

# **Accelerate Resources Limited**

**ABN 33 617 821 771**

**Annual Report – For the period 7 March 2017 (date of incorporation) to 30 June 2017**

**Accelerate Resources Limited**  
**Directors' report**  
**30 June 2017**

The directors present their report, together with the financial statements, of Accelerate Resources Limited (referred to hereafter as the 'Company') as at and for the period ended 30 June 2017. The financial period commenced on the Company's date of incorporation, the 7 March 2017.

**Directors**

The following persons were directors of Accelerate Resources Limited during the period 7 March 2017 to 30 June 2017 and up to the date of this report, unless otherwise stated:

Grant Mooney  
Yaxi Zhan  
Andrew Haythorpe (appointed 15 August 2017)  
Terry Topping

**Principal activities**

Accelerate Resources Limited is an Australian gold focused exploration Company. The Company has three strategically located Gold projects with drill ready targets.

The Bulgera Gold Project will be the Company's primary focus. It is the Company's intention to re-drill, prove and reclassify this project to JORC Code standards and assess development options.

The Company has two additional Gold projects, Mount Monger and Comet. These Projects have previous drill results and the Company intends to conduct follow up drilling to define the mineralisation.

**Review of operations**

The Company's Board and management brings together a highly skilled and experienced team of professionals who have a wealth of operational and technical experience in exploring resource projects worldwide.

The Company is committed to increasing shareholder wealth through the acquisition, exploration and development of mineral resources throughout Australia. Maximum leverage will be provided to shareholders through the strategy of consolidating dominant landholdings within mineralised provinces and adding significant value to those landholdings. The major commodity focus will be gold and base metals.

The financial position of the Company is strong with zero debt and cash balance of \$133,956 as at 30 June 2017.

**Significant changes in the state of affairs**

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

**Matters subsequent to the end of the financial period**

There are no matters or circumstances that have arisen since 30 June 2017 to the date of this report that have significant, affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Likely developments and expected results of operations**

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

**Environmental regulation**

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

**Accelerate Resources Limited**  
**Directors' report**  
**30 June 2017**

**Information on directors**

Name: Grant Mooney  
Title: Non-Executive Chairman

Experience and expertise: 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.

Special responsibilities: None

Name: Yaxi Zhan  
Title: Managing Director

Experience and expertise: Yaxi has over 11 years of experience in the resource industry. She has worked in capital raising, mergers and acquisitions and project development with Sinosteel, Norilsk Nickel and within the Australian listed junior exploration sector.

Special responsibilities: None

Name: Andrew Haythorpe  
Title: Chief Executive Officer

Experience and expertise: 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.

Special responsibilities: None

Name: Terry Topping  
Title: Non-Executive Director

Experience and expertise: Mr. Topping has 30 years' experience in the mining industry and has over 20 years of experience in the management of listed public companies on ASX and TSX. Terry has experience in corporate finance, mergers and acquisitions and also as a mining and exploration geologist in Australia and overseas.

Special responsibilities: None

**Company secretary**

Brett Tucker has held the role of Company Secretary since establishment.

**Meetings of directors**

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the period 7 March 2017 to 30 June 2017, and the number of meetings attended by each director were:

	Full board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Grant Mooney	2	5	-	-	-	-
Yaxi Zhan	5	5	-	-	-	-
Terry Topping	5	5	-	-	-	-
Andrew Haythorpe	1	5	-	-	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Accelerate Resources Limited**  
**Directors' report**  
**30 June 2017**

**Indemnity and insurance of officer**

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

**Indemnity and insurance of auditor**

The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

**Proceedings on behalf of the Company**

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

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

**Auditor**

RSM Australia Partners, 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



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Yaxi Zhan  
Managing Director

16<sup>th</sup> October 2017  
Perth



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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Accelerate Resources Limited for the period 7 March 2017 to 30 June 2017, 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

  
TUTU PHONG  
Partner

Perth, WA  
Dated: 16 October 2017

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**AUDIT | TAX | CONSULTING**

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**Accelerate Resources Limited**  
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**General information**

The financial statements cover Accelerate Resources Limited. The financial statements are presented in Australian dollars, which is Accelerate Resources Limited's functional and presentation currency.

Accelerate Resources Limited is an unlisted public company, incorporated and domiciled in Australia. Its registered office and principal place of business are:

**Registered office**

Ground Floor, 16 Ord Street  
West Perth, WA, 6005  
Australia

**Principal place of business**

Ground Floor, 16 Ord Street  
West Perth, WA, 6005  
Australia

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 October 2017. The directors have the power to amend and reissue the financial statements.

**Accelerate Resources Limited**  
**Statement of profit or loss and other comprehensive income**  
**For the period 7 March 2017 to 30 June 2017**

	Note	2017 \$
<b>Other income</b>		-
<b>Expenses</b>		
Finance costs		(40)
Travel expenses		(7,734)
Corporate advisory fees		(23,761)
Share based payments	8	(328,408)
Other expenses		(4,938)
		<hr/>
<b>Loss before income tax expense</b>		(364,881)
Income tax expense		-
		<hr/>
<b>Loss after income tax expense for the period</b>		(364,881)
<b>Other comprehensive income</b>		-
		<hr/>
<b>Total comprehensive loss for the period</b>		(364,881)
		<hr/>
<b>Loss attributable to:</b>		
Members of Accelerate Resources Limited		(364,881)
		<hr/>

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Accelerate Resources Limited**  
**Statement of financial position**  
**As at 30 June 2017**

	Note	2017 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	3	133,956
Other assets	4	6,975
Prepayments		12,297
<b>Total current assets</b>		<u>153,228</u>
<b>Non-current assets</b>		
Exploration and evaluation expenditure	5	30,000
<b>Total non-current assets</b>		<u>30,000</u>
<b>Total assets</b>		<u>183,228</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	6	27,388
<b>Total current liabilities</b>		<u>27,388</u>
<b>Net assets</b>		<u>155,840</u>
<b>Equity</b>		
Issued capital	7	192,313
Reserves	8	328,408
Retained losses	9	(364,881)
<b>Total equity</b>		<u>155,840</u>

*The above statement of financial position should be read in conjunction with the accompanying notes*



**Accelerate Resources Limited**  
**Statement of changes in equity**  
**For the period 7 March 2017 to 30 June 2017**

	<b>Issued capital</b>	<b>Reserves</b>	<b>Retained losses</b>	<b>Total equity</b>
	\$	\$	\$	\$
<b>Balance at 7 March 2017</b>	-	-	-	-
Loss after income tax expense for the period	-	-	(364,881)	(364,881)
Other comprehensive income for the period, net of tax	-	-	-	-
<b>Total comprehensive loss for the period</b>	-	-	(364,881)	(364,881)
<i>Transactions with owners in their capacity as owners:</i>				
Share based payments	-	328,408	-	328,408
Issue of shares	202,000	-	-	202,000
Share issue costs	(9,687)	-	-	(9,687)
<b>Balance at 30 June 2017</b>	<b>192,313</b>	<b>328,408</b>	<b>(364,881)</b>	<b>155,840</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

Accelerate Resources Limited  
Statement of cash flows  
For the period 7 March 2017 to 30 June 2017

	Note	2017 \$
<b>Cash flows from operating activities</b>		
Payments to suppliers and employees		<u>(58,357)</u>
<b>Net cash (used in) operating activities</b>		<u>(58,357)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares		202,000
Share issue transaction costs		<u>(9,687)</u>
<b>Net cash provided by financing activities</b>		<u>92,313</u>
<b>Net increase in cash and cash equivalents</b>		133,956
Cash and cash equivalents at the beginning of the financial period		<u>-</u>
<b>Cash and cash equivalents at the end of the financial period</b>	3	<u><u>133,956</u></u>

*The above statement of cash flows should be read in conjunction with the accompanying notes*

**Accelerate Resources Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 1. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

**New, revised or amending Accounting Standards and Interpretations adopted**

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Basis of preparation**

In the directors' opinion, the Company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the owners of Accelerate Resources Limited. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Accelerate Resources Limited.

*Critical accounting estimates*

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

*Comparatives*

No comparatives are included in this financial report as the Company was only incorporated on 7 March 2017.

**Revenue recognition**

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

*Interest*

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

*Other revenue*

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

**Income tax**

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

In addition to its own current and deferred tax amounts, the entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits.

**Accelerate Resources Limited**  
**Notes to the financial statements**  
**30 June 2017**

**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.

Deferred tax assets and liabilities are always classified as non-current.

**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.

**Trade and other receivables**

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

**Exploration and evaluation assets**

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

**Impairment of non-financial assets**

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**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.

**Accelerate Resources Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Provisions**

Provisions are recognised when the entity has a present (legal or constructive) obligation as a result of a past event, it is probable the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**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.

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.

**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.

**Goods and Services Tax (GST) and other similar taxes**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the reporting period ended 30 June 2017. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

**Note 2. Critical accounting judgements, estimates and assumptions**

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

*Share-based payment transactions*

The Company measures the cost of equity-settled transactions with directors, key management personnel and 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.

**Accelerate Resources Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 3. Current assets - cash and cash equivalents**

	<b>2017</b>
	<b>\$</b>
Cash at bank	133,956
	<u>133,956</u>

**Note 4. Current assets – other assets**

	<b>2017</b>
	<b>\$</b>
GST receivable	6,975
	<u>6,975</u>

**Note 5. Non-current assets – exploration and evaluation expenditure**

	<b>2017</b>
	<b>\$</b>
Tenement deposit *	30,000
	<u>30,000</u>

\* During the period the Company entered into a tenement purchase agreement with POZ Minerals Limited. At reporting date only the deposit had been paid.

**Note 6. Current liabilities - trade and other payables**

	<b>2017</b>
	<b>\$</b>
Trade payables	27,388
	<u>27,388</u>

**Accelerate Resources Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 7. Equity - issued capital**

	<b>2017</b>	<b>2017</b>
	<b>Shares</b>	<b>\$</b>
Ordinary shares - fully paid	8,020,000	202,000

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
<b>Balance</b>	<b>7 March 2017</b>	14,000,000	-	-
Share cancellation		(8,000,000)	-	-
Issue of shares		2,020,000	0.10	202,000
Share issue costs		-	-	(9,687)
<b>Balance</b>	<b>30 June 2017</b>	<u>8,020,000</u>	<u>-</u>	<u>192,313</u>

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

**Note 8. Equity - reserves**

<b>Details</b>	<b>Date</b>	<b>\$</b>
<b>Balance</b>	<b>7 March 2017</b>	-
Share based payment *		<u>328,408</u>
<b>Balance</b>	<b>30 June 2017</b>	<u>328,408</u>

\* During the period ended 30 June 2017 6,000,000 options were issued to Directors and key management personnel with a value of \$0.0547 per option. The options have an exercise price of \$0.25 and an expiry date of 30 April 2021. A Black-Scholes option pricing model was used to value the options.

The following table sets out other information on the options issued to Directors and key management personnel.

Grant date	29-03-2017
Time to expiry (years)	4
Number of options	6,000,000
Share based payment expense	\$328,408

**Note 9. Equity - retained losses**

	<b>2017</b>
	<b>\$</b>
<b>Balance 7 March 2017</b>	-
Loss after income tax expense for the period	<u>(364,881)</u>
<b>Balance 30 June 2017</b>	<u>(364,881)</u>



**Accelerate Resources Limited**  
**Notes to the financial statements**  
**30 June 2017**

**Note 10. Fair value measurement**

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

**Note 11. Remuneration of auditors**

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, its network firms and unrelated firms:

	<b>2017</b>
	<b>\$</b>
Audit services – Assurance & Advisory	<u>3,000</u>
	<u>3,000</u>

**Note 12. Contingent assets and liabilities**

There are no contingent assets and or liabilities at the date of this report.

**Note 13. Events after the reporting period**

No matters or circumstances have arisen since 30 June 2017 to the date of this report that have significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

**Accelerate Resources Limited**  
**Directors' declaration**  
**30 June 2017**

In the directors' opinion:

- the Company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1, the attached special purpose financial statements have been prepared for the purposes of complying with the *Corporations Act 2001* requirements to prepare and distribute financial statements to the owners of Accelerate Resources Limited;
- the attached financial statements and notes comply with the *Corporations Act 2001*, the Accounting Standards to the extent described in Note 1, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the period 7 March 2017 to 30 June 2017; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



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Yaxi Zhan  
Managing Director

16<sup>th</sup> of October 2017  
Perth



**RSM Australia Partners**

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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), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 7 March 2017 to 30 June 2017, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the period 7 March 2017 to 30 June 2017; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the Corporations Regulations 2001.

**Basis for Opinion**

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

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

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

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### **Basis of Accounting**

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Other Information**

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the period 7 March 2017 to 30 June 2017, 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 and have determined that the basis of preparation described in Note 1 is appropriate to meet the requirements of the Corporations Act 2001 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.

Perth, WA  
Dated: 16 October 2017

  
RSM AUSTRALIA PARTNERS  
  
TUTU PHONG  
Partner