	**683,235**	**3,434,084**

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
In the period ended 30 June 2019, 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 year-end reporting period beginning on or after 1 July 2018.

AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of financial statements. 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.

Any new or amended standards and interpretations that are not yet mandatory have not been early adopted.

Going Concern

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 Company incurred a loss of $1,715,102 and had net cash outflows from operating activities of $2,749,704 for the year ended 30 June 2019. The ability of the Company to continue as a going concern is principally dependent upon the ability of the Company 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 Company 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 Company 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 20 events subsequent to balance date, on 9 July 2019, the company disposed of 100% of title and rights to Bulgera Gold Project to Norwest Minerals Limited for a consideration of $200,000.
- The Company has the ability to issue additional equity securities under the *Corporations Act 2001* to raise further working capital; and
- The Company has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

Accordingly, the Directors believe that the Company 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 Company does not continue as a going concern.

a) Basis of Preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Functional and Presentation Currency
These financial statements are presented in Australian dollars, which is the Company's functional currency.

b) Cash and Cash Equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

c) Other Assets
Other receivables are recognised at amortised cost, less any provision for impairment.

d) Exploration and evaluation assets
Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within one period of abandoning the site.

e) Plant and Equipment
i. Recognition and measurement
Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within other income / other expenses in profit or loss.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss on a diminishing value basis over the estimated useful lives of each part of an item of plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Office equipment	3 -10 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

f) Impairment

At each reporting date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. An asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

g) Trade and other payables

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial period and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

h) Employee Benefits

i. Wages and Salaries

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled wholly within 12 months of the reporting date are recognised in employee provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

ii. Superannuation

The amount charged to the profit and loss in respect of superannuation represents the contributions paid or payable by the Company to the employee's superannuation funds.

iii. Employee Benefits on-costs

Employee benefit on-costs, including payroll tax, are recognised when paid or payable by the Company.

Share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h) Employee Benefits (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

h) Investments and financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Company intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable

1.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.
For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Financial Liabilities
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

i) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

j) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k) Earnings Per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss after income tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by dividing the profit or loss after income tax attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

l) Revenue

Revenue is recognised on completion of performance obligation and when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

m) Income Taxes

Income tax expense or revenue comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and associates and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognised for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates expected to apply when the assets are recovered or

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

liabilities are settled, based on those rates which are enacted or subsequently enacted for each jurisdiction.

Deferred tax assets are recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included as a current asset or liability in the statement of financial position.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which is disclosed as operating cash flows.

o) Segment Reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that related to transactions with any of the Company’s other components. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Board (Chief Operating Decision Makers “CODM”) is responsible for the allocation of resources to operating segments and assessing their performance.

p) New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2019. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The Company will adopt this standard from 1 July 2019 and the impact of its adoption is expected to be minimal on the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

2. CRTICIAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the Company will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

3. CASH AND CASH EQUIVALENTS

	2019 $	2018 $
Cash at bank	683,235	3,434,084
	683,235	**3,434,084**

4. OTHER CURRENT ASSETS

	2019 $	2018 $
Accounts receivables	7,613	83,173
GST receivable	12,159	
Deposit	86,376	51,000
	106,148	**134,173**

5. EXPLORATION AND EVALUATION EXPENDITURE

	2019 $	2018 $
Exploration and evaluation expenditure - Mt Read	**3,277,983**	1,912,669
Exploration and evaluation expenditure - Bulgera	-	783,869
	3,277,983	**2,696,538**
Exploration and evaluation expenditure - Mt Read		
Opening balance	1,912,669	-
Additions	1,367,288	1,912,669
Impairment	-	-
Closing balance	**3,279,957**	**1,912,669**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

5. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

	2019 $	2018 $
Exploration and evaluation expenditure - Bulgera		
Opening balance	783,869	30,000
Additions	80,799	753,869
Impairment	(664,668)	-
Reclass of balance to asset held for sale	(200,000)	
Closing balance	-	**783,869**

As disclosed in Note 20 on 9 July 2019, the Company successfully executed a Tenement Sale Agreement to sell 100% of title and rights of Bulgera Gold Project to Norwest Minerals Limited for a consideration of $200,000. As a result of this the asset has been classified as held for sale asset as at 30 June 2019.

6. PLANT AND EQUIPMENT

	2019 $	2018 $
Plant and equipment		
- at cost	13,959	12,814
- accumulated depreciation	(2,340)	(224)
	11,619	**12,590**
Plant and equipment - movements		
Opening balance	12,590	-
Additions	1,145	12,814
Depreciation	(2,116)	(224)
Closing balance	**11,619**	**12,590**

7. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables	27,512	211,737
Accruals	10,000	123,659
Other payables	42,195	32,241
	79,707	**367,637**

Trade creditors, excluding related party payables, are expected to be paid on 30 day terms.

8. ISSUED CAPITAL

	30-Jun-19 No.	30-Jun-18 No.	30-Jun-19 $	30-Jun-18 $
Ordinary shares on issue, fully paid	**47,620,000**	**47,620,000**	**5,661,905**	**5,661,905**

Reconciliation of Movement in Issued Capital	Shares No.	Issue Price $	Amount $
Opening Balance at 1 July 2017	8,020,000		192,313
Share based payment to Director	1,000,000	0.10	100,000
Issue of shares	2,500,000	0.10	250,000
Issue of shares from IPO	25,000,000	0.20	5,000,000
Issue of shares to Lead Manager	5,000,000	0.20	1,000,000
Issue of shares to Project Vendors	5,000,000	0.20	1,000,000
Share based payment to Director	1,000,000	0.20	200,000
Issue of shares to Consultants	100,000	0.20	20,000
Less issue costs	-		(2,100,408)
Closing balance at 30 June 2018	**47,620,000**		**5,661,905**
Closing balance at 30 June 2019	**47,620,000**		**5,661,905**

8. ISSUED CAPITAL (CONTINUED)

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The Company's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it may continue to provide returns for shareholders and benefits for other stakeholders. The Company's capital includes ordinary share capital and financial liabilities, supported by financial assets.

Due to the nature of the Company's activities, being mineral exploration, it does not have ready access to credit facilities, with the primary source of funding being equity raisings. Accordingly, the objective of the Company's capital risk management is to balance the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. This is achieved by maintaining appropriate liquidity to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The Company is not subject to any externally imposed capital requirements.

	2019	**2018**
	$	**$**
Cash and cash equivalents	683,235	3,434,084
Trade and other receivables	19,772	83,173
Trade and other payables	(79,708)	(367,637)
Working capital position	**623,299**	**3,149,620**

9. RESERVES

	2019	**2018**
	$	**$**
Options reserve	**1,487,077**	**1,480,471**

Options and performance shares issued carry no dividend or voting rights. When exercisable each option and performance share is convertible to one ordinary share.

	No. of Options	**$**
Opening balance at 1 July 2017	**6,000,000**	**328,408**
Issue of options to Lead Manager – Note 11	5,000,000	666,776
Issue of options to Project Vendors – Note 11	4,000,000	485,287
Closing balance at 30 June 2018	**15,000,000**	**1,480,471**
Vesting of options issued to consultant	200,000	6,606
Closing balance at 30 June 2019	**15,200,000**	**1,487,077**

10. EARNINGS PER SHARE

	2019	**2018**
	$	**$**
Loss after income tax (used in calculating both basic and diluted loss per share)	(1,715,102)	(867,747)
Basic loss per share (cents)	(3.60)	(3.65)
Diluted loss per share (cents)	(3.60)	(3.65)
	Number	**Number**
Weighted average number of ordinary shares and potential ordinary shares		
Weighted average number of ordinary shares used in calculating basic and diluted EPS	47,620,000	23,797,534

11. SHARE BASED PAYMENTS

Shares – 30 June 2019
No shares were issued as part of a share based payment for the period ended 30 June 2019
Options
On 13 August 2018, the Company issued 200,000 unlisted options to a consultant on the condition that the consultant has provided 12 months of continuous service to the Company as a consultant, from date of issue. The consultant options are exercisable at $0.25 per option on or before 30 April 2020. The Black-Scholes option pricing model was used to value the options and the following table lists the inputs to the model used for the valuation of the options:

Options	Expiry Date	Exercise Price	Share Price at Grant Date	Expected Volatility	Risk-free Interest Rate	Fair Vale per Option
Vendor	30/04/2020	$0.25	$0.12	100%	1.99%	$0.0374

Summary of options granted as at 30 June 2019 are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at Start of Year	Granted	Exercised	Expired / Forfeited / Other	Balance at End of Year
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
			15,000,000	**200,000**	**-**	**-**	**15,200,000**

Shares – 30 June 2018
On 15 November 2017, the Company issued 1,000,000 shares to a Director (Andrew Haythorpe) at an issue price of $0.10 per share, for a total transactional value of $100,000 as identified in Note 9 and the 'Remuneration Report' included in the Directors' Report, as part of his remuneration package.

On 12 February 2018, the Company issued 1,000,000 shares to a Director (Andrew Haythorpe) at an issue price of $0.20 per share, for a total transactional value of $200,000 as identified in Note 9 and the 'Remuneration Report' included in the Directors' Report, as part of his remuneration package.

On 12 February 2018, the Company issued 100,000 shares at an issue price of $0.20 per share, for a total transaction value of $20,000 to Ventnor Capital Pty Ltd for the provision of corporate advisory and company secretarial services.

On 12 February 2018, the Company issued 5 million shares to the lead manager and 5 million shares to the vendor at an issue price of $0.20 per share, for a total transaction value of $2,000,000. The fair value of the shares issued to the lead manager were treated as share issue costs in the statement of changes in equity. The fair value of the shares issued to the vendor were treated as exploration and evaluation assets in the statement of financial position.

The total share based payment expense recognised in the in the statement of comprehensive income during the current financial year was $320,000.

Options – 30 June 2018
On 12 February 2018, on shareholder's approval, the Company issued 5 million lead manager options and 4 million vendor options. The lead manager options are exercisable at $0.25 per option on or before 4 years from the date the Company is admitted to the Official List (12 February 2022). The vendor options are exercisable at $0.25 per option on or before 30 April 2021. The Black-Scholes option pricing model was used to value the options and the following table lists the inputs to the model used for the valuation of the options:

Options	Expiry Date	Exercise Price	Share Price at Grant Date	Expected Volatility	Risk-free Interest Rate	Fair Vale per Option
Vendor	30/04/2021	$0.25	$0.20	100%	2.13%	$0.1213
Lead Manager	12/02/2022	$0.25	$0.20	100%	2.36%	$0.1334

9. SHARE BASED PAYMENTS

11. SHARE BASED PAYMENTS (CONTINUED)

The fair value ($666,776 – Note 10) of the options issued to the lead manager were treated as share issue costs in the statement of changes in equity. The fair value ($485,287 – Note 10) of the options issued to the vendor were treated as exploration and evaluation expenditure in the statement of financial position.

Summary of options granted as at 30 June 2018 are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at Start of Year	Granted	Exercised	Expired / Forfeited / Other	Balance at End of Year
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
			6,000,000	**9,000,000**	**-**	**-**	**15,000,000**

12. INCOME TAX EXPENSE

	2019 $	2018 $
A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Company's applicable income tax rate is as follows:		
Loss before income tax	**(1,715,102)**	**(867,747)**
Prima facie benefit on operation loss at 27.5% (2018: 27.5%)	(471,653)	238,630
Non-allowable expenditure	184,923	(88,036)
Temporary differences not brought to account as a deferred tax asset	(57,220)	(52,046)
Tax losses not brought to account as a deferred tax asset	343,950	(98,548)
Income tax benefit	-	-
Unrecognised tax losses	2,990,130	1,739,403

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately $822,286 (2018: $478,336) and has not been brought to account at reporting date because the directors do not believe it is appropriate to regard realisation of the deferred tax asset as probable at this point in time. This benefit will only be obtained if:
• the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss incurred;
• the Company continues to comply with the conditions for deductibility imposed by law; and
• no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss incurred.
• the Company continues to comply with the conditions for deductibility imposed by law; and
• no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the loss incurred.

13. CASH FLOW INFORMATION

	2019 $	2018 $
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Loss after income tax	(1,715,102)	(867,747)
Add / (deduct) non-cash items:		
Share based payment expense	6,606	320,000
Depreciation	2,116	224
Impairment of exploration expenditure	664,668	
Changes in assets and liabilities:		
Other current assets	28,026	(76,207)
Exploration and evaluation expenditure	(1,448,088)	(982,404)
Trade and other payables	(287,930)	90,401
Cash Outflows from Operations	**(2,749,704)**	**(1,515,733)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

14. RELATED PARTY TRANSACTIONS

a) Key Management Personnel Compensation

	2019 $	2018 $
Short-term employee benefits	322,000	127,500
Post-employment benefits	21,533	8,550
Share-based payment	-	300,000
	343,533	**436,050**

b) Transactions with Related Parties

	2019 $	2018 $
Transactions with Related Parties		
Purchase of tenement from POZ Minerals Limited (director-related entity of Grant Mooney)	-	783,869
Director fees to Ouro Pty Ltd (director-related entity of A Haythorpe)	101,933	
	101,933	**783,869**

c) Other Related Party Transactions

There were no other related party transactions.

15. AUDITORS REMUNERATION

	2019 $	2018 $
Audit services		
Audit or review of the financial statements	22,000	22,000
Non-audit services		
Preparation of the Investigating Accountant's Report	-	6,000
	22,000	**28,000**

16. COMMITMENTS

Operating lease commitments consists of various mining tenement leases in Tasmania (Mt Read Cobalt Project) and Western Australia (Bulgera, Mount Monger, Comet, Pilbara).

	2019 $	2018 $
Within 1 year	**24,441**	1,158
Not later than 1 year but less than 5 years	**3,036**	14,185
More than 5 years	**-**	-
	27,477	**15,343**

17. OPERATING SEGMENTS

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 has organised its operations into one reportable segment on the basis of stage of development as follows:

- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During the year ended 30 June 2019, the Company had no development assets. The Board considers that it has only operated in one segment, being mineral exploration.

The Company is domiciled in Australia. Another income from external customers are only generated from Australia. No income was derived from a single external customer.

18. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from their use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Company through regular reviews of the risks.

Credit risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is spread amongst approved counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the board. The board's policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. All of the Company's surplus funds are invested with AA- Rated financial institutions.

The Company does not have any material credit risk exposure to any single receivable or Group of receivables under financial instruments entered into by the Company.

The credit risk for counterparties included in cash and cash equivalents at 30 June 2019 is detailed below:

	2019 $	2018 $
Financial assets:		
Cash and cash equivalents	683,235	3,434,084
AA- rated counterparties	**683,235**	**3,434,084**

Liquidity risk

The responsibility with liquidity risk management rests with the Board of Directors. The Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Company's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

Market Risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments.

Interest rate risk
The Company does not have any exposure to interest rate risk as there were no external borrowings at 30 June 2019 (2018: nil). Interest bearing assets are all short term liquid assets and the only interest rate risk is the effect on interest income by movements in the interest rate. There is no other material interest rate risk.

Fair values
The net fair values of financial assets and financial liabilities approximate their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

20. EVENTS SUBSEQUENT TO BALANCE DATE

On 9 July 2019, the Company successfully executed a Tenement Sale Agreement to sell 100% of title and rights of Bulgera Gold Project to Norwest Minerals Limited for a consideration of $200,000 consideration. The Bulgera Gold Project comprised of Exploration Licenses E52/3316 and E52/3276. The Bulgera Project was non-core and the sale was part of the Company's refocus on long term growth opportunities.

There are no matters or circumstances that have arisen since 30 June 2018 to the date of this report that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

21. CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or assets at 30 June 2019 (2018: nil).

DIRECTORS' DECLARATION

For the year ended 30 June 2019

In the opinion of the Directors of Accelerate Resources Limited:

a) The financial statements and notes set out on the preceding pages are in accordance with the Corporations Act 2001 including:

   i giving a true and fair view of the financial position of the Company as at 30 June 2019 and of their performance for the financial year ended on that date; and

   ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

c) The financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5)(a) of Corporations Act 2001.

Yaxi Zhan
Managing Director

30 September 2019
Perth

RSM Australia Partners

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

Opinion

We have audited the financial report of Accelerate Resources Limited (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Company incurred a loss of $1,715,102 and had net cash outflows from operating activities of $2,749,704 for the year ended 30 June 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matter	How our audit addressed this matter
Exploration and Evaluation Expenditure Refer to Note 5 in the financial statements	
The Company has capitalised exploration and evaluation expenditure with a carrying value of $3,279,957 as at 30 June 2019. We considered this to be a key audit matter due to the significant management judgments involved in assessing the carrying value of the asset including: • Determination of whether the expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be assessed; and • Assessing whether any indicators of impairment are present, and if so, judgments applied to determine and quantify any impairment loss.	Our audit procedures included: *Mt Read - Area of Interest* • Obtaining evidence that the Company has valid rights to explore in the specific area of interest; • Reviewing and enquiring with management the basis on which they have determined that the exploration and evaluation of mineral resources has not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves; • Enquiring with management and reviewing budgets and other documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; • Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest; and • Critically assessing and evaluating management's assessment that no indicators of impairment existed. *Bulgera - Area of Interest* • Obtaining evidence that the Company has valid rights to the specific area of interest at the reporting date; • Obtain documentation as evidence that the Company was planning to sell this area of interest prior to the reporting date; and • Evaluated the impairment recognised and the resulting recoverable value of the area of interest at the reporting date.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Accelerate Resources Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RSM

RSM AUSTRALIA PARTNERS

TUTU PHONG
Partner

Perth, WA
Dated: 30 September 2019

ASX ADDITIONAL INFORMATION

Schedule of mining tenements held at the report date

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
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%
Bulgera	E52/3276	Granted	Western Australia	100%
Bulgera	E52/3316	Granted	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%
Sandstone	E57/1118	Application	Western Australia	100%

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below.

SHAREHOLDINGS
The issue capital of the Company at 20 September 2019 is 47,620,000 ordinary fully paid shares. All ordinary shares carry one vote per share.

TOP 20 SHAREHOLDERS AS AT 20 SEPTEMBER 2019

		No. of Shares Held	% Held
1	YAXI ZHAN	3,000,000	6.30
2	GIBB RIVER DIAMONDS LIMITED	3,000,000	6.30
3	OURO PTY LTD	2,500,000	5.25
4	THYLACINE RESOURCES PTY LTD	2,000,000	4.20
5	GTT GLOBAL OPPORTUNITIES PTY LTD	1,366,334	2.87
6	OLI PRIVATE INVESTMENT PTY LTD	1,003,660	2.11
7	TERENCE TOPPING	1,000,000	2.10
8	GRANT MOONEY	1,000,000	2.10
9	MOUNTS BAY INVESTMENTS PTY LTD <CALVER CAPITAL A/C>	975,000	2.05
10	SYRACUSE CAPITAL PTY LTD <TENACITY A/C>	925,000	1.94
11	KCIRTAP SECURITIES PTY LTD <N&P GLOVAC FAMILY A/C>	850,000	1.78
12	MURDOCH CAPITAL PTY LTD <GLOVAC SUPERFUND A/C>	800,000	1.68
13	MR HAITAO ZHOU	617,666	1.30
14	MR YAN ZHANG	600,000	1.26
15	MRS HENG ZHANG	600,000	1.26
16	CORPORATE PROPERTY SERVICES PTY LTD <K W SHARE A/C>	596,549	1.25
17	RATDOG PTY LTD	500,000	1.05
18	AOJIN GROUP PTY LTD	500,000	1.05
19	XIAOFANG CHEN	500,000	1.05
20	ANDEW HANS RUST	500,000	1.05
		22,834,209	**47.95**

Shares Range	**No. of Holders**	**No. of Shares**
1 - 1,000	10	2,861
1,001 - 5,000	36	143,244
5,001 - 10,000	93	840,715
10,001 - 100,000	253	10,699,084
100,001 and over	80	35,934,096
	472	**47,620,000**
Number holding less than a marketable parcel	144	1,040,920

Shareholders by Location	**No. of Holders**	**No. of Shares**
Australian holders	470	47,568,000
Overseas holders	2	52,000
	472	**47,620,000**

VOTING RIGHTS

The holders of ordinary shares are entitled to one vote per share at meetings of the Company.

ASX ADDITIONAL INFORMATION

SUBSTANTIAL SHAREHOLDERS AS AT 20 SEPTEMBER 2019

	No. of Shares Held	% Held
YAXI ZHAN	3,000,000	6.30
GIBB RIVER DIAMONDS LIMITED	3,000,000	6.30
OURO PTY LTD	2,500,000	5.25

OPTION HOLDINGS

The Company has the following classes of options on issue at 20 September 2019 as detailed below. Options do not carry any rights to vote.

Class		Terms	No. of Options
AX8OPT1	Unlisted Options	Exercisable at 0.25c expiring on or before 30 April 2021	10,000,000
AX8OPT2	Unlisted Options	Exercisable at 0.25c expiring on or before 14 February 2022	5,000,000
AX8OPT3	Unlisted Options	Exercisable at 0.25c expiring on or before 30 April 2020	200,000
			15,200,000

Options Range	Unlisted Options	
	No. of Holders	No. of Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,001 – 100,000	11	600,000
100,001 and over	17	14,600,000
	28	**15,200,000**

The following Option holders hold more than 20% of a particular class of the Company's Unlisted Options.

Holder	AX8OPT1	AX8OPT3
Thylacine Resources Pty Ltd	3,000,000	-
Mindalla Holding Pty Ltd	3,000,000	-
Robert Owen Reid	-	200,000

Consistency with business objectives - ASX Listing Rule 4.10.19

The Company states that it has not used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The board adjusted its exploration budget after considering the exploration results from Mt Read Project, to enable further work to be performed on the Tasmanian Project.