Accelerate Resources Limited

ABN 33 617 821 771

CONSOLIDATED ANNUAL REPORT

For the Year Ended 30 June 2020

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 Richard Hill
Non-Executive Director

Company Secretary
Ms Deborah Ho

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West Perth, WA 6005

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CHAIRMAN'S LETTER

Dear Shareholder,

I am pleased to present to you the 2020 Annual Report which encapsulates what has been an incredibly busy and productive year, seeing a resurgence in the Company's market capitalisation and renewed interest in the Company.

During 2019, we completed exploration activities at the Mt Read Project in Tasmania where results have led us towards seeking a joint venture partner for the project. We pivoted our focus towards the 100% owned Comet Gold Project in the Cue district of Western Australia, where the nearby Tuckabianna Gold district is seeing companies such as Musgrave Resources drive market interest in an exciting gold precinct. For AX8, we have enjoyed strong support for our Comet project and are currently undertaking a 1,500 metre Reverse Circulation drill program targeting known high grade mineralisation, seeking to define potential broader zones for infill drilling later in the year. Our proximity to highly rated Musgrave Minerals and neighbouring producers Westgold and Ramelius as well as several milling facilities, positions AX8 favourably for future project development.

At Tambellup, we completed an air-core drilling of the known mineralised Kaolin area and laboratory testing of the target zones is currently underway so that the Company can fully assess the options available for the Project.

Subsequent to the end of the Financial Year, your company has entered into an agreement to acquire the Rossland high grade gold project in British Columbia, Canada. Under the deal terms, the Company will invest CDN600,000 undertaking targeted drilling to investigate several high-grade gold zones and provide confidence in the potential of the Project before proceeding to acquire an interest. Rossland has a proven mining history and your board and management are excited by the opportunity to advance exploration and development at the project.

In order to fund drilling at Rossland and Comet, the Company has undertaken capital raisings which have seen the introduction of a number of new shareholders, while expanding market interest in the Company. We are very pleased to welcome these new shareholders and we look forward to driving growth for all shareholders on the back of these exploration initiatives.

We thank our loyal shareholders who have continued to back the Board and Management's unwaivering desire to restore and add value for all shareholders, despite the unsuccessful attempts by a small group of self-serving shareholders to undermine that vision. I would like to thank departing directors Terry Topping and Andrew Haythorpe for their service and welcome newly appointed director Richard Hill to the Company.

On Behalf of my fellow directors, I look forward to reporting positive news to you in 2020-21.

Grant Mooney

Grant Mooney
Chairman

REPORT ON OPERATIONS

Accelerate Resources Limited exploration projects are located, in two key jurisdictions:

- The Western Australian gold and kaolin projects – the key focus for exploration activities during 2019-2020
- The Tasmanian copper-cobalt project.

Figure 1: Accelerate Resources Project Location

1. Western Australia Gold and Kaolin Projects

The Company's current WA gold projects comprise the Comet Project and the Mount Monger Project (Figure 2). Current exploration activities by Accelerate has comprised historical data reviews, interpretation and program planning. Future activities will include soil sampling, mapping and drilling programs.

The Company also holds the Tambellup Kaolin Project, which was acquired during the year. Current exploration activities by Accelerate has comprised Aircore drilling, geochemical and metallurgical sampling and analysis. Future activities will include further metallurgical studies and drilling.

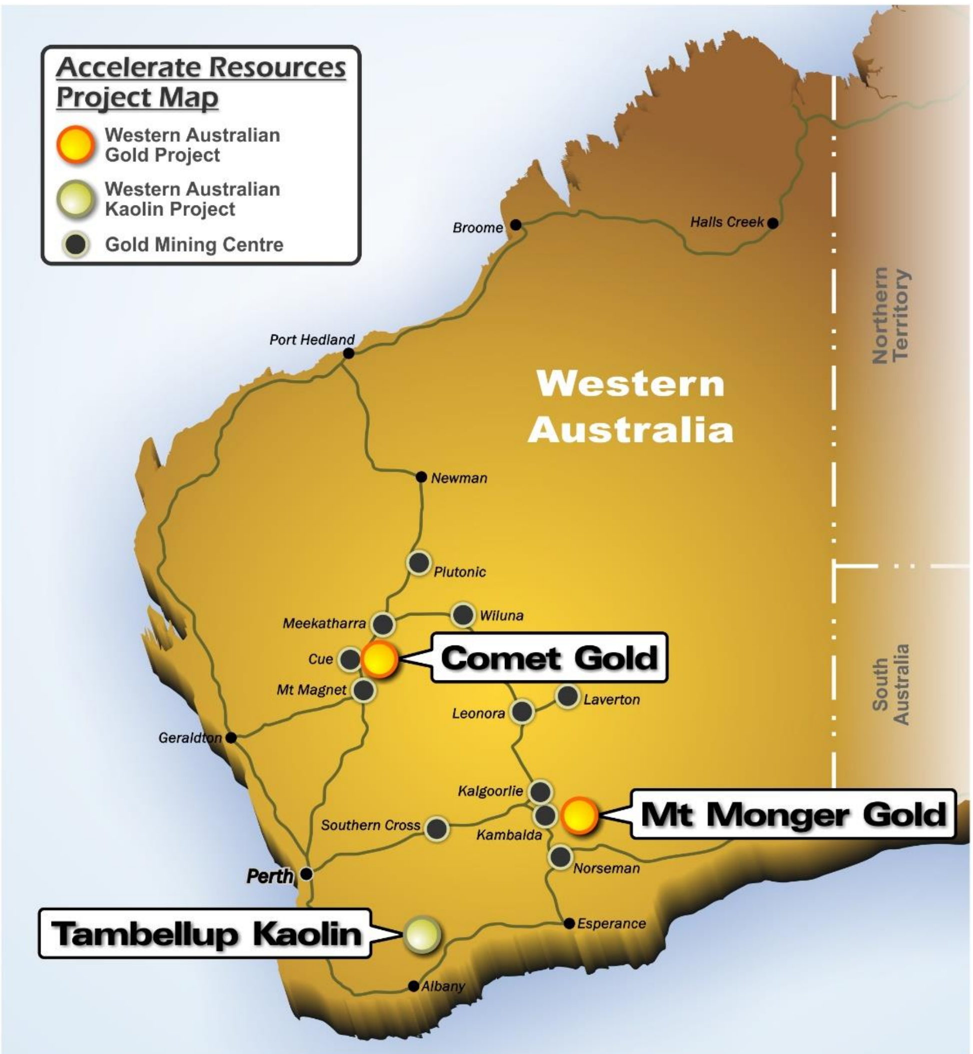


Figure 2: Accelerate Resources WA Gold and Kaolin Projects Location

Project	Licence	Holder	Status	Accelerate Ownership	Area km²
Comet	E20/908	Accelerate Resources Limited	Granted	100%	38
Comet	E21/213	Accelerate Resources Limited	Application	100%	46
Tambellup	E70/4969	Accelerate Resources Limited	Granted	100%	43
Tambellup	E70/5319	Accelerate Resources Limited	Application	100%	199
Mount Monger	E25/525	Accelerate Resources Limited	Granted	100%	8
Mount Monger	E25/565	Accelerate Resources Limited	Granted	100%	15
Mount Monger	E25/586	Accelerate Resources Limited	Application	100%	12

Table 1: List of Western Australian Gold and Kaolin Project Tenements

1.1 Comet Project, Western Australia

The Comet Gold Project comprises one granted exploration licence, E20/908 covering 38 km² and one exploration licence application, E21/213 covering 46 km², 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 3).

During the year, Accelerate commenced a geological and targeting review of the Comet gold project to identify and generate gold targets for further exploration, including mapping, surface sampling and RC drilling.

Compilation and analysis of the historical data has identified a number of gold targets and anomalous gold trends within the Comet project area, where historical RAB and RC drilling returned significant results, including extensions to the north and east of the Comet gold mine and along the Antarctica gold trend in the eastern part of the licence.

The Comet North trend lies immediately to the north and along strike of the Comet gold mine. RAB drilling by Westgold in 1995, returned a number of significant results at Comet North, over 1.4 km strike, including:

RAB Drilling

PAB017	3m at 1.32 g/t gold from 24m
PAB186	2m at 1.65 g/t gold from 13m
PAB233	1m at 2.22 g/t gold from 15m
PAB289	2m at 1.47 g/t gold from 14m
PAB391	2m at 1.56 g/t gold from 35m
PAB447	2m at 1.71 g/t gold from 22m

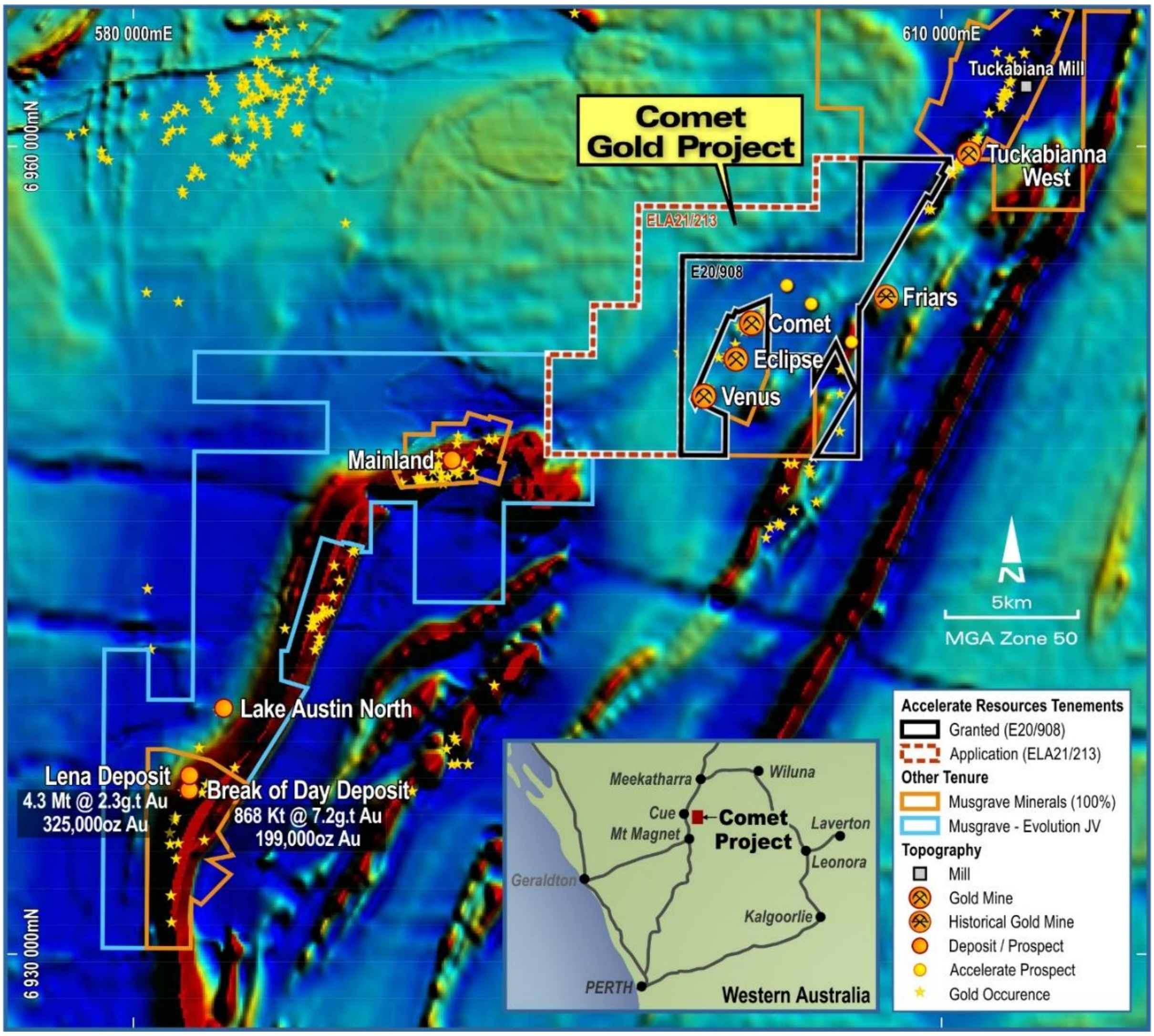


Figure 3: Comet Gold Project – Regional Location on TMI Aeromagnetics

The Comet East prospect lies approximately one kilometre east of the Comet North Trend. RAB and limited RC drilling by Newcrest in 1994 and follow up RAB drilling by Westgold in 1995, returned a number of significant gold results, including:

RAB Drilling

PRB305	4m at 7.08 g/t gold from 27m
PRB620	3m at 2.02 g/t gold from 10m

RC Drilling

PRC269	3m at 4.53 g/t gold from 60m
PRC283	1m at 4.15 g/t gold from 85m

The Antarctica prospect lies on the southern extension to the Friars - Tuckabianna mineralisation trend, near the eastern boundary of E20/908. RAB and RC drilling by Australmin Holdings Ltd, during 1990, returned a number of significant results over 1.6km strike, including:

RAB Drilling

ATK2636	2m at 3.0 g/t gold from 28m
ATK2493	1m at 4.92 g/t gold from 28m
ATK2624	1m at 2.17 g/t gold from 27m

RC Drilling

ARC1020	2m at 1.73 g/t gold from 31m
ARC1020	3m at 1.30 g/t gold from 38m
ARC1023	1m at 2.47 g/t gold from 55m
ARC1023	3m at 2.19 g/t gold from 72m

During 2012, Silver Lake Resources completed eleven RC holes for 500m targeting the northern part of the Antarctica trend, within E20/908. The drilling intersected a number of zones of low-grade gold mineralisation associated with BIF's, including a number of individual metres grading 1 g/t gold. Significant results, include:

RC Drilling

12CORC070	1m at 10.4 g/t gold from 27m to EOH
12CORC064	1m at 1.1 g/t gold from 37m
12CORC065	1m at 1.1 g/t gold from 42m
12CORC068	1m at 1.0 g/t gold from 62m

Based on the initial results of the project review and the identification of relatively untested mineralised gold targets, the Company has planned a program of field mapping, surface sampling and RC drilling to test the Antarctica, Comet North and Comet East prospects.

1.2 Tambellup Kaolin Project, Western Australia

The Tambellup Kaolin Project comprises one granted exploration licence, E70/4969, covering 43 km^2 and one exploration licence application E70/5319, located 10 km west of the township of Tambellup in the Southwest of Western Australia. The project is located approximately 280 km south-southeast of Perth via the Great Southern Highway, and 120 km north of Albany. The Tambellup West Road bisects the project and links to the Albany Highway in the west. The Perth - Albany freight railway corridor runs north-south through the centre of the township. Two kaolin prospects have previously been identified by drilling within the E70/4969 licence, Sadlers in the northwest of the project area, and Hulls in the east Figure 4.

The E70/4969 project was acquired 100% by Accelerate during November 2019 from private investment and development company Halcyon Resources Pty Ltd.

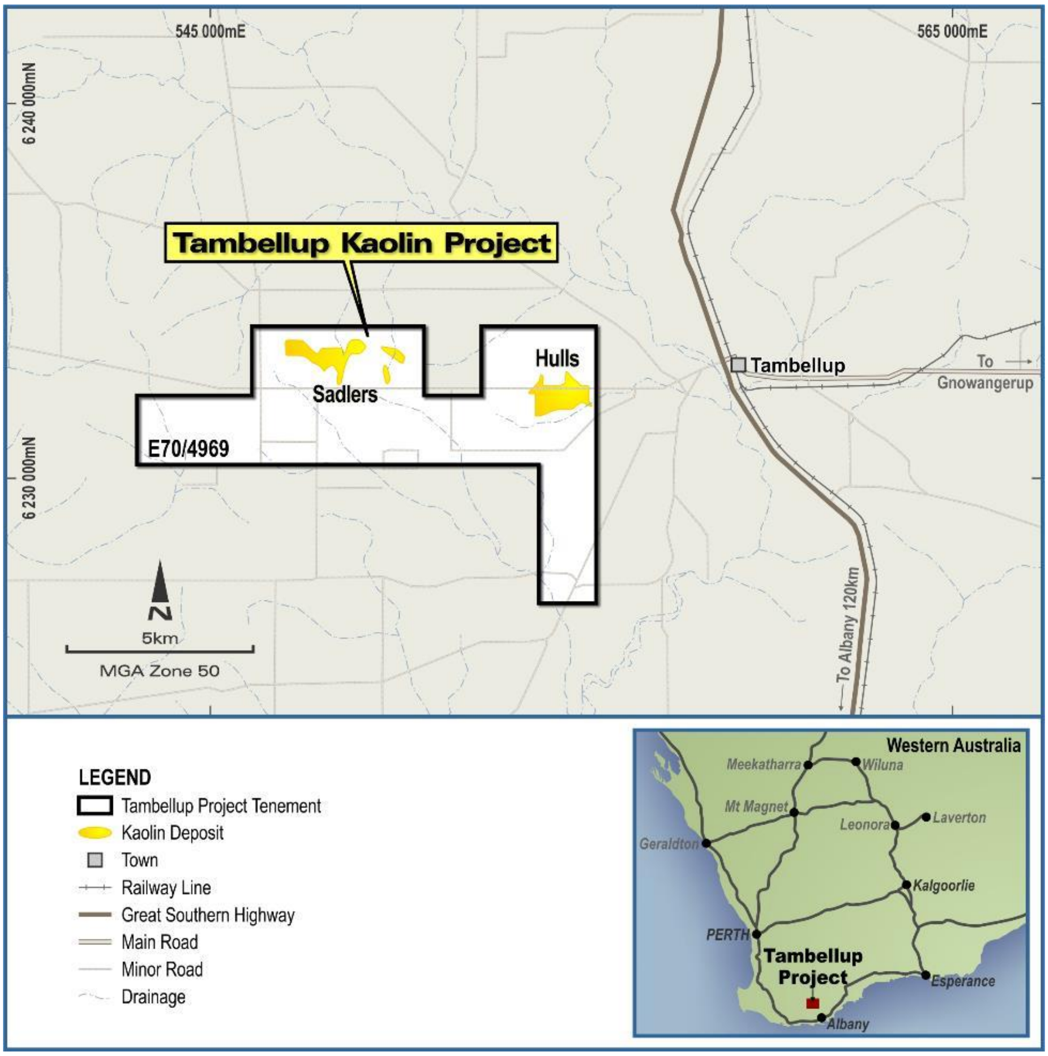


Figure 4: Tambellup Kaolin Project - Location of E 70/4969 and nearby infrastructure; the Saddlers and Hulls prospect wireframes (GM Minerals Consultants, 2017).

1.2.1 Initial Aircore Drilling Program at Saddlers Kaolin Prospect

During February 2020, the Company completed an initial Aircore drilling program comprising 52 holes for 769m at the Saddlers Kaolin Prospect. The drilling on 100m x 200m and 200m x 200m spacing's confirmed the presence of near surface kaolin mineralisation as identified in previous historical drilling data (Figure 5).

A total of 62 composite samples covering 169m were selected for initial geochemical analysis, from 23 Aircore holes within the main part of the Sadlers Kaolin prospect.

The composite samples were predominantly selected from the visually whitest and brightest sections of the upper and lower saprolite horizons of each hole, based on the visual geological logging of the drill samples (see Chip tray photos for TBAC013 and TBAC037). The sampling aimed to cover the majority, of the holes in the more strongly weathered (upper and lower saprolite) parts of the main Sadlers prospect. Kaolin mineralisation is expected to be developed in the Upper Saprolite horizon and potentially present within parts of the Lower Saprolite.

Regolith Zone	Metres sampled	Number of Composite Samples	Yield - 45um %	Al_2O_3 %	Fe_2O_3 %	TiO_2 %	K_2O %
Upper	**103**	**38**	**59.8**	**22.71**	**0.49**	**0.38**	**0.67**
Lower	66	24	47.3	20.8	0.49	0.33	2.94
Total Average	169	62	56.3	21.7	0.49	0.36	1.55

Table 2: Tambellup Drilling – Average Assay and Yield Results

The majority of the one metre samples (103m) were selected from the upper saprolite horizon, with the remainder (66m) from the lower saprolite (see Table 3). Analysis of the drilling data, for the selected holes, indicates that the upper saprolite (the potential Kaolin zone) at the Sadlers prospect is between 2 to 14 m thick (Average 6.75m) and is present from 1 to 15m depth below surface. The lower saprolite is between 2 to 12m thick (Average 6.75m) from 2 to 23m depth below surface (see Figure 6 Cross section).

Twenty-one composite samples, from seven holes, were also dispatched for metallurgical testing. The initial Metallurgical testing comprised -45um wet sieving to determine the yield (%) of the potential kaolin mineralisation.

The composite sampling returned an average grade of 22.71% Al2O3 and 59.8% yield from the upper saprolite, with a number of higher-grade intervals returned, including;

Hole TBAC037 3m at 30.64% Al_2O_3 and 73.1% Yield
4m at 26.78% Al_2O_3 and 69.1% Yield

Interpretation of the results from the drilling indicates that the Sadlers kaolin prospect remains open to the southeast and is bounded to the northeast and southwest by two east-southeast trending mafic units which are observable in outcrop and shallow drilling. A shallow granite basement high occurs in the western part of the prospect (Figure 5).

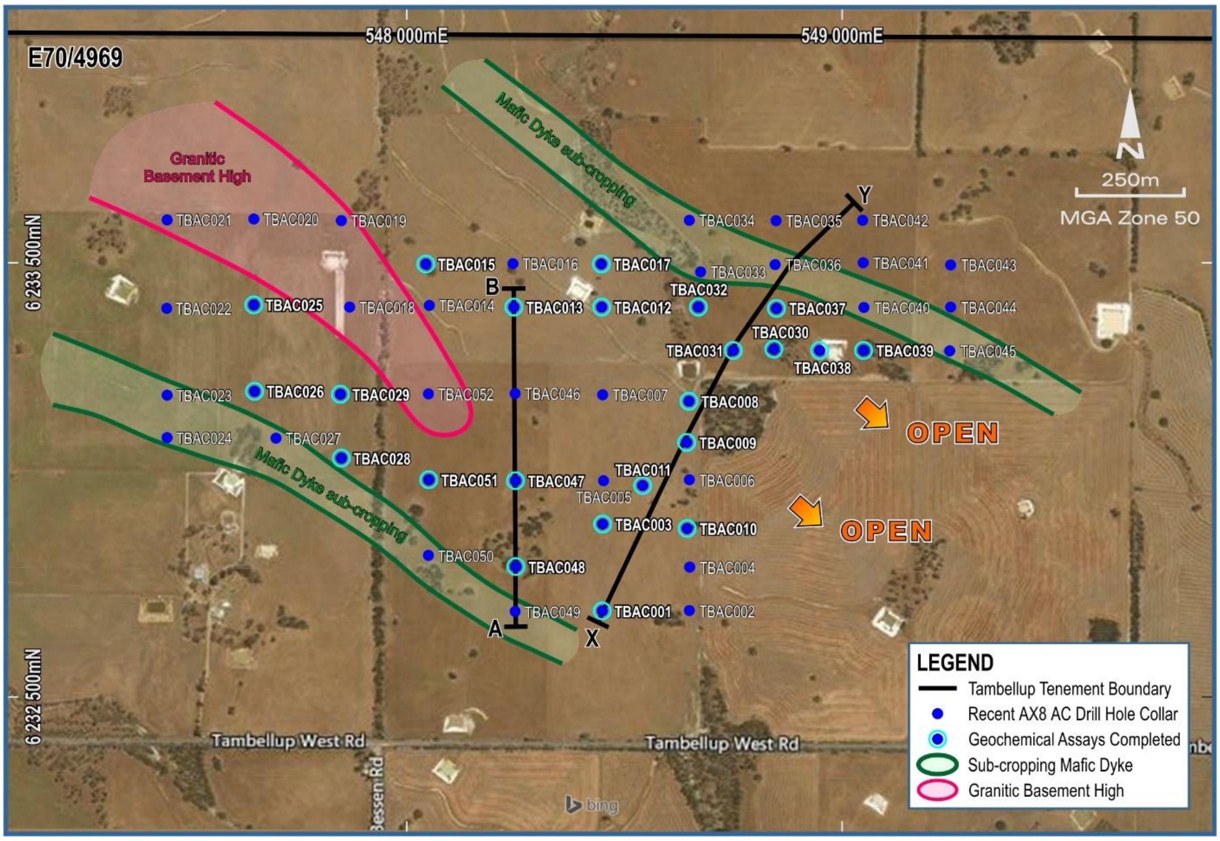


Figure 5: Sadlers prospect Location showing recent drilling and cross section lines on aerial imagery

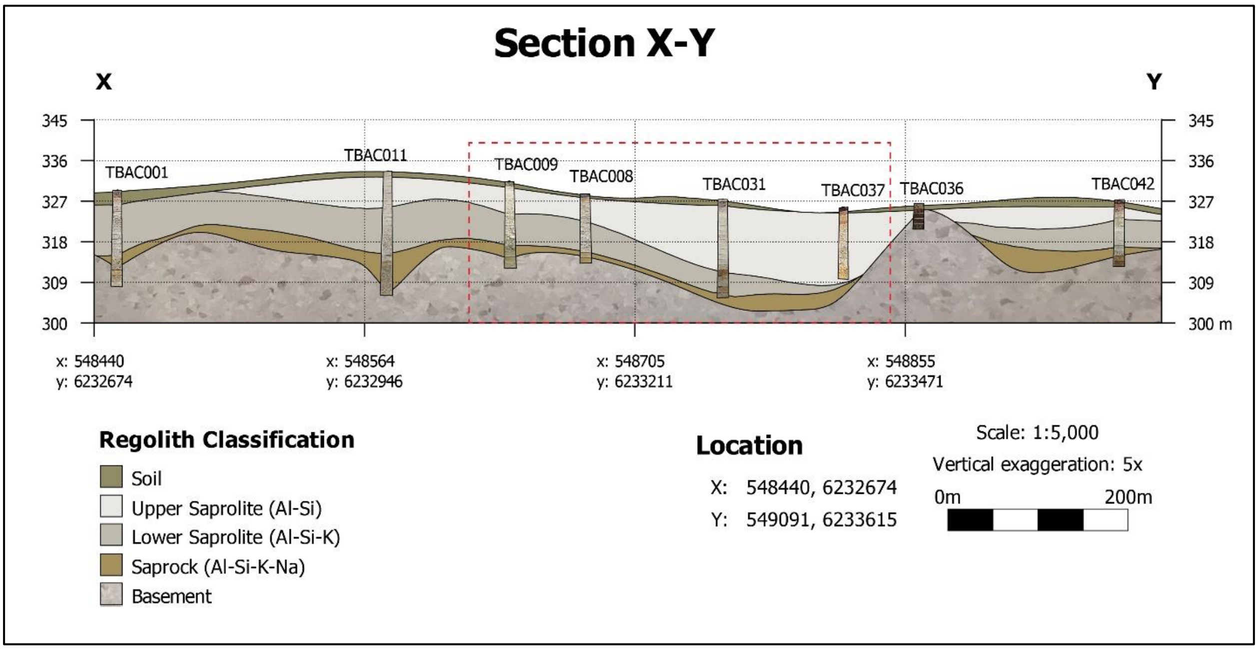
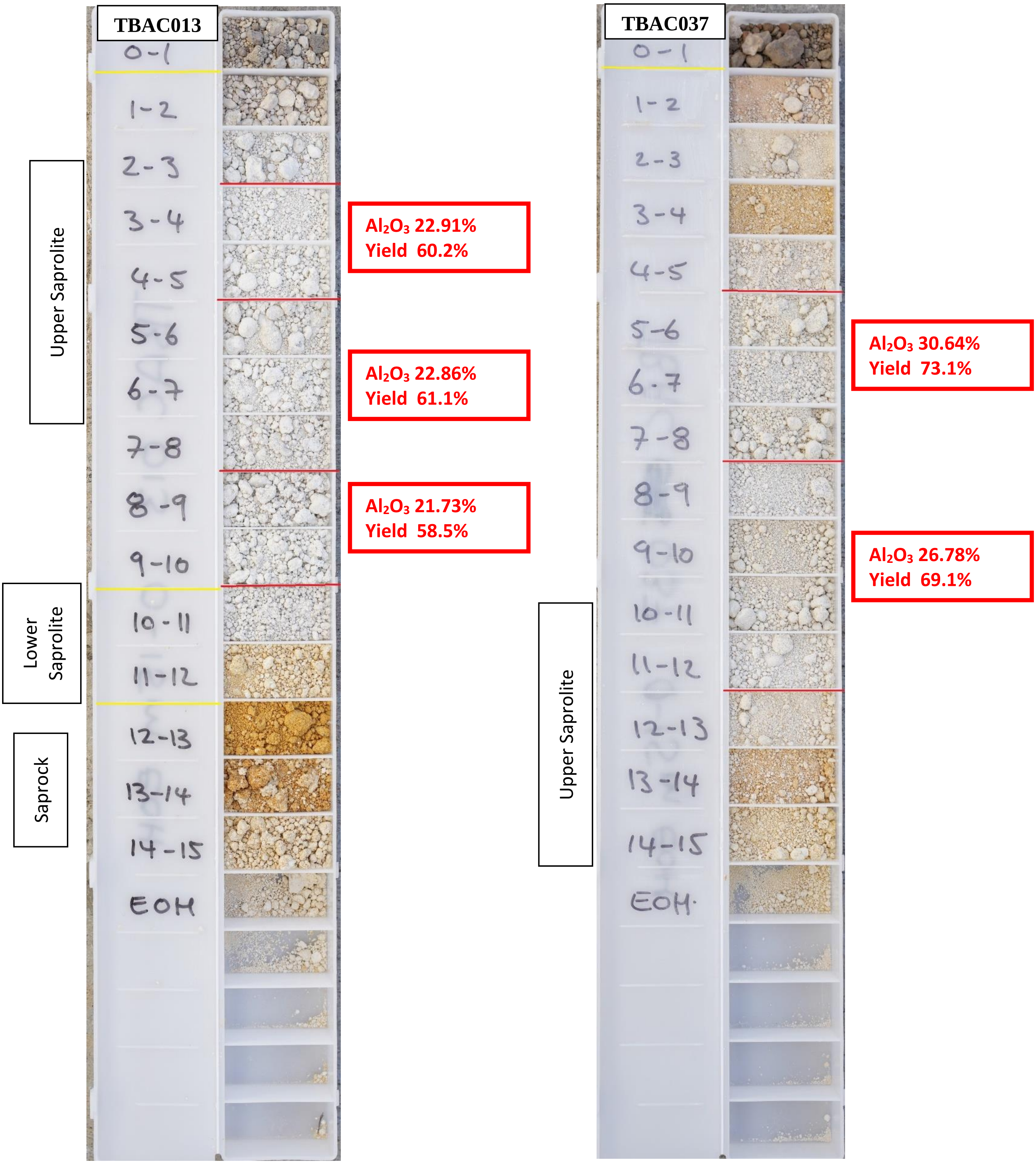


Figure 6: Cross section XY, through the Sadlers prospect showing recent drilling and regolith geology


TBAC013
Upper Saprolite
Lower Saprolite
Saprock
Al_2O_3 22.91%
Yield 60.2%
Al_2O_3 22.86%
Yield 61.1%
Al_2O_3 21.73%
Yield 58.5%
TBAC037
Upper Saprolite
Al_2O_3 30.64%
Yield 73.1%
Al_2O_3 26.78%
Yield 69.1%

1.3 Mount Monger Gold Project, Western Australia

The project comprises two granted exploration licences, E25/525 and E25/565 and one exploration licence 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 licences are located 3 km north and 8 km east of Randall's gold mill operated by Silver Lake resources Ltd (Figure 7).

Exploration licence application, E25/386, 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.

Exploration drilling by earlier workers, within E25/525, outlined a 2.5km long mineralised gold trend, the Kiaki Soaks prospect, along the Bare Hill Shear Zone. 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 (see Figure 7).

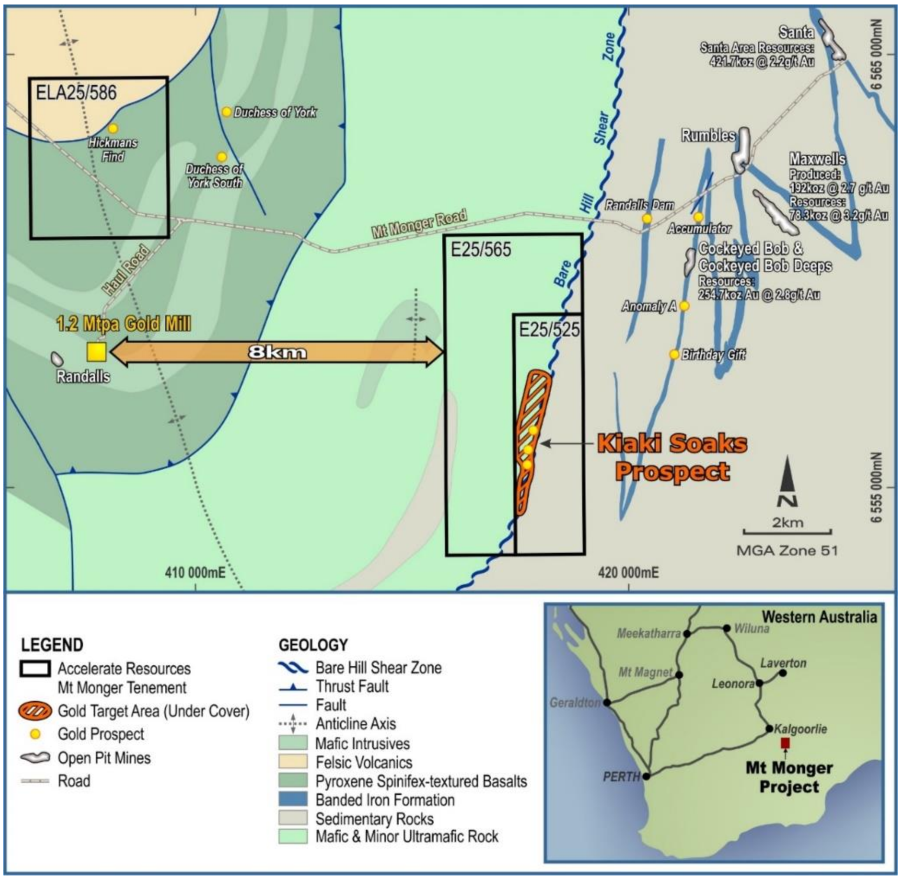


Figure 7: Mount Monger Project Location and Regional Geology

Proposed exploration by Accelerate will comprise mapping and surface sampling at Hickman's Find and 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.

The Company is currently in negotiations with interested parties in relation to an option to sell the Mt Monger project. This is subject to execution of a formal option agreement to be negotiated.

2. 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 8). The project comprises one exploration licencs with an area of 224 km². During the year, the Company relinquished three non-core licences from the larger project area. The tenement details are listed in Table 3:

Licence	Holder	Status	Accelerate Ownership	Area km²
EL6/2013	Accelerate Resources Limited	Granted	100%	224

Table 3: List of Mt Read Project Tenements

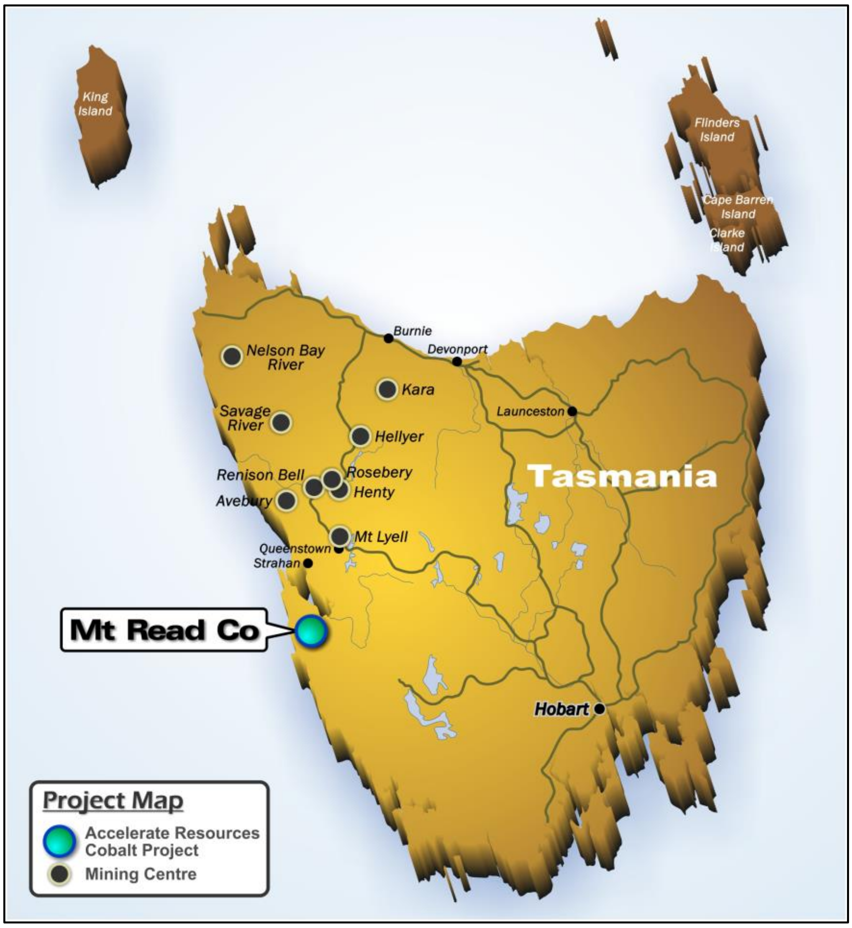


Figure 8: Accelerate's Mount Read Project location

Two main prospects were the focus of the Company's exploration activity during the first three years of operation:

- 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.

2.1 The Thomas Creek Co-Cu-Au prospect

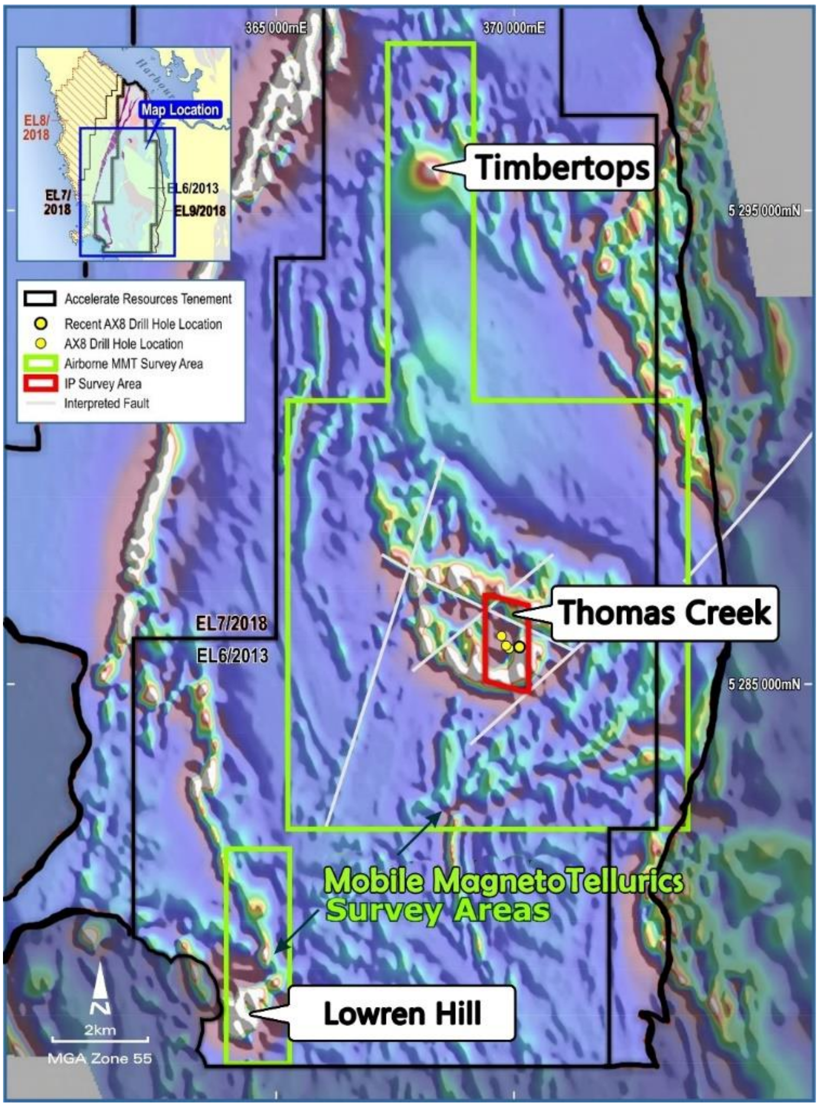


Figure 9: MMT Survey Areas over Thomas Creek Prospecton 1vd RTP Aeromagnetic Imagery

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

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.

Exploration programs conducted during early-mid 2019, including field mapping soil, sampling and the completion of a ~415 line-kilometre airborne Mobile MagnetoTellurics (MobileMT) survey, identified an new conductive target at the Thomas Creek copper-gold prospect (Figure 9). (see ASX announcement 8th April 2019).

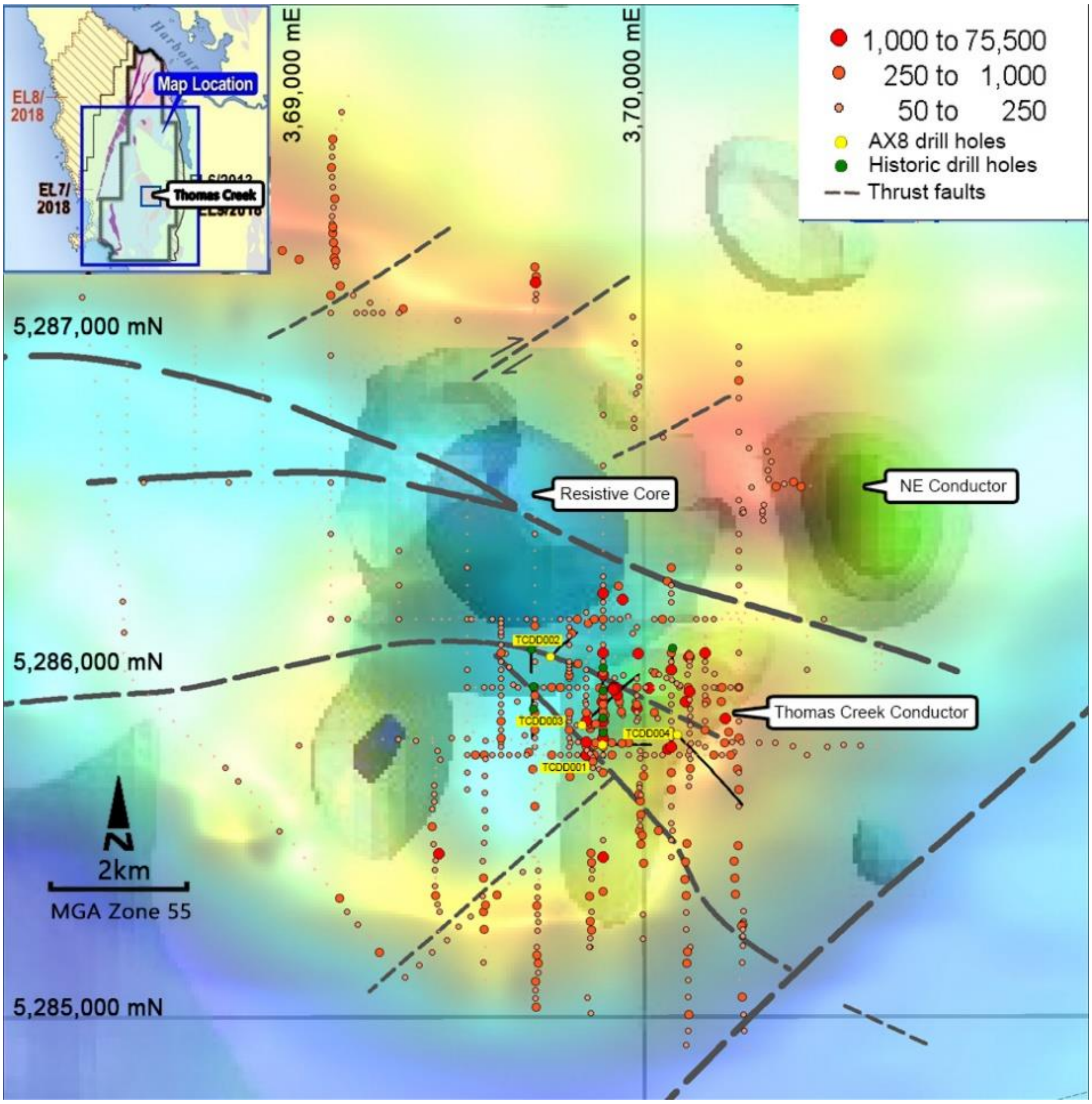


Figure 10: Thomas Creek MobileMT conductivity targets on Aeromagnetic Imagery

Modelling and interpretation of the 3D inversion data from the Mobile MT survey, 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 10).

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).

Proposed exploration by Accelerate will comprise follow-up field mapping and surface sampling to investigate the new conductive targets at the Thomas Creek copper-cobalt prospect.

DIRECTOR'S REPORT

The Directors of Accelerate Resources Limited (the 'Company') and its controlled entities (the 'Group') present their Report for the financial year ended 30 June 2020.

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 Richard Hill	Non-Executive Director	3 July 2020
Mr Terence Topping	Non-Executive Director	7 March 2017 [1]
Mr Andrew Haythorpe	Non-Executive Director	7 September 2017 [1]

[1] Resigned on 3 July 2020

COMPANY SECRETARY

Ms Deborah Ho (appointed 14 February 2019)

PRINCIPAL ACTIVITIES

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

RESULTS

The loss of the Group for the financial year ended 30 June 2020 was $1,505,847 (2019: $1,715,102).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There are no significant changes in the state of affairs of the Group. The Coronavirus pandemic had minimal impact on the Group for the year ended 30 June 2020.

EVENTS SUBSEQUENT TO BALANCE DATE

Corporate changes

On 6 July 2020, the Company announced the appointment of Mr Richard Hill to the Board of Directors, effective 3 July 2020, and the subsequent resignation of Mr Terrence Topping and Mr Andrew Haythorpe.

On 1 September 2020, the Company announced that it has entered into a binding term sheet with Canadian company Currie Rose Resources Inc. ("Currie Rose" TSXV:CUI) to acquire up to 100% of the Rossland Gold Project, in British Columbia, Canada.

As COVID-19 is still ongoing, it is not practicable to estimate the potential longer-term impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

Capital raisings and security issues

In July and August 2020, the Company issued a total of 34,722,223 fully paid ordinary shares at $0.0288 per share, raising $1 million (before costs) through a placement.

In August 2020, the Company issued 4,000,000 performance rights and 4,508,905 fully paid ordinary shares, as approved by shareholders at the Company's General Meeting held on 24 August 2020.

In September 2020, the Company issued 5,000,000 unlisted options exercisable at $0.06 each, expiring 2 September 2023, to a consultant of the Company.

On 2 September 2020, the Company announced that it has received firm commitments to raise $1.7 million (before costs) from sophisticated investors via a placement. On 11 September 2020, the Company issued 24,649,440 fully paid ordinary shares at $0.05 per share. A further 9,350,552 shares will be issued subject to shareholder approval.

There are no other matters or circumstances that have arisen since 30 June 2020 to the date of this report that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS

Information on likely developments in the operations of the Group 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 Group**.**

DIVIDEND

No dividends have been paid or declared during the financial year ended 30 June 2020, nor have the Directors recommended that any dividends be paid.

ENVIRONMENTAL REGULATION

The Directors believe that the Group 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	1,460,559 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 Chairman at Riedel Resources Limited (current) Non-Executive Chairman at Aurora Labs Limited (current) Non-Executive Director at Barra Resources Limited (current) Non-Executive Director at Carnegie Clean Energy Limited (current) Non-Executive Director at Gibb River Diamonds Limited (current) Non-Executive Director at Talga Resources Ltd (current) Non-Executive Director at SRJ Technologies Ltd (current)
Yaxi Zhan	**Managing Director**
Qualifications and Experience	Ms Zhan has over 14 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	4,254,453 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 (Resigned 3 July 2020)**
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	3,333,333 Ordinary Shares
Directorships held in other listed entities in the past three years	Non-Executive Director at Petratherm Limited (till April 2018)
Terence Topping	**Non-Executive Director (Resigned 3 July 2020)**
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. Terence 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	1,333,333 Ordinary Shares 1,500,000 Options exercisable at $0.25, expiring on 30 April 2021
Directorships held in other listed entities in the past three years	Executive Chairman at Kairos Minerals Limited (current) Non-Executive Director at Orinoco Gold Limited (current)
Richard Hill	**Non-Executive Director (Commenced 3 July 2020)**
Qualifications and Experience	Mr Hill is a qualified geologist and solicitor with over 25 years' experience in the resources sector. In addition to his corporate, commercial and fundraising roles, Mr Hill has practical geological experience in a range of commodities worldwide
Interest in Shares and Options	4,557,097 Ordinary Shares 4,000,000 performance rights, expiring 3 July 2022
Directorships held in other listed entities in the past three years	Non-Executive Chairman at New World Resources Limited (current) Non-Executive Director at Sky Metals Ltd (current) Non-Executive Chairman at Genesis Minerals Ltd (till November 2018)

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	14	14
Yaxi Zhan	14	14
Terence Topping	14	13
Andrew Haythorpe	14	14

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

The Board also approved eighteen (18) circular resolutions during the year ended 30 June 2020 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 personnel of the Group, 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 Group 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 Group, 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 Group 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 Group’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 Group'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. 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 Group 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 Group. 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 Group'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.

COMPANY PERFORMANCE, SHAREHOLDER WEALTH AND DIRECTOR AND EXECUTIVE REMUNERATION

The following table shows gross income, profits (losses) and dividends for the last 4 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 Group 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.

	2020 $	2019 $	2018 $	2017 $
Revenue	66,827	46,036	21,098	-
Loss after income tax	(1,505,847)	(1,715,102)	(867,747)	(364,881)
EBITDA	(1,487,631)	(1,711,883)	(867,065)	(364,841)
EBIT	(1,514,134)	(1,713,998)	(867,289)	(364,841)
Share price at year-end	0.023	0.03	0.14	-
Basic loss per share (cents per share)	(2.66)	(3.60)	(3.65)	(5.13)
Dividends paid	-	-	-	-

KEY MANAGEMENT PERSONNEL REMUNERATION POLICY

The Board's policy for determining the nature and amount of remuneration key management for the Group 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 Group. 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 (1 May 2019 – 29 February 2020); amended to $50,000 per annum (from 1 March 2020).
    - 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 (1 May 2019 – 29 February 2020); amended to $150,000 per annum (from 1 March 2020).
    - There will be no payment upon termination.

Richard Hill, Non-Executive Director (Commenced 3 July 2020)

- Confirmation of Appointment dated 3 July 2020 with no termination date;
    - 4 million shares @ $0.023 per share in lieu of services till 31 December 2020.
    - Fees of $40,000 per annum from 1 January 2021.
    - 2 million performance rights vesting upon weighted average price of share equals or exceeds $0.05 for 15 consecutive trading days.
    - 2 million performance rights vesting upon ASX announcement of acquisition of new exploration project with significant exploration and/or exploitation potential.
    - There will be no payment upon termination.

Andrew Haythorpe, Non-Executive Director (Resigned 3 July 2020)

- 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 (1 May 2019 – 29 February 2020), and increased to $40,000 per annum from 1 March 2020; and additionally contractual income of $800 per day worked outside of that annual salary for the year ended 30 June 2019, $4,333 per month for the year ended 30 June 2020.
    - There will be no payment upon termination.

Terence Topping, Non-Executive Director (Resigned 3 July 2020)

- 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 (1 May 2019 – 29 February 2020); amended to $40,000 per annum (from 1 March 2020).
    - There will be no payment upon termination.

DETAILS OF REMUNERATION

Compensation of Key Management Personnel Remuneration

	Short-term Benefits		Post-Employment Benefits	Long-term Benefits	Share-Based Payments		
	Cash, salary and fees $	Annual leave $	Superannuation $	Long Service Leave $	Shares $	Options $	Total $
FY2020							
Directors							
Yaxi Zhan	123,333	39,917	11,717	-	-	-	174,967
Terence Topping	26,667	-	2,533	-	-	-	29,200
Grant Mooney	36,667	-	3,483	-	-	-	40,150
Andrew Haythorpe	78,667	-	-	-	-	-	78,667
Total	**265,334**	**39,917**	**17,733**	**-**	**-**	**-**	**322,984**
FY2019							
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**

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

	Fixed		At Risk - STI		At Risk - LTI	
	2020	2019	2020	2019	2020	2019
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 2020 (2019: nil).

Other transactions with related parties
There were no other transactions with related parties during the year ended 30 June 2020. (2019: nil).

Loans from key management personnel
As at 30 June 2020, there were no outstanding amounts due to key management personnel (2019: nil).

Use of remuneration consultants
During the financial year ended 30 June 2020, the Group 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 2019 Annual General Meeting, 87.2% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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 2020 (2019: nil).

Options
No Director options were granted, exercised, sold or lapsed during the year ended 30 June 2020 (2019: nil).

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 Group, including their personally related parties, is set out below:

30 June 2020	Opening Balance No.	Granted as Compensation No.	Additions No.	Disposals / Other No.	Closing Balance No.
Directors					
Yaxi Zhan	3,000,000	-	1,000,000	-	4,000,000
Terence Topping	1,000,000	-	333,333	-	1,333,333
Grant Mooney	1,000,000	-	333,333	-	1,333,333
Andrew Haythorpe	2,500,000	-	833,333	-	3,333,333
Total	**7,500,000**	**-**	**2,499,999**	**-**	**9,999,999**

30 June 2019	Opening Balance No.	Granted as Compensation No.	Additions No.	Disposals / Other No.	Closing Balance No.
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**

Option Holding

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

30 June 2020	Opening Balance No.	Options Granted No.	Options Exercised No.	Options Lapsed No.	Closing Balance No.	Vested During the Year No.	Vested and Exercisable at 30 Jun 20 No.	Not Vested at 30 June 20 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**	**-**

30 June 2019	Opening Balance No.	Options Granted No.	Options Exercised No.	Options Lapsed No.	Closing Balance No.	Vested During the 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**	**-**

End of Remuneration Report

SHARES UNDER OPTION

Unissued ordinary shares of the Company at the date of this report are as follows:

Grant Date	Expiry Date	Exercise Price	Number under option
28/04/2017	30/04/2021	$0.25	6,000,000
18/01/2018	30/04/2021	$0.25	4,000,000
18/01/2018	12/02/2022	$0.25	5,000,000
28/05/2020	09/06/2023	$0.06	5,000,000
02/09/2020	02/09/2023	$0.06	5,000,000

At the date of this report, 4,000,000 performance rights with an expiry of 3 July 2022, issued in September 2020, are outstanding. The performance rights entitle the holder to subscribe for one share upon the conversion of each performance right. will vest on the date the milestones set out below relating to those performance rights have been satisfied:

- 2,000,000 performance rights to vest upon volume weighted average price of shares equals or exceeds $0.05 for 15 consecutive trading days
- 2,000,000 performance rights to vest upon ASX announcement of the Company acquiring a new exploration project with significant exploration and/or exploitation potential.

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

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 Group or the Group, or to intervene in any proceedings to which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

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

DIRECTORS' INDEMNITIES

The Group has indemnified the directors and executives of the Group 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 Group paid a premium in respect of a contract to insure the directors and executives of the Group 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 Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Group or any related entity against a liability incurred by the auditor. During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

CORPORATE GOVERNANCE

The Group'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

There were $500 of non-audit services provided during the financial year by the auditor (2019: nil). The Board has established certain procedures to ensure that the provision of non-audit services are compatible with, and 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 Group, acting as advocate for the Group 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 RSM 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 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Accelerate Resources Limited for the year ended 30 June 2020, 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

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 30 September 2020

TUTU PHONG
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2020

	Note	Consolidated 2020 $	Company 2019 $
Revenue			
Other income		66,827	46,036
		66,827	**46,036**
Expenses			
Corporate and professional expenses		(328,683)	(323,637)
Director and employee benefits		(286,983)	(440,884)
Administration expenses		(78,009)	(195,596)
Other expenses		(218,086)	(127,631)
Depreciation		(26,503)	(2,116)
Exploration expenditure		(5,901)	-
Impairment of exploration expenditure	5	(568,398)	(664,668)
Impairment of assets		(60,111)	-
Share-based payments expenses	12	-	(6,606)
Loss before income tax expense		**(1,505,847)**	**(1,715,102)**
Income tax expense	14	**-**	-
Loss before other comprehensive income		**(1,505,847)**	**(1,715,102)**
Other comprehensive income		**-**	-
Total comprehensive loss		**(1,505,847)**	**(1,715,102)**
Earnings per share for (loss) from continuing operations attributable to the ordinary equity holders of the Group			
Basic and diluted earnings per share (cents)	13	(2.66)	(3.60)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	Consolidated 2020 $	Company 2019 $
ASSETS			
Current Assets			
Cash and cash equivalents	3	156,611	683,235
Other current assets	4	56,410	106,148
Asset held for sale	5	-	200,000
Total Current Assets		**213,021**	**989,383**
Non-Current Assets			
Exploration and evaluation expenditure	5	3,306,522	3,279,957
Plant and equipment	6	6,889	11,619
Total Non-Current Assets		**3,313,411**	**3,291,576**
Total Assets		**3,526,432**	**4,280,959**
LIABILITIES			
Current Liabilities			
Trade and other payables	8	146,237	79,707
Provision	9	39,917	-
Total Current Liabilities		**186,154**	**79,707**
Total Liabilities		**186,154**	**79,707**
Net Assets		**3,340,278**	**4,201,252**
Equity			
Issued capital	10	6,225,335	5,661,905
Reserves	11	1,561,914	1,487,077
Accumulated losses		(4,446,971)	(2,947,730)
Total Equity		**3,340,278**	**4,201,252**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Note	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Company					
Balance as at 1 July 2018		**5,661,905**	**1,480,471**	**(1,232,628)**	**5,909,748**
Loss after income tax		-	-	(1,715,102)	(1,715,102)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(1,715,102)	(1,715,102)
Share-based payments	11	-	6,606	-	6,606
Balance as at 30 June 2019		**5,661,905**	**1,487,077**	**(2,947,730)**	**4,201,252**
Consolidated					
Loss after income tax		-	-	(1,505,847)	(1,505,847)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	-	(1,505,847)	(1,505,847)
Issue of shares	10	617,520	-	-	617,520
Share issue costs	10	(54,090)	-	-	(54,090)
Expiry of options	11	-	(6,606)	6,606	-
Issue of advisor options	11	-	81,443	-	81,443
Balance as at 30 June 2020		**6,225,335**	**1,561,914**	**(4,446,971)**	**3,340,278**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Note	Consolidated 2020 $	Company 2019 $
Cash Flows from Operating Activities			
Payments to suppliers and employees		(729,341)	(1,347,653)
Interest received		10,774	46,036
Other income received		45,250	-
Net cash (outflows) from operating activities	15	**(673,317)**	**(1,301,617)**
Cash Flows from Investing Activities			
Purchase of plant and equipment		(617)	(1,145)
Payments for exploration and evaluation expenditure		(340,637)	(1,448,087)
Cash acquired from asset acquisition	5	4,674	-
Proceeds from sale of asset	5	200,000	-
Net cash (outflows) from investing activities		**(136,580)**	**(1,449,232)**
Cash Flows from Financing Activities			
Proceeds from issue of shares		358,520	-
Capital raising cost		(54,090)	-
Payment of leases		(21,157)	-
Net cash inflow from financing activities		**283,273**	**-**
Net decrease in cash and cash equivalents		**(526,624)**	**(2,750,849)**
Cash and cash equivalents at the beginning of the financial year		683,235	3,434,084
Cash and cash equivalents at the end of the financial year	3	**156,611**	**683,235**

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

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements and notes represent those of Accelerate Resources Limited (the 'Company') and its controlled entities ('Group'). The financial report was authorised for issue by the Board on 30 September 2020. 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.

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').

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group. Supplementary information about the Company is disclosed in Note 21: Parent Entity Disclosures.

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The financial statements have been presented in Australian dollars (AUD), which is the Group's functional and presentation currency.

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 Group incurred a loss of $1,505,847 and had net cash outflows from operating and investing activities of $673,317 and $136,580 respectively for the year ended 30 June 2020. As at that date, the Group had net current assets of $26,867. The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

- In July and August 2020, the Company issued a total of 34,722,223 fully paid ordinary shares at $0.0288 per share, raising $1 million (before costs) through a placement;
- On 2 September 2020, the Company announced that it has received firm commitments to raise $1.7 million (before costs) from sophisticated investors via a placement. On 11 September 2020, the Company issued 24,649,440 fully paid ordinary shares at $0.05 per share, raising $1,232,472. A further 9,350,552 shares will be issued subject to shareholder approval; and
- The Group has the ability to curtail administrative, discretionary exploration and overhead cash outflows as and when required.

New or amended Accounting Standards and Interpretations adopted

During the year ended 30 June 2020, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the year-end reporting period beginning on or after 1 July 2019. Any new or amended standards and interpretations that are not yet mandatory have not been early adopted.

AASB 16 *Leases* became mandatorily effective on 1 January 2019 and was adopted on 1 July 2019. Accordingly, this standard applies for the first time to this set of financial statements.

AASB 16 Leases

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

(a) Right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

   i. Investment property, the lessee applies the fair value model in AASB 140 Investment Property to the right-of-use asset; or

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii. Property, plant or equipment, the lessee applies the revaluation model in AASB 116 Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and

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

The Group has applied AASB 16 from 1 July 2019 using the modified retrospective approach, with no restatement of corporative information. The Group applied the practical expedient for short-term leases exemptions to leases with lease terms that end within 12 months of the date of initial application.

The Group recognised right-of-use assets totalling $21,156 (net of straight line lease liability upon implementation) representing its right to use the underlying asset and lease liabilities representing its obligations to make lease payments with exemptions for short-term leases and leases of low-value items. The recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

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

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

	$
Total operating lease commitments disclosed at 30 June 2019	**22,050**
Recognition exemptions	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Variable lease payments not recognised	-
Operating lease liabilities before discounting	22,050
Discounted using incremental borrowing rate	(894)
Operating lease liabilities	21,156
Reasonably certain extension options	-
Total lease liabilities recognised under AASB 16 at 1 July 2019	**21,156**

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

a) 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.

b) Other Assets

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

c) Asset Held for Sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of an asset, but not in excess of any cumulative impairment loss previously recognised.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

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

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.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 of Non-Financial Assets

At each reporting date, the Group 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) Leases

As described above, the Group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117 and IFRIC 4.

Accounting policy applicable from 1 July 2019

The Group as a lessee

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- The Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term. On the statement of financial position, right-of-use assets have been included in plant and equipment (except those meeting the definition of investment property) and lease liabilities have been included in trade and other payables.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Group 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

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

m) Employee Benefits

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.

Superannuation

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

Employee Benefits on-costs

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

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 Group 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

n) 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.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

o) 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.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p) Segment Reporting

An operating segment is a component of the Group 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 Group'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.

q) Principles of Consolidation

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

r) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS

2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised and 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. Key judgements are applied in considering the costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised.

3. CASH AND CASH EQUIVALENTS

	Consolidated 2020 $	Company 2019 $
Cash at bank	156,611	683,235
	156,611	**683,235**

4. OTHER CURRENT ASSETS

	Consolidated 2020 $	Company 2019 $
Accounts receivable	-	7,613
GST receivable	19,258	12,159
Deposit	27,376	86,376
Prepayments	9,776	-
	56,410	**106,148**

NOTES TO THE FINANCIAL STATEMENTS

5. EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2020 $	Company 2019 $
Exploration and evaluation expenditure – Tasmania	2,687,405	3,192,140
Exploration and evaluation expenditure – Western Australia	619,117	87,817
	3,306,522	**3,279,957**
Exploration and evaluation expenditure – Tasmania		
Opening balance	3,192,140	1,912,669
Additions	54,997	1,279,471
Impairment [2]	(559,732)	-
Closing balance	**2,687,405**	**3,192,140**
Exploration and evaluation expenditure – Western Australia		
Opening balance	87,817	783,869
Additions [1]	539,966	168,616
Impairment [3, 4]	(8,666)	(664,668)
Reclass of balance to asset held for sale [4]	-	(200,000)
Closing balance	**619,117**	**87,817**

[1] Included in the additions is the acquisition of exploration and evaluation asset amounting to $254,326 from Halcyon Resources Pty Ltd ('Halcyon'). On 18 November 2019, the Company acquired Halcyon for a purchase consideration of $259,000 which consisted of 7,000,000 fully paid ordinary shares and contingent consideration of 15,000,000 shares. The acquisition of Halcyon has been treated as an asset acquisition.

	18-Nov-19 $
Cash	4,674
Exploration and evaluation asset	254,326
Net assets acquired	**259,000**
Shares in Accelerate Resources Limited issued to vendor *	259,000
Contingent consideration **	-
Fair value of consideration transferred	**259,000**

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

NOTES TO THE FINANCIAL STATEMENTS

5. EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

** Contingent consideration of 15,000,000 ordinary shares consists of:

- 7,000,000 shares payable upon announcement by the Company of an inferred mineral resource from the project of either:
  - 5M tonnes of Kaolin Clay containing 45% minus 45 micron clay with an 82% ISO brightness; or
  - 5M tonnes of Kaolin Clay containing not less than an average of 29% Al2O3 at an optimal fraction size.
- 8,000,000 shares payable upon shipment of 50,000 tons of Kaolin Clay.

[2] Impairment during the year ended 30 June 2020 relates to tenements relinquished – E7/2018, E8/2018 and E9/2019.

[3] Impairment during the year ended 30 June 2020 relates to tenements relinquished – E20/939, E24/220 and E46/1192.

[2,3] Total impairment of exploration expenditure during the year ended 30 June 2020 was $568,398.

[4] On 9 July 2019, the Company successfully executed a Tenement Sale Agreement to sell 100% of the title and rights of Bulgera Gold Project to Norwest Minerals Limited for a cash consideration of $200,000. The Bulgera Gold Project comprised of exploration licenses E52/3316 and E52/3276. The Bulgera project was a non-core and the sale was part of the Company’s refocus on long term growth opportunities. As a result of this, the asset was classified as held for sale asset as at 30 June 2019, with the remaining costs impaired at 30 June 2019. Following the successful sale, the Company received the cash consideration during the financial year ended 30 June 2020.

	Consolidated 2020 $	Company 2019 $
Asset held for sale	-	**200,000**

6. PLANT AND EQUIPMENT

	Consolidated 2020 $	Company 2019 $
Plant and equipment		
- at cost	14,576	13,959
- accumulated depreciation	(7,687)	(2,340)
	6,889	**11,619**
Plant and equipment – movements		
Opening balance	11,619	12,590
Additions	617	1,145
Depreciation	(5,347)	(2,116)
Closing balance	**6,889**	**11,619**

NOTES TO THE FINANCIAL STATEMENTS

7. RIGHT OF USE ASSET

	Consolidated 2020 $	Company 2019 $
Right of use asset		
- cost	21,156	-
- accumulated depreciation	(21,156)	-
	-	**-**
Right of use asset – cost		
Opening balance	-	-
Adjust on transition to AASB 16	21,156	-
Closing balance	**21,156**	**-**
Right of use asset – accumulated depreciation		
Opening balance	-	-
Depreciation	21,156	-
Closing balance	**21,156**	**-**
Net book value	**-**	**-**

8. TRADE AND OTHER PAYABLES

	Consolidated 2020 $	Company 2019 $
Trade payables	76,897	27,512
Accruals	22,691	10,000
Other payables	46,649	42,195
	146,237	**79,707**

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

9. PROVISION

	Consolidated 2020 $	Company 2019 $
Employee leave provision	39,917	-
	39,917	**-**

NOTES TO THE FINANCIAL STATEMENTS

10. ISSUED CAPITAL

	Consolidated 30-Jun-20 No.	Company 30-Jun-19 No.	Consolidated 30-Jun-20 $	Company 30-Jun-19 $
Ordinary shares on issue, fully paid	**79,366,666**	**47,620,000**	**6,225,335**	**5,661,905**

Reconciliation of Movement in Issued Capital	Shares No.	Date	Issue Price $	Amount $
Opening Balance at 1 July 2018	**47,620,000**			**5,661,905**
Closing balance at 30 June 2019	**47,620,000**			**5,661,905**
Acquisition of Halcyon Resources *	7,000,000	18-Nov-19	0.037	259,000
Placement *	4,905,000	28-Jan-20	0.025	120,420
Rights issue entitlement *	8,236,262	13-May-20	0.012	98,835
Rights issue shortfall *	11,605,404	15-May-20	0.012	139,265
Share issue costs	-			(54,090)
Closing balance at 30 June 2020	**79,366,666**			**6,225,335**

* Total shares issued during the year ended 30 June 2020 amounted to $617,520.

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group 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 Group'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 Group's capital includes ordinary share capital and financial liabilities, supported by financial assets.

NOTES TO THE FINANCIAL STATEMENTS

10. ISSUED CAPITAL (CONTINUED)

Due to the nature of the Group'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 Group's capital risk management is to balance the current working capital position against the requirements of the Group 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 Group is not subject to any externally imposed capital requirements.

	Consolidated 2020 $	Company 2019 $
Cash and cash equivalents	156,611	683,235
Trade and other receivables (excludes deposit)	29,034	19,772
Trade and other payables	(146,237)	(79,707)
Working capital position	**39,408**	**623,300**

11. RESERVES

	Consolidated 2020 $	Company 2019 $
Options reserve	**1,561,914**	**1,487,077**

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 2018	**15,000,000**	**1,480,471**
Options issued to consultant (Note 12)	200,000	6,606
Closing balance at 30 June 2019	**15,200,000**	**1,487,077**
Options expired unexercised	(200,000)	(6,606)
Options issued to consultant[1]	5,000,000	81,443
Closing balance at 30 June 2020	**20,000,000**	**1,561,914**

NOTES TO THE FINANCIAL STATEMENTS

11. RESERVES (CONTINUED)

[1] On 28 May 2020, the Group granted 5,000,000 unlisted options to a consultant for corporate advisory services provided. The consultant options are exercisable at $0.06 per option on or before 9 June 2023. The total fair value of $81,443 is recognised as corporate and professional expenses in the statement of profit or loss and other comprehensive income for the year ended 30 June 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 Value per Option
Consultant	09/06/2023	$0.06	$0.034	95%	0.26%	$0.0163

Summary of options granted as at 30 June 2020 are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at Start of Year	Granted	Exercised	Expired	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)	-
28/05/2020	09/06/2023	$0.06	-	5,000,000	-	-	5,000,000
			15,200,000	**5,000,000**	**-**	**(200,000)**	**20,000,000**

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	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**

The weighted average exercise price of the outstanding options as at 30 June 2020 was $0.20 (30 June 2019: $0.25). The weighted average remaining contractual life of options outstanding at 30 June 2020 was 1.56 years (30 June 2019: 2.08 years).

NOTES TO THE FINANCIAL STATEMENTS

12. SHARE-BASED PAYMENTS

30 June 2019

On 13 August 2018, the Group issued 200,000 unlisted options to a consultant on the condition that the consultant has provided 12 months of continuous service to the Group as a consultant, from date of issue. The consultant options are exercisable at $0.25 per option on or before 30 April 2020. Total share-based payment expense during the year ended 30 June 2019 was $6,606. 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 Value per Option
Vendor	30/04/2020	$0.25	$0.12	100%	1.99%	$0.0374

13. EARNINGS PER SHARE

	Consolidated 2020 $	Company 2019 $
Loss after income tax (used in calculating both basic and diluted loss per share)	**(1,505,847)**	(1,715,102)
	Cents	**Cents**
Basic loss per share (cents)	(2.66)	(3.60)
Diluted loss per share (cents)	(2.66)	(3.60)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic and diluted EPS	56,525,899	47,620,000

NOTES TO THE FINANCIAL STATEMENTS

14. INCOME TAX EXPENSE

A reconciliation between the income tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

	Consolidated 2020 $	Company 2019 $
Loss before income tax	**(1,505,847)**	**(1,715,102)**
Prima facie benefit on operation loss at 27.5% (2019: 27.5%)	(414,108)	(471,653)
Non-allowable expenditure	196,134	184,923
Temporary differences not brought to account as a deferred tax asset	(124,172)	(57,220)
Tax losses not brought to account as a deferred tax asset	342,146	343,950
Income tax benefit	-	-
Unrecognised tax losses	5,584,082	4,339,914

A potential deferred tax asset, attributable to tax losses carried forward, amounts to approximately $1,535,622 (2019: $1,193,476) 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 Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss incurred;
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss incurred.
- the Group continues to comply with the conditions for deductibility imposed by law; and
- no changes in tax legislation adversely affect the Group in realising the benefit from the deductions for the loss incurred.

NOTES TO THE FINANCIAL STATEMENTS

15. CASH FLOW INFORMATION

Reconciliation of cash flow from operating activities with loss after income tax:

	Consolidated 2020 $	Company 2019 $
Loss after income tax	(1,505,847)	(1,715,102)
Add / (deduct) non-cash items:		
Corporate advisory fees paid by issue of options	81,443	6,606
Depreciation	26,503	2,116
Impairment of exploration expenditure	568,398	664,668
Impairment of assets	60,111	-
Changes in assets and liabilities:		
Other current assets	(10,372)	28,026
Trade and other payables	66,530	(287,931)
Provisions	39,917	-
Cash outflows from operating activities	**(673,317)**	**(1,301,617)**

16. RELATED PARTY TRANSACTIONS

a) Key Management Personnel Compensation

	Consolidated 2020 $	Company 2019 $
Short-term employee benefits – Cash, salary and fees	265,334	322,000
Short-term employee benefits – Annual leave	39,917	-
Post-employment benefits	17,733	21,533
Share-based payment	-	-
	322,984	**343,533**

b) Transactions with Related Parties

There were no other transactions with related parties other than accounted for above.

c) Amount owing from / (to) Related Parties

There were no amounts owing from / (to) related parties (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS

17. AUDITOR'S REMUNERATION

	Consolidated 2020 $	Company 2019 $
Audit services		
Audit or review of the financial statements	25,000	22,000
Non-audit services	500	-
	25,500	**22,000**

18. COMMITMENTS

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

	Consolidated 2020 $	Company 2019 $
Within 1 year	167,951	24,441
Not later than 1 year but less than 5 years	171,303	3,036
More than 5 years	-	-
	339,254	**27,477**

NOTES TO THE FINANCIAL STATEMENTS

19. OPERATING SEGMENTS

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

For management purposes, the Group 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 2020 and 30 June 2019, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration. The Group is domiciled in Australia. Another income from external customers are only generated from Australia. No income was derived from a single external customer.

20. CONTROLLED ENTITIES

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1.

	Country of Incorporation	Principal Activities	Ownership 2020 (%)	Ownership 2019 (%)
Halcyon Resources Pty Ltd	Australia	Exploration	100 [1]	-

[1] Halcyon Resources Pty Ltd was acquired on 18 November 2019. Refer to Note 5 for more details of the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

21. PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the legal parent, being Accelerate Resources Limited and has been prepared in accordance with Accounting Standards.

	2020 $	2019 $
Financial Position		
Total current assets	212,294	989,383
Total non-current assets	3,314,138	3,291,576
Total assets	**3,526,432**	**4,280,959**
Total current liabilities	186,154	79,707
Total liabilities	**186,154**	**79,707**
Net assets	**3,340,278**	**4,201,252**
Issued capital	6,225,335	5,661,905
Reserves	1,561,914	1,487,077
Accumulated losses	(4,446,971)	(2,947,730)
Total equity	**3,340,278**	**4,201,252**
Financial Performance		
Loss for the year	(1,499,241)	(1,715,102)
Other comprehensive income	-	-
Total comprehensive loss	**(1,499,241)**	**(1,715,102)**

The Parent Entity has no capital commitments and has not entered into a deed of cross guarantee nor are there any contingent liabilities, apart from that mentioned in Note 24, at the year end.

22. FINANCIAL RISK MANAGEMENT

The Group 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 Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 Group 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 Group 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 Group'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 Group's surplus funds are invested with AA- Rated financial institutions.

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

The credit risk for counterparties included in cash and cash equivalents as at 30 June 2020 is detailed below:

	Consolidated 2020 $	Company 2019 $
Financial assets:		
Cash and cash equivalents	156,611	683,235
	156,611	**683,235**

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

The Group's financial instrument liabilities of $146,237 are expected to be paid within one year.

NOTES TO THE FINANCIAL STATEMENTS

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

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 Group's income or the value of its holdings of financial instruments.

Interest rate risk

The Group does not have any exposure to interest rate risk as there were no external borrowings at 30 June 2020 (2019: 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.

23. EVENTS SUBSEQUENT TO BALANCE DATE

Corporate changes

On 6 July 2020, the Company announced the appointment of Mr Richard Hill to the Board of Directors, effective 3 July 2020, and the subsequent resignation of Mr Terrence Topping and Mr Andrew Haythorpe.

On 1 September 2020, the Company announced that it has entered into a binding term sheet with Canadian company Currie Rose Resources Inc. (“Currie Rose” TSXV:CUI) to acquire up to 100% of the Rossland Gold Project, in British Columbia, Canada.

Capital raisings and security issues

In July and August 2020, the Company issued a total of 34,722,223 fully paid ordinary shares at $0.0288 per share, raising $1 million (before costs) through a placement.

In August 2020, the Company issued 4,000,000 performance rights and 4,508,905 fully paid ordinary shares, as approved by shareholders at the Company's General Meeting held on 24 August 2020.

In September 2020, the Company issued 5,000,000 unlisted options exercisable at $0.06 each, expiring 2 September 2023, to a consultant of the Company.

On 2 September 2020, the Company announced that it has received firm commitments to raise $1.7 million (before costs) from sophisticated investors via a placement. On 11 September 2020, the Company issued 24,649,440 fully paid ordinary shares at $0.05 per share. A further 9,350,552 shares will be issued subject to shareholder approval.

NOTES TO THE FINANCIAL STATEMENTS

23. EVENTS SUBSEQUENT TO BALANCE DATE (CONTINUED)

There are no other matters or circumstances that have arisen since 30 June 2020 to the date of this report that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

24. CONTINGENT LIABILITIES AND ASSETS

At 30 June 2020, there was a contingent consideration of 15,000,000 ordinary shares that relates to the acquisition of Halcyon on the 18 November 2019. These contingent shares are payable based on the below:

- 7,000,000 shares payable upon announcement by the Company of an inferred mineral resource from the project of either:
  - 5,000,000 tonnes of Kaolin Clay containing 45% minus 45 micron clay with an 82% ISO brightness; or
  - 5,000,000 tonnes of Kaolin Clay containing not less than an average of 29% Al_2O_3 at an optimal fraction size.
- 8,000,000 shares payable upon shipment of 50,000 tons of Kaolin Clay.

There were no contingent assets at 30 June 2020 (2019: nil).

DIRECTORS' DECLARATION

In the opinion of the Directors of the Group:

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 Group as at 30 June 2020 and of its 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 are in accordance with International Financial Reporting Standards as 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 2020
Perth

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

Opinion

We have audited the financial report of Accelerate Resources Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 Group is in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 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 Group 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.

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.

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed this matter</th></tr>
<tr><td colspan="2">Exploration and Evaluation Expenditure
Refer to Note 5 in the financial statements</td></tr>
<tr><td>The Group has capitalised exploration and evaluation expenditure with a carrying value of $3,306,522 as at 30 June 2020.

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.</td><td>Our audit procedures included:

• Ensuring that the right to tenure of each area of interest is current;
• Agreeing a sample of additions to supporting documentation and ensuring the amounts are capital in nature and relate to the area of interest;
• Assessing and evaluating management's assessment of the impairment loss recognised for those tenements that have been relinquished;
• Assessing and evaluating management's assessment that no indicators of impairment existed for those tenements where the Group continues to have rights of tenure;
• Enquiring with management and reviewing budgets and other supporting documentation as evidence that active and significant operations in, or relation to, the area of interest will be continued in the future; and
• Through discussions with the management and reviewing relevant supporting documentation, assessing management's determination that exploration and evaluation activities have not yet reached a stage where the existence or otherwise of economically recoverable reserves may be reasonably determined.</td></tr>
<tr><td colspan="2">Measurement and Recognition for Acquisition of Halcyon Resources Pty Ltd
Refer to Note 5 in the financial statements</td></tr>
<tr><td>During the year, the Company acquired a 100% interest of Halcyon Resources Pty Ltd for a purchase consideration of $259,000.

Accounting for this acquisition is a key audit matter as it involves management judgements in determining the acquisition accounting treatment, the acquisition date, the fair value of net assets acquired and the fair value of the purchase consideration.</td><td>Our audit procedures included:

• Reviewing the binding terms sheet to understand the key terms and conditions of the transaction and the related accounting considerations;
• Evaluating management's determination that the acquisition did not meet the definition of a business in accordance with Accounting Standards and therefore was an asset acquisition and not a business combination;
• Assessing management's determination of the acquisition date, fair value of consideration paid and the fair value of the net assets acquired; and
• Reviewing the adequacy and accuracy of the relevant disclosures in the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020 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 Group 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 Group 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: https://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 2020.

In our opinion, the Remuneration Report of Accelerate Resources Limited, for the year ended 30 June 2020, 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 2020

ASX ADDITIONAL INFORMATION

SCHEDULE OF MINING TENEMENTS HELD AT THE REPORT DATE

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
Tambellup	E70/4969	Granted	Western Australia	100%
Tambellup	E70/5319	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	E20/970	Application	Western Australia	100%
Comet	E21/213	Application	Western Australia	100%
Comet	E21/214	Application	Western Australia	100%
Sandstone	E57/1118	Granted	Western Australia	100%
Mt Read	EL 6/2013	Granted	Tasmania	100%

ASX ADDITIONAL INFORMATION

Additional information required by the ASX Limited Listing Rules not disclosed elsewhere in this Annual Report is set out below. The information is current as at 14 September 2020.

SHAREHOLDINGS

The issue capital of the Company as at 14 September 2020 is 143,247,234 ordinary fully paid shares. As at 14 September 2020, there are no substantial holders.

Distribution of Shareholders	No. of Holders	No. of Shares
1 - 1,000	20	3,645
1,001 - 5,000	29	110,110
5,001 - 10,000	90	801,748
10,001 - 100,000	252	10,335,094
100,001 and over	183	131,996,637
	574	**143,247,234**

Number holding less than a marketable parcel	65	208,813

Top 20 Shareholders of Quoted Shares		No. of Shares Held	% Held
1	SYRACUSE CAPITAL PTY LTD <THE ROCCO TASSONE S/F A/C>	4,750,000	3.32
2	MISS YAXI ZHAN	4,254,453	2.97
3	GANDRIA CAPITAL PTY LTD <THE TEDBLAHNKI FAMILY A/C>	4,000,000	2.79
4	SILVERPEAK NOMINEES PTY LTD <THE RGM HILL A/C>	4,000,000	2.79
5	XCEL CAPITAL PTY LTD	3,949,669	2.76
6	OURO PTY LTD	3,333,333	2.33
7	MR SHANE HOEHOCK WEE <WEE FAMILY A/C>	3,234,632	2.26
8	OLI PRIVATE INVESTMENT PTY LTD	3,042,655	2.12
9	GIBB RIVER DIAMONDS LIMITED	3,000,000	2.09
10	BUDWORTH CAPITAL PTY LTD <ROLLING HILLS CAPITAL A/C>	2,546,112	1.78
11	SWANCAVE PTY LTD <THE BMC FAMILY A/C>	2,200,000	1.54
12	MR JAMES PETER ALLCHURCH <MANSTEIN HOLDINGS A/C>	2,200,000	1.54
13	EVANS LEAP HOLDINGS PTY LTD <EVANS LEAP HOLDINGS A/C>	2,150,277	1.5
14	THYLACINE RESOURCES PTY LTD	2,000,000	1.4
15	RLS SUPER INVESTMENTS PTY LTD <THE R L SHIRLEY SUPER A/C>	2,000,000	1.4
16	MR JONATHAN HART <J HART FAMILY A/C>	1,770,833	1.24
17	INVICTUS CAPITAL PTY LTD <MAIN FAMILY A/C>	1,760,000	1.23
18	ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	1,736,111	1.21
19	ALTINOVA NOMINEES PTY LTD	1,736,111	1.21
20	522 INVESTMENTS PTY LTD	1,700,000	1.19
		55,364,186	**38.67**

ASX ADDITIONAL INFORMATION

OPTION HOLDINGS

The Company has the following classes of options on issue at 14 September 2020 as detailed below.

Class	Type	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 0.06c expiring on or before 9 June 2020	5,000,000
AX8OPT4	Unlisted Options	Exercisable at 0.06c expiring on or before 2 September 2020	5,000,000
			25,000,000

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	18	24,400,000
	29	**25,000,000**

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

Holder	AX8OPT3	AX8OPT4
MR SHANE HOEHOCK WEE <WEE FAMILY A/C>	5,000,000	-
GANDRIA CAPITAL PTY TLD <THE TEDBLAHNKI FAMILY A/C>	-	5,000,000

RESTRICTED SECURITIES

Restricted Class	Number of Securities	Restriction Period
Fully paid ordinary shares	4,000,000	-

VOTING RIGHTS

The holders of ordinary shares are entitled to one vote per share at meetings of the Company. Options do not carry any rights to vote.

ON-MARKET BUY BACK

There is no current on-market buy back.