

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 31 DECEMBER 2022

HIGHLIGHTS

Manganese

- Phase 1 drilling (2,000 m RC) extended known mineralisation within Area 1, Area 3, and discovered thick mineralisation at Area 42 (WWN22_017).
- Phase 2 drilling (2,400 m RC) confirmed extensive zone of enriched manganese with moderate to high-grade manganese within Area 42, results pending.

Lithium

- Maiden sampling program covered area of the lithium prospective zone within the Mount Creek Project (E45/6279) with samples collected and assay results due Q1 2023.

Corporate

- A\$3 million (before costs) placement to rapidly advance the Company's Critical Minerals strategy.

Accelerate Resources Limited ("AX8", "Accelerate" or the "Company") is pleased to present the Company's Quarterly Activity Report for the three-month period ending 31 December 2022.

Phase 1 Drilling Summary - Area 1, Area 3, and Area 42

At Area 1, drilling to follow-up historic results from Shaw River. Three shallow holes had achieved near-surface intersections of > 5 m of better than 10% Mn when testing manganese outcrop within a prominent N-S fault structure:

The significant intersections of the current drilling include:

- WNRC027 – 15m @ 13.7% Mn & 13.1% Fe from 2m *incl.* 3m @ 23% Mn from 10m
- WNRC029 – 2m @ 16.3% Mn & 13.5% Fe from 13m *incl.* 1 m @ 21.4% Mn from 14m
- WNRC030 – 4m 14.3% Mn & 7.4% Fe from 17m *incl.* 1m @ 20.8% Mn from 17m
- WNRC032 – 10m @ 13% Mn & 18.9% Fe from 1m

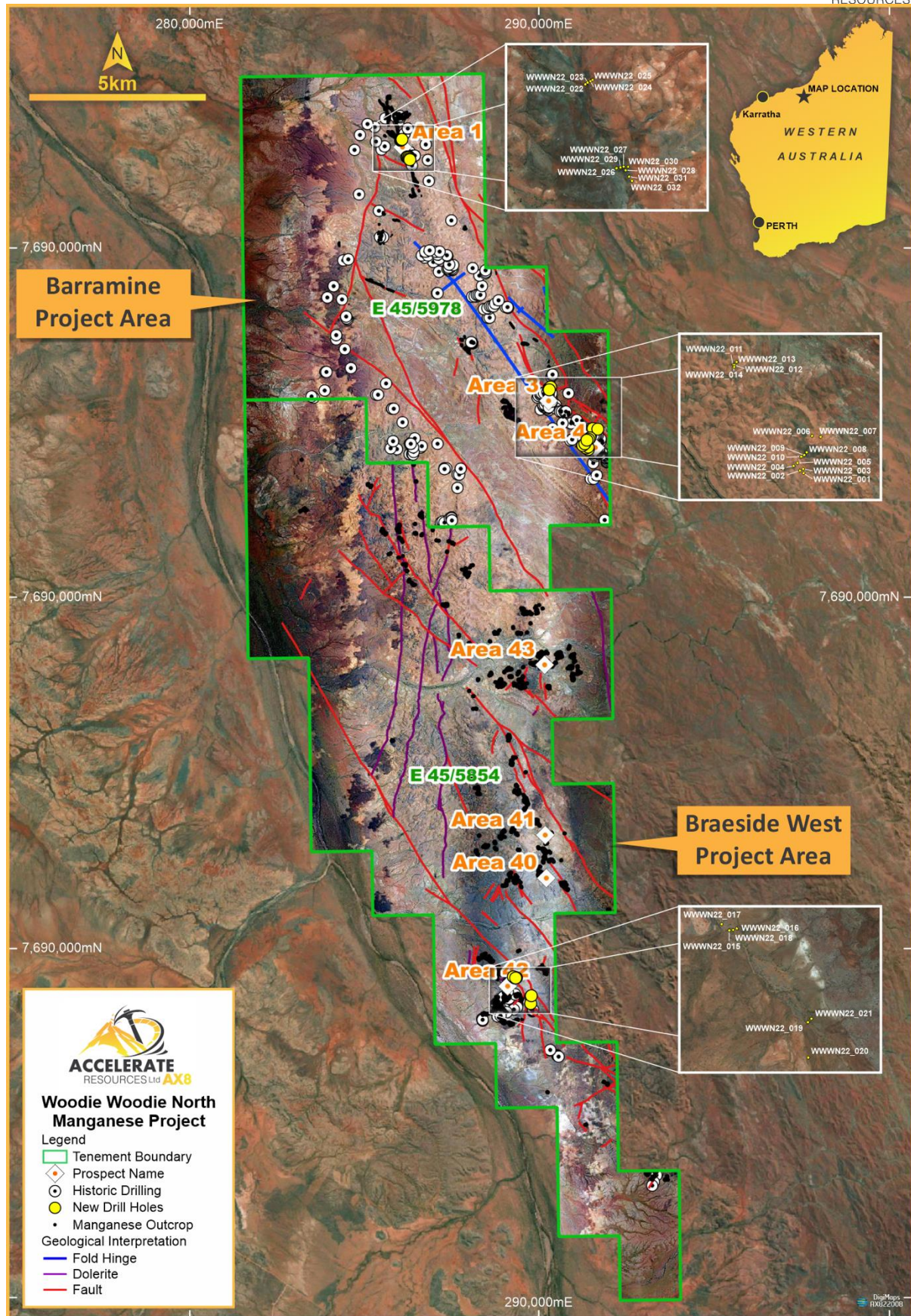


Figure 1: Exploration target areas and phase 1 drill hole locations
 At Area 3, the host structure has been traced 1.3 km to the north-northwest through a series of west directed jogs along the fault line. A large manganese-stained outcrop

northwest of the latest drilling suggests that the manganese mineralisation at Area 3 may extend for at least another 250 m. Additional manganese stained and incipiently mineralised outcrops were located 600 m and 1.3 km along the trace of the fault, providing further encouragement for the prospectively of this structure (Figure 9).

Hole WNRC011, which intersected the alteration zone around the above structure returned one mineralised section:

WNRC011 – 17 m @ 22% Mn & 15.7% Fe from 16m

- *Incl. 9m @ 25.3% Mn from 15m*

This success indicates that the Area 3 mineralisation continues northward along the fault and opens the possibility of significantly increasing the inferred resource.

At Area 42, assay results received from hole WWN22_017 confirmed the existence of a large mineralised system that has only been tested on its periphery. Hole WWN22_017 intersected the following mineralised intervals:

- 6m @ 17.3% Mn from 13m, incl. 1m @ 32.5% Mn from 18m
- 5m @ 18.6% Mn from 35m, incl. 3m @ 45% (Fe+Mn) from 35m
- 8m @ 47% (Fe+Mn) from 47m
- 7m @ 44% (Fe+Mn) from 65m, incl. 2m @ 15% Mn from 70m
- 5m @ 49.6% (Fe +Mn) from 82m, incl 5m @ 19.4% Mn from 82m to end of hole

Hole 17 ended in mineralisation at 87m and tested the target dissolution zone over a horizontal width of approximately 35 m proving that it represents a substantial target.

Hole WWN22_015, drilled 60m SSW from WWN22_017, intersected mostly manganese -stained chert. This represents a slab of solid chert between the major fault and the dissolution zone. Although the manganese bearing intervals were low grade, the reasonable widths encountered showed that manganese mineralisation is widespread within the fault system. The best result was 30.3% Mn between 26-27 m, chert-hosted mineralisation with low Fe. Intervals recorded were:

- 6 m @ 13% Mn from 26m, incl. 1m @ 30.3% Mn from 26m, and 2m @ 22.6% Mn from 26m
- 3 m @ 12.4% Mn from 33m, incl. 1m @ 16.9%Mn from 35m
- 7 m @ 8.5% Mn from 77m

The thickness of the manganiferous zones indicate a large and well-developed hydrothermal system, which is highly prospective for the development of potentially large high-grade manganese orebodies. The thickness of the newly discovered mineralised zone represents the largest known intersection of manganese-rich mineralisation in the Barramine and Braeside area to date.

Hole WWN22_018 was drilled to undercut WWN22_015 and intersected the chert slab but did not intersect any appreciable manganese. WWN22_016 was drilled east of the fault in Jerrinah shales with no significant intersections.



Figure 2 – Drill hole WVN22_017 intersects very thick manganiferous zones at Woodie Woodie North, Braeside West Prospect

For more details please refer to [ASX Announcement 11 October 2022](#)

Phase 2 Drilling Summary - Area 42

In November, AX8 completed the Phase Two drilling program at the company's Woodie Woodie North Manganese project in the Pilbara. The drilling program aimed to follow up on the deeper feeder zone identified from discovery holes WVN22_017 and WVN22_15, with mineralisation tracing to the hilltop at Area 42.

Phase Two drilling tested six priority target zones with outcropping manganese at the surface, along a strike of 2.25 km of stacked manganese replacement seams within outcropping layered chert.

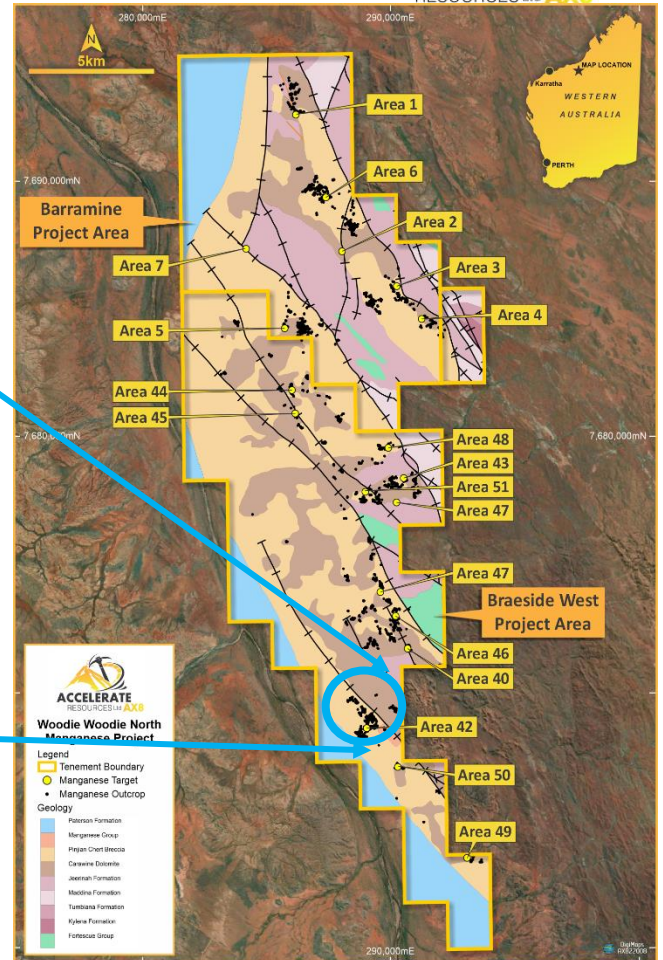
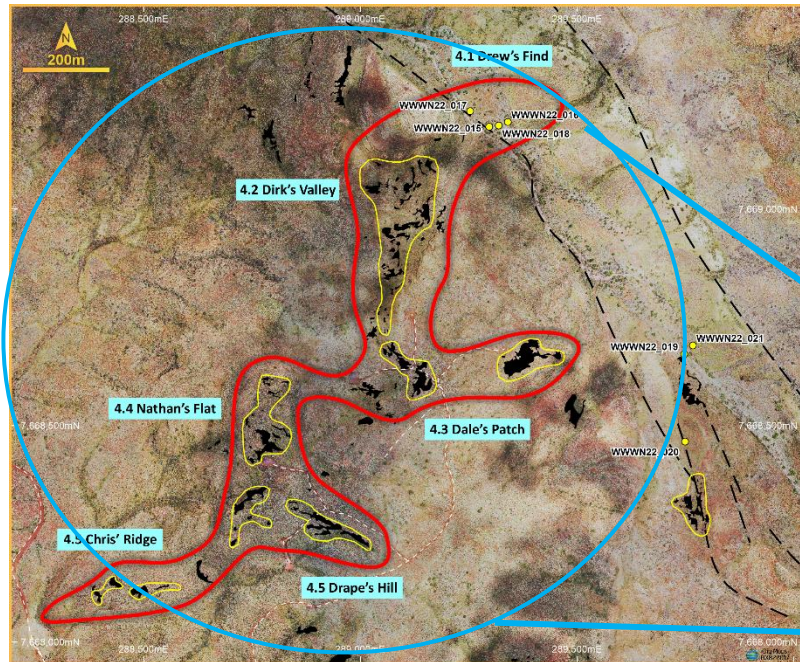


Figure 3: Woodie Woodie North Manganese Project Targets Location Map

At Dale's Patch, drilling targeted two large 50m-wide slabs of high-grade manganese exposed at the top of a broad rounded ridge. Historic drilling had identified the possibility of shallow high-grade mineralisation near these outcrops. The historical intercepts ranged from 1 m to 8 m in thickness at 20-41% Mn in shallow vertical holes on and adjacent to the outcrops.

Historical drilling holes intersections including:

- BX57 – 2m @ 41% Mn from surface
- BX58 – 5m @ 37.6% Mn from surface
- BX59 – 3m @ 25% Mn from surface
- BX60 – 1m @ 20.6% Mn from 1m
- BX70 – 2m @ 24.7% Mn from surface
- BX71 – 8m @ 37.4% Mn from surface.

A total of 21 holes were drilled to connect the target outcrops. The preliminary results based on mapping and visual logging of the drill holes confirmed the presence of a substantial enriched surface manganese cap ranging in thickness from 2m to 7m with moderate to high-grade manganese. The cap has been drilled over an area measuring 120m long and 25m to 35m wide. Beneath the cap, the triangular area outlined by holes WNRC047, 50 & 57 contained a band of lower grade manganese with variable thickness (1m-13m) down to 11m-19m depths. This area remains open to the northeast.

Drilling at Nathan's Flat aimed to follow-up a large Manganese halo surrounding some high-grade slabs of manganese exposed on the edge of a deep gully. Historic drilling from five shallow vertical drill holes on the edge of the gully had returned a near-surface cap of 2m-7m thickness with grades of 17% Mn to 39% Mn.

Historical drill holes intersections include:

- BX61 – 2m @ 39.3% Mn from surface
- BX62 – 1m @ 17.4% Mn from 9m & 1m @38.9% Mn from 12m
- BX63 – 7m @ 31.6% Mn from surface
- BX65 – 3m @ 31.3% Mn from surface

Discovery hole WNRC060 intercepted several zones of manganese mineralisation totalling 33m over a 71m depth, including:

- 3m high-grade manganese cap from surface, and
- 8m moderate grade from 18m, and
- 13m from 36m depths with moderate to high- grade material.
- The surface cap of supergene manganese was noted in 10 of the holes varying from 2m to 9m thick, extending 80m from holes WNRC069 to WNRC074 and 25m to 35m laterally.

For more details please refer to [ASX Announcement 7 November 2022](#)

East Pilbara Lithium Project, WA

In November, the maiden reconnaissance work at Accelerate's 100%-owned East Pilbara Lithium Project confirmed the presence of outcrops of pegmatite dykes with the potential for lithium mineralisation.

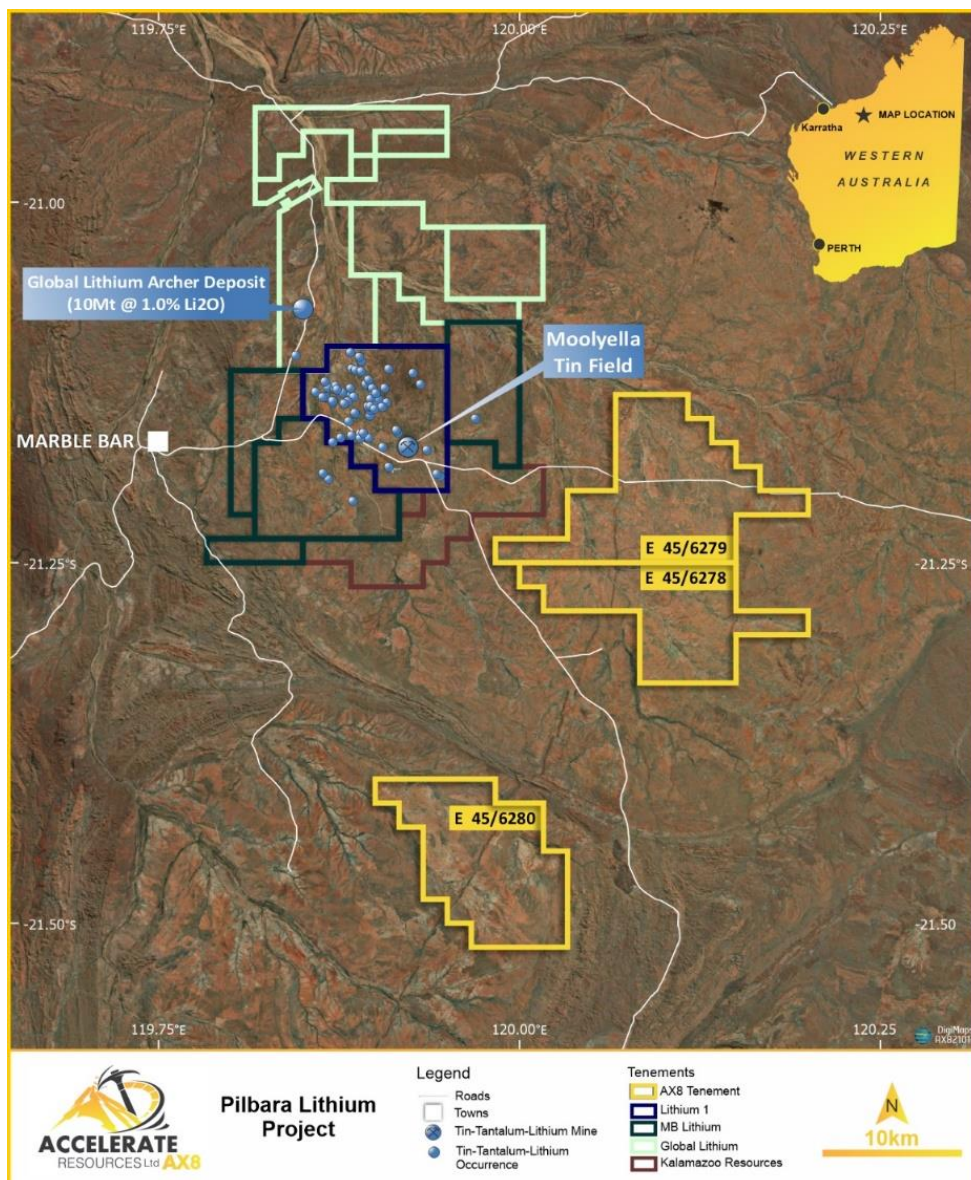


Figure 4: East Pilbara Lithium Project Locations

Based on the lithium pegmatite model successfully employed by other explorers in the immediate region, Accelerate Resources' Mount Creek tenement block lies within the 6km-8.5km zone considered prospective for pegmatite-hosted lithium mineralisation (Goldilocks Zone) surrounding the Moolyella Monzogranite.

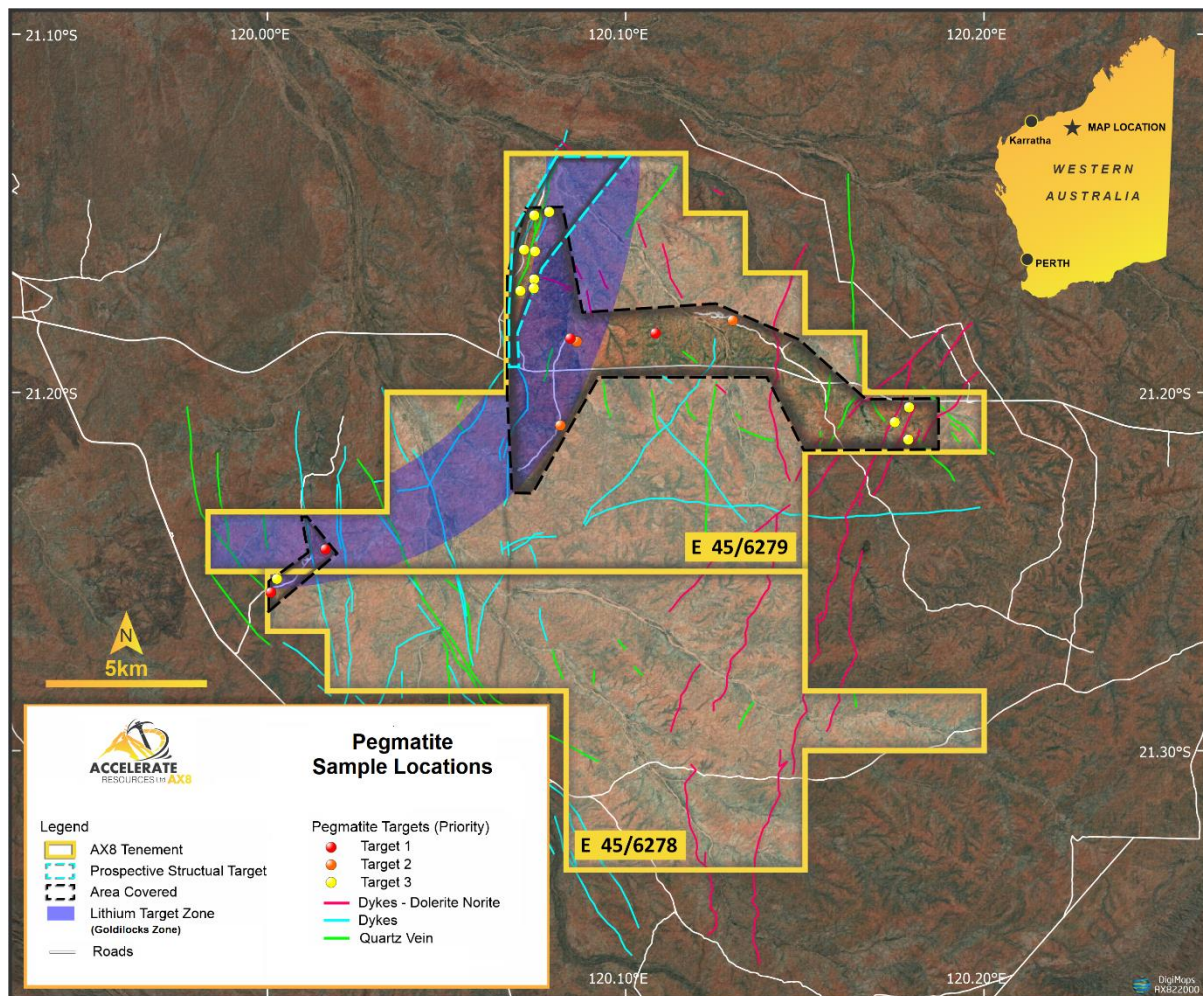


Figure 4: Mount Creek Project Area showing Lithium Prospectivity Zones

Desktop studies identified numerous potential pegmatite intrusion targets within multiple vein/dyke filled cross-cutting structures in the granitic pluton. Bishop Creek Monzogranite and Joorina Grandiorite are both meta-granites with younger felsic intrusions (pegmatite, aplite and granophyre veins). They also contain numerous xenoliths of mafic material as well as numerous mafic dykes. AX8's recent fieldwork and sampling concentrated on these zones.

Ground checks were performed along station tracks with ground traverses to sites of special interest. Only about 35% of the prospective zone within E45/6279 and <5% within E45/6278 were visited.

For more details please refer to [ASX Announcement 24 November 2022](#)

Corporate

A\$3 Million Placement to Rapidly Advance Manganese and Lithium Exploration

During the quarter, AX8 issued 107,142,857 fully paid ordinary shares and 53,571,376 free-attaching unlisted options exercisable at \$0.05 per option expiring 28 December 2024, pursuant to a capital raise of A\$3 million (before costs) to a range of professional and sophisticated investors (**Placement**).

Proceeds from the Placement, together with existing cash, will be applied primarily to exploration at the Company's Woodie Woodie North Manganese Project.

For more details please refer to [ASX Announcement 11 November 2022](#)

Annual General Meeting and Extraordinary General Meeting

AX8 held its Annual General Meeting on 30 November 2022. The following resolutions passed on a poll:

1. Remuneration Report
2. Re-election of Mr Richard Hill as Director
3. Approval of 10% Placement Facility

Subsequently, on 20 December 2022, an Extraordinary General Meeting was held with the following resolutions passed on a poll:

1. Ratify Tranche 1 Placement Shares Issued Pursuant to Listing Rule 7.1
2. Approval to Issue Tranche 2 Placement Shares
3. Approval to Issue Placement Options
4. Approval to Issue Options to Lead Manager

Information Required by Listing Rules

Listing Rule 5.3.1

During the December 2022 Quarter, the Company spent \$948,000 on project evaluation and exploration activities.

Listing Rule 5.3.5

During the December 2022 Quarter, the Company made payments to related parties of \$110,000 for Director fees.

—ENDS—

This announcement has been produced by the Company's published continuous disclosure policy and approved by the Board.

For further information, please contact

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Managing Director

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Forward Looking Statements

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

Competent Person Statement

Information in this release related to Exploration Results is based on information compiled by Dr. Joseph Drake-Brockman. He is a qualified geologist and a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Dr. Drake-Brockman has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources, and Ore Reserves'. Dr Drake-Brockman consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Appendix

In accordance with Listing Rule 5.3.3. Accelerate provides the following information in relation to its mining tenements.

1. The mining tenements held at the end of the quarter and their location:

Project	Tenement Number	Status	Location	Beneficial Interest	Percentage
Comet	E20/908	Granted	Western Australia	100%	
Comet	E20/970	Granted	Western Australia	100%	
Comet	E21/213	Granted	Western Australia	100%	
Comet	E21/214	Granted	Western Australia	100%	
Comet	E20/965	Granted	Western Australia	100%	
Comet	E20/999	Application	Western Australia	100%	
Comet	E20/1000	Application	Western Australia	100%	
Comet	E21/217	Application	Western Australia	100%	
Wooleen Project	E59/2628	Granted	Western Australia	100%	
Wooleen Project	E59/2629	Application	Western Australia	100%	
Wooleen Project	E59/2630	Granted	Western Australia	100%	
Wooleen Project	E59/2632	Application	Western Australia	100%	
Wooleen Project	E59/2646	Application	Western Australia	100%	
Woodie Woodie North	E45/5854	Granted	Western Australia	100% Mn and Iron Right	
Woodie Woodie North	E45/5088	Granted	Western Australia	100% Mn and Iron Right	
Woodie Woodie North	E45/5978	Granted	Western Australia	100%	
Woodie Woodie North	E45/6100	Application	Western Australia	100%	
Pilbara Lithium	E45/6278	Application	Western Australia	100%	
Pilbara Lithium	E45/6279	Application	Western Australia	100%	
Pilbara Lithium	E45/6280	Application	Western Australia	100%	
Mt Read	EL 6/2013	Granted	Tasmania	Under an Option Agreement to sell 100% Interest	

2. Mining tenements acquired during the quarter and their location:

Project	Tenement Number	Status	Location	Comment
Comet Gold	E09/2757	Application	Western Australia	100%
Pilbara Lithium	E45/6416	Application	Western Australia	100%
Comet Gold	E59/2775	Application	Western Australia	100%

3. Mining tenements disposed of during the quarter and their location:

Project	Tenement Number	Status	Location	Comment
Woodie North Woodie	E45/5979	Dead	Western Australia	100%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ACCELERATE RESOURCES LIMITED (ASX CODE: AX8)

ABN

33 617 821 771

Quarter ended ("current quarter")

31 December 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation (if expensed)	-	-
(b) development	-	-
(c) production costs	-	-
(d) staff cost	(110)	(165)
(e) administration and corporate costs	(58)	(211)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other	-	-
1.9 Net cash from / (used in) operating activities	(168)	(376)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(6)	(6)
(d) exploration & evaluation (if capitalised)	(948)	(1,560)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other ¹	-	-
2.6	Net cash from / (used in) investing activities	(954)	(1,566)

¹Mt Monger Minerals Options Extension

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,000	3,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(206)	(206)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – share placement funds held on trust	-	-
3.10	Net cash from / (used in) financing activities	2,794	2,794

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,494	2,314
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(168)	(376)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(954)	(1,566)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,794	2,794

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period (See Note below)	3,166	3,166

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,166	1,494
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,166	1,494

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

**Current quarter
\$A'000**

110

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Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

7. Financing facilities

Note: the term "facility" includes all forms of financing arrangements available to the entity.

Add notes as necessary for an understanding of the sources of finance available to the entity.

	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	-	-
7.2	-	-
7.3	-	-
7.4	-	-
7.5	Unused financing facilities available at quarter end	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(168)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(948)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,116)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	3,166
8.5	Unused finance facilities available at quarter end (Item 7.5/7.6 notes)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	3,166
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	2.84

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Compliance statement

- This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2023

Authorised by: By the Board

.....
(Name of body or officer authorising release – see note 4)

Notes

- This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.