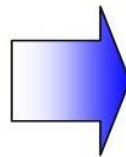


Accelerate and Vytas Resources to Develop High Purity Aluminium (HPA) and High Purity Quartz (HPQ) Strategy

Highlights

- Accelerate has executed a binding agreement to vend its interest in the Tambellup Kaolin Project for a 33.3 per cent interest in Perth-based silica resource and technology development company, Vytas Resources.
- Vytas has significant silica assets at Moora and Exmouth in Western Australia and the combination of these assets with the Tambellup Kaolin Project will result in a new company with both High Purity Aluminium (HPA) and High Purity Quartz (HPQ) for the emerging technology demand.
- Accelerate will work with Vytas to advance the projects as part of a listing planned for early 2022.



HPQ produced from Vytas Resources Midwest Silica Sand Project with potential for use in solar panel manufacture

Managing Director Yaxi Zhan commented, *“Bringing these assets together creates a unique High Purity Aluminium (HPA) and High Purity Quartz (HPQ) opportunity. The Vytas team has significant experience in Kaolin and HPA, which will fast track and add value to the Tambellup Kaolin project for Accelerate shareholders. This will also give shareholders exposure to technology materials being developed in-house by the Vytas team.*

This will allow Accelerate to focus on execution of the high-grade manganese strategy and developing its WA gold projects.”

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BOARD

Richard Hill
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Non-Executive Chairman
Managing Director
Non-Executive Director
Company Secretary

Market Data

ASX Code: AX8

Shares on Issue: 156.8M

Accelerate Resources Limited (ASX: AX8; “Accelerate” or the “Company”) has executed a binding agreement with Vytas Resources Pty Ltd (“Vytas”) to develop a new technology material company focused on the Company’s Tambellup Project and Vytas’ silica assets to become a supplier of HPA and HPQ for energy production (hydrogen production and solar panels), energy storage (batteries), and other industrial applications.

This will allow Accelerate to focus on its manganese and gold projects, whilst transferring the Tambellup Kaolin Project to a HPA and HPQ focused company and team that can dedicate the necessary resources to further develop the Tambellup Kaolin Assets.

High Purity Aluminium (HPA) and High Purity Quartz (HPQ) Strategy

CSIRO’s (2021) Critical Energy Minerals Roadmap includes both aluminium (HPA) and silicon (HPQ) as critical minerals needed to transition to a renewable economy. Both materials are in high demand due to their manufacturing benefits and use in Solar PV, Wind Turbines, Concentrated Solar Power (CSP), Hydrogen Production and Batteries.

This new technology material venture will place Vytas and Accelerate at the forefront of the renewable technology industry.

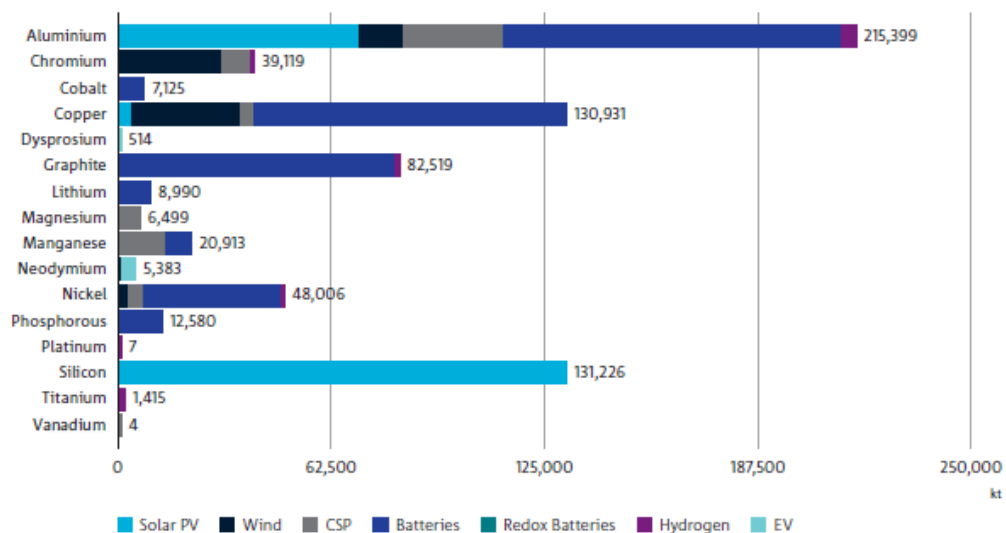
There are significant synergies with this new technology material venture. Vytas’ technical team has more than 30 years’ experience in R&D, and mineral and product development. Their team has particular expertise in kaolinite mineralisation and in its beneficiation and conversion to HPA, which will enable Accelerate to realise the potential of the Tambellup Kaolin Assets.

The Global HPA market was valued at US\$1.3 billion in 2019 and is projected to reach US\$4.8 billion by 2026, growing at a CAGR of 20.7 per cent from 2020 to 2026 (Allied Market Research, 2020).

The venture with Vytas will also expose Accelerate shareholders to the globally significant HPQ market and the renewable energy sector.

Similarly, the Global HPQ market had a value of US\$671.62 million in 2019 and is expected to reach US\$1,233.94 million by 2027 growing at a CAGR of 7.9 per cent during the forecast period (Research and Markets, 2021).

Vytas plans to list on the Australia Stock Exchange and is currently preparing its initial public offering (IPO) for the first half of 2022.



Total cumulative minerals demand needed to achieve predicted 2050 installed capacity requirements (taken from CSIRO, 2021)

About Vytas Resources

Vytas is an emerging producer and supplier of High Purity Quartz (HPQ) and other silica-based technology materials for use in the renewable energy sector.

Vytas flagship projects consist of the Midwest Silica Sand Project and the Exmouth Silica Project.

Preliminary metallurgical testwork at the Midwest Silica Sand Project confirms that High Purity Quartz (HPQ) can be cost effectively produced. In addition, preliminary metallurgical testwork at the Exmouth Silica Project confirms that the amorphous silica feedstock is amenable to conversion to silicon that has potential application as an anode material in lithium batteries.

Tambellup Project

The Tambellup Project's metallurgical testwork confirms the potential for a high quality Kaolin product.

Kaolin is a versatile material with a wide range of uses, including traditional applications in the paper, ceramics and coatings industries.

Kaolin is also a feedstock for High Purity Alumina (HPA), with a minimum purity of 99.99 per cent (4N) alumina. The primary by-product from this conversion is silica, which Vytas intends to upgrade to form HPQ, repurposing this waste stream to improve the project economics of the Tambellup Project.

Work will focus on establishing a JORC 2012 resource estimate of the current defined mineralisation and further targeted metallurgical testwork directed at consolidating this position while progressing product quality opportunities and off-take agreements.

Key Terms

Accelerate will vend in the Tambellup Project into Vytas by transferring 100 per cent of the shares of Halcyon Resources Pty Ltd ("Halcyon Shares"), its wholly owned subsidiary, to Vytas ("Transaction"), subject to Accelerate obtaining shareholder approval for the Transaction.

Upon completion of the Transaction, Vytas will issue 27,120,000 shares in Vytas to Accelerate, or such other amount of Vytas shares so as to grant Accelerate a 33.3 per cent equity interest in Vytas on completion of the Transaction ("Consideration Shares"). Accelerate will be granted the right to participate in any equity raising or issue of shares carried out by Vytas to the extent that Accelerate's equitable interest in Vytas is not diluted.

The Transaction is subject to a number of conditions precedent, including but not limited to the parties executing a program of work for the purposes of progressing the combined Vytas and Accelerate assets ("Work Program"), executing a shareholders agreement and Accelerate obtaining shareholder approval for the purposes of Listing Rule 11.4.

Accelerate will make available \$250,000 ("Funding Amount") to Vytas for the purposes of progressing the Work Program, which will include but is not limited to the following activities:

- defining a JORC Resource on the Tambellup Project;
- defining a JORC Resource on the Midwest Silica Sand Project;

- preparing for Vytas' initial public offering; and
- contributions to working capital.

Vytas intends to list on the Australian Stock Exchange (ASX) in the first quarter of 2022 (January–March). However, in the event Vytas does not list on the ASX by 31 December 2022, Vytas will grant Accelerate the right to buy back 100 per cent of the Halcyon Shares for nominal consideration ("Right to Buy Back"). Upon Accelerate exercising the Right to Buy Back, Accelerate will grant Vytas the right to buy back the Consideration Shares for nominal consideration.

From completion of the Transaction, Vytas will (amongst other things):

- maintain the combined Accelerate and Vytas assets in good standing, free from any liability or forfeiture or non-renewal as well as paying all tenement rates and rents, and meeting the expenditure commitments on the tenements; and
- use the Funding Amount in accordance with the work program and binding terms sheet.

The Transaction is subject to a 14 day due diligence period by the Parties to conduct due diligence in good faith, and being satisfied with such due diligence to proceed.

This Announcement is authorised for release by the Board of Accelerate Resources Limited.

For further information please contact

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Competent Person Statement:

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

Forward Looking Statements

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

Appendix A Accelerate's Other Projects

High Grade Manganese Strategy for Battery and Steel Industry

Accelerate has entered into a binding Option Agreement to acquire the Manganese and Iron Ore rights at Ripon Hills East and Braeside West Projects in the East Pilbara Manganese Field ([ASX Announcement date 27 July 2021](#)).

The Ripon Hills East (48km²) and Braeside West (139km²) Projects are situated 120km east of Marble Bar within 70km of the Woodie Woodie Manganese Mine and only 250km from the port of Port Hedland.

The Company recently completed a site visit and progressed towards prospect definition and field work to define initial drill targets for evaluation ([ASX Announcement date 31 August 2021](#)).

Comet Gold Project (100%)

Accelerate's 100 per cent owned Comet Gold project is located in the Murchison Goldfields, approximately 115 km south southwest of Meekatharra and 20 km southeast of Cue. The project covers part of the Meekatharra to Mount Magnet Greenstone belt, located at the southern end of the Tuckabianna Shear Zone. The Comet Gold Project comprises four granted exploration licences and one application, covering a total of 220km².

During September 2020, Accelerate undertook the first phase of RC drilling at the Comet Gold Project, returning highly encouraging assay results from shallow drilling at the Comet East prospect ([See ASX announcement dated 2 November 2020](#)). Follow up RC drilling was completed in late December 2020. An additional ten RC holes were drilled to infill section spacing to 40m along 160m of strike on the shallow dipping Comet East mineralised structure. All holes returned a significant gold intersection from the targeted gold position ([See ASX announcement dated 18 January 2021](#)).

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