

ACCELERATE RESOURCES LTD QUARTERLY ACTIVITY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2023

HIGHLIGHTS

- Transformational acquisition of High-Grade Karratha Lithium Projects positions AX8 within the emerging Roebourne-Karratha lithium belt
- Firm commitment of A\$3.6 million placement from professional and sophisticated investors to fast-track exploration and drilling at Karratha Lithium Projects
- Phase 3 and 4 drilling at Woodie Woodie North Manganese project completed
- The drilling results from Area 42 indicate multiple layers of manganese mineralisation similar in style to the Woodie Woodie mining camp to the south, with potential extensions at depth and along the strike.



Figure 1: Lithium bearing Pegmatite outcrop at Prinsep Lithium Project.

Accelerate Resources Limited (“AX8”, “Accelerate” or the “Company”) is pleased to present the Company’s Quarterly Activity Report for the three-month period ending 30 September 2023.

The Karratha Lithium Projects, Pilbara WA

Post 30 September, the Company announced that it had entered into binding Agreements to acquire the Karratha Lithium Projects, which include:

- Prinsep Lithium Project (100%)
- Mt Sholl Project (100%)
- Mt Sholl East Project (75%)
- Roebourne South Project (75%)

The Karratha Lithium Projects are situated within the emerging 40km long hard-rock lithium belt between Karratha and Roebourne, West Pilbara (Figure 1). This belt hosts the Andover discovery (ASX:AZS MCap ~ \$1.2Bn¹) with a number of other ASX listed companies actively exploring the belt (Figure 2).

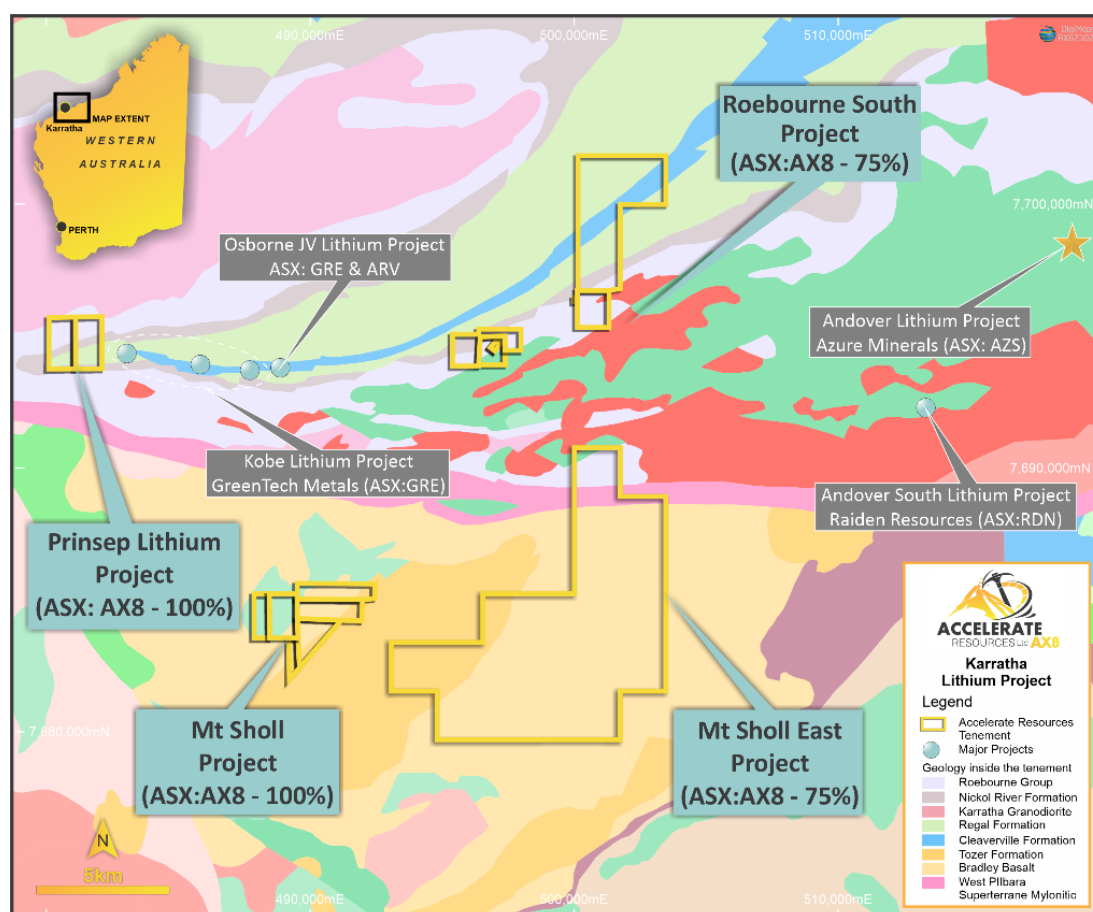


Figure 2: Karratha Lithium Projects location map and regional geology (GSWA 1:500,000 Bedrock Geology).

The Karratha Lithium Projects comprise circa 90km² of prospective ground with the Prinsep Lithium Project being the most advanced opportunity (Figure 2). “Walk up” drill targets have been identified with access to mining services, workforce and major infrastructure in the nearby mining centres of Karratha and Dampier.

¹ Market data dated as at 30/9/2023, <https://www.marketindex.com.au/asx/azs>

Prinsep Lithium Project, AX8 100%

Recent field work by Accelerate's exploration team has identified two parallel zones of spodumene-rich, lithium-bearing pegmatite systems spanning the entire 2km width of the tenement area (Figure 3). Preliminary rock chip assay results returned up to **1.87% Li₂O** (Sample ID AA319) from the Southern Pegmatite System and **1.29% Li₂O** (Sample ID AA323) from the Northern Pegmatite System.

Based on satellite image interpretation, the Southern Pegmatite System is less than 1km along strike from the Kobe lithium project (ASX: GRE, GreenTech Metals). These mineralised zones represent a new lithium discovery 15km from Karratha and have never been drilled. A number of the due diligence surface samples show the presence of coarse spodumene crystals within the pegmatites resulting in significant grades (Figure 4 and Table 1).

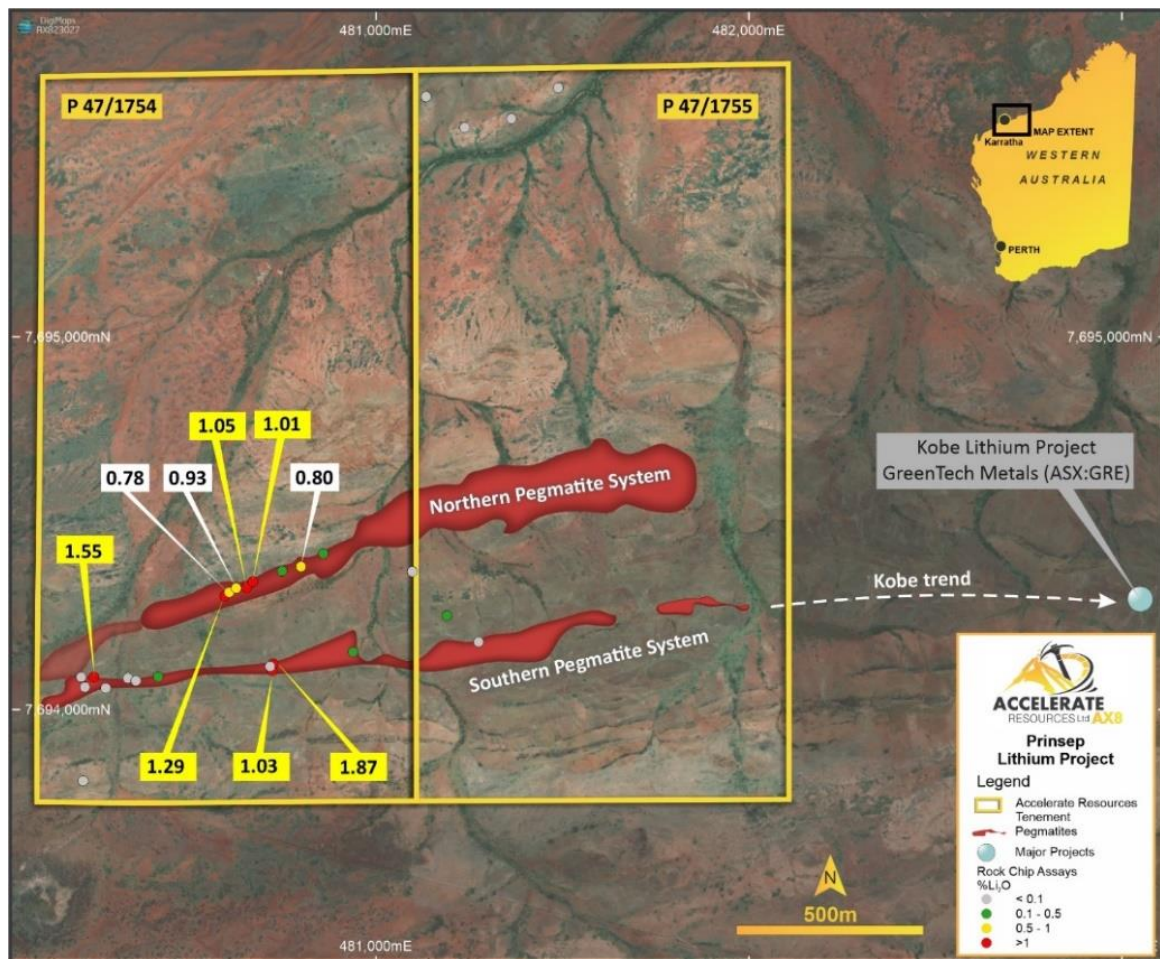


Figure 3: Outcropping pegmatites and rock chip sample results from the Prinsep Lithium Project

Table 1: Significant assay results from rock chip sampling of outcropping pegmatites at Prinsep

Rock chip sample ID	Easting	Northing	% Li ₂ O
AA319	480725	7694124	1.87
AA312	480244	7694089	1.55
AA323	480595	7694306	1.29

AA321	480654	7694328	1.05
AA317	480722	7694106	1.03
AA326	480670	7694344	1.01

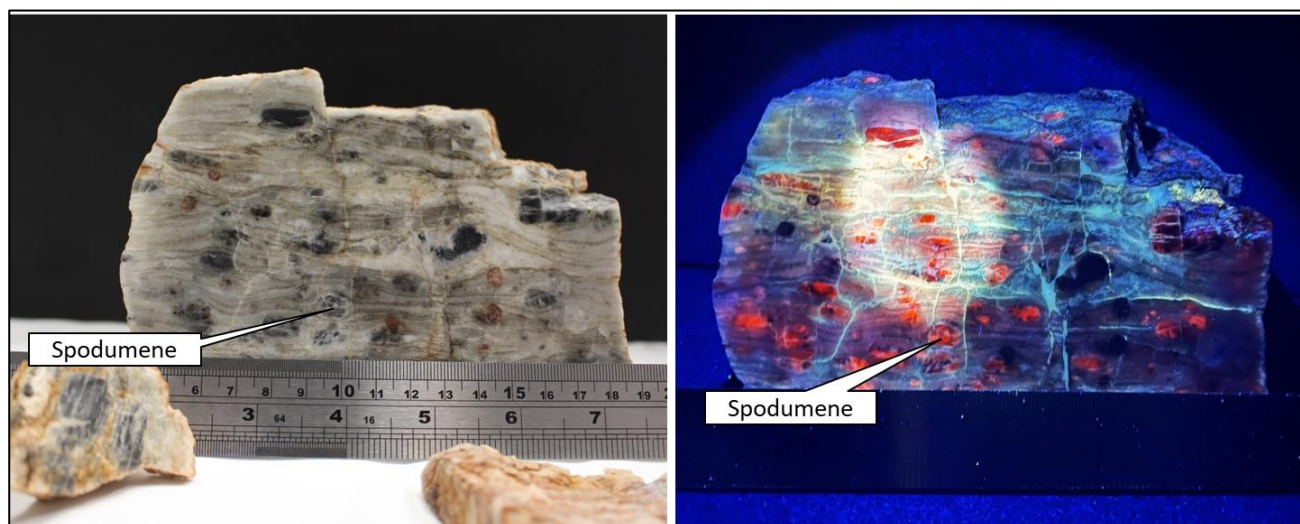


Figure 4: Photos of coarse grained spodumene in pegmatite (left) and under UV light (right) from Prinsep Project (Sample ID AA321). Spodumene at Prinsep fluoresces orange/red under UV light.



Figure 5: Lithium mineralised pegmatite outcrops at Prinsep representing “walk-up” drill targets.

Planned Program

A detailed drone photogrammetric survey is planned to assist with detailed mapping of the Prinsep and Mt Sholl East Project areas. The photo-interpreted pegmatite targets will be followed up with rock chip sampling. Each target will be assessed as to potential size and continuity of mineralisation. This field work will also include sampling of pegmatites for mineralogical based geochemical fingerprinting to identify and prioritise drill-ready targets. Drilling will be conducted as soon as possible following DMIRS Program of Works and heritage clearance approvals.

Please refer to ASX Announcement dated 6 October for more details and the key terms of the transaction.

East Pilbara Lithium Project, WA

In July 2023, The Company announced the expansion of its lithium exploration project footprint in the East Pilbara region of WA, with its recent application for four new tenements (E45/6416, E45/6604, E45/6615 and E45/6634) covering an additional 395km² in an area proven to host lithium deposits. Two of Accelerate's tenement applications (E45/6416 and E45/6634) are subject to competing applications, with final ownership to be decided by ballot.

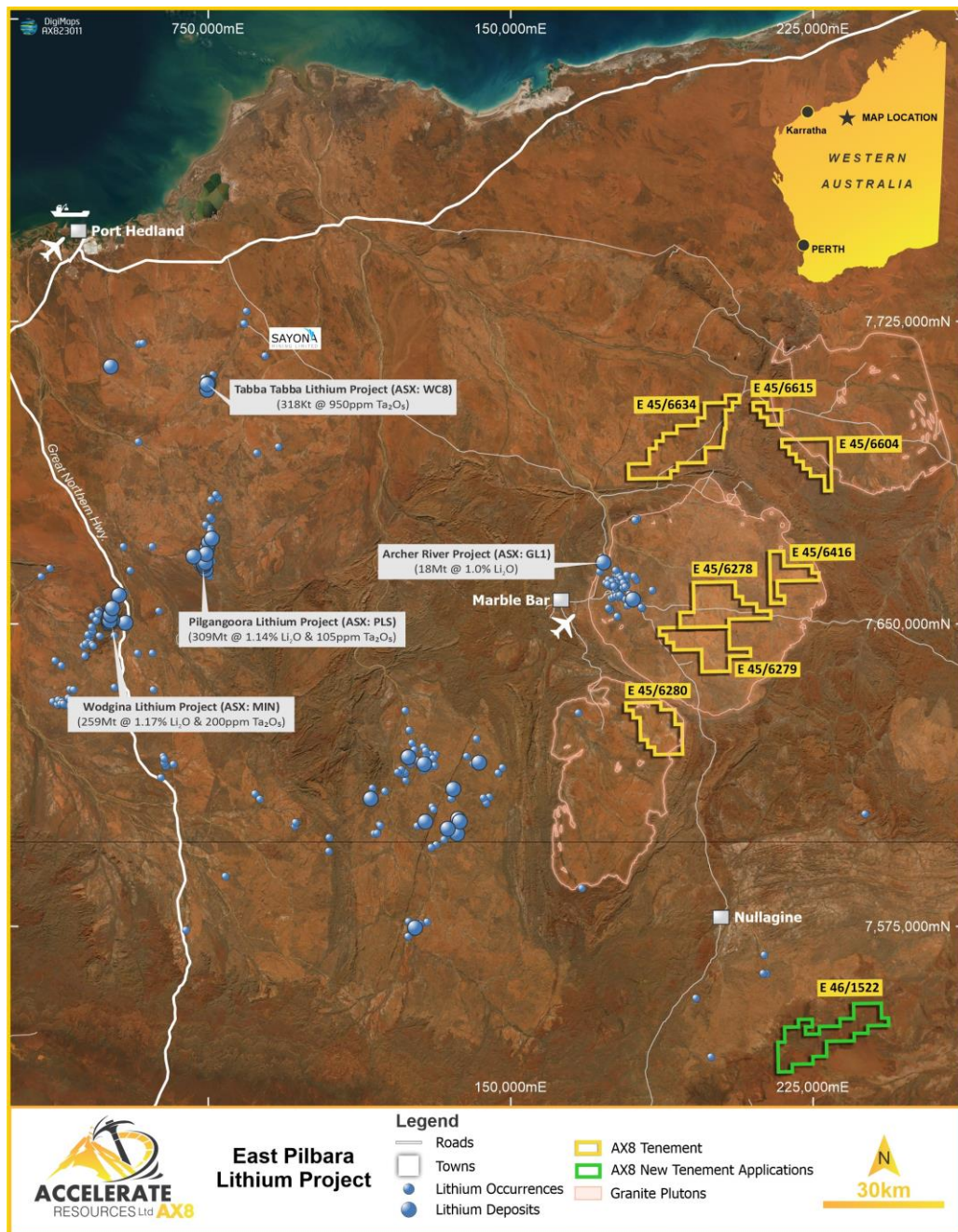


Figure 6 – Location of the East Pilbara Lithium Project

Accelerate's East Pilbara Lithium Project (Figure 3) is strategically situated within a region of active lithium exploration and discovery, encompassing the following prominent deposits:

- Global Lithium Resources' Archer deposit (ASX:GL1)
- Tabbatabba Lithium Project (ASX:WC8)
- Pilgangoora Lithium Project (ASX:PLS), known for its large-scale lithium mine
- Wodgina Lithium Project (ASX:MIN)

Two of the Company's new tenement applications are located within the sedimentary-basalt rim adjacent to a large granite pluton (informally known as the Wongawobbin Pluton), which contains several granite suites (such as the Cleland Supersuite granite) located within a swarm of north oriented faults. Satellite image interpretation has identified several zones of quartzose felsic rocks that are possibly prospective for lithium bearing pegmatites (Figure 6).

Windi Lithium Project

During the September 2023 quarter, the Company applied for the new Windi Lithium P tenement, E46/1522 (Figures 6 and 7). The tenement application covers a portion of the 5-9km wide target zone along the SE edge of the Bonney Downs Monzogranite of the Split Rock Suite which is recognised as being fertile for Li-Ta mineralisation. Figure 7 shows the known Li-Ta occurrences (source GSWA, MINEDEX data), the outline of the fertile Bonney Downs Monzogranite and the 4km wide target zone (5-9km from the granite margin) that represents the most likely zone to encounter Li-bearing pegmatites. The tenement covers nearly 10km of the prospective zone, which represents a substantial target.

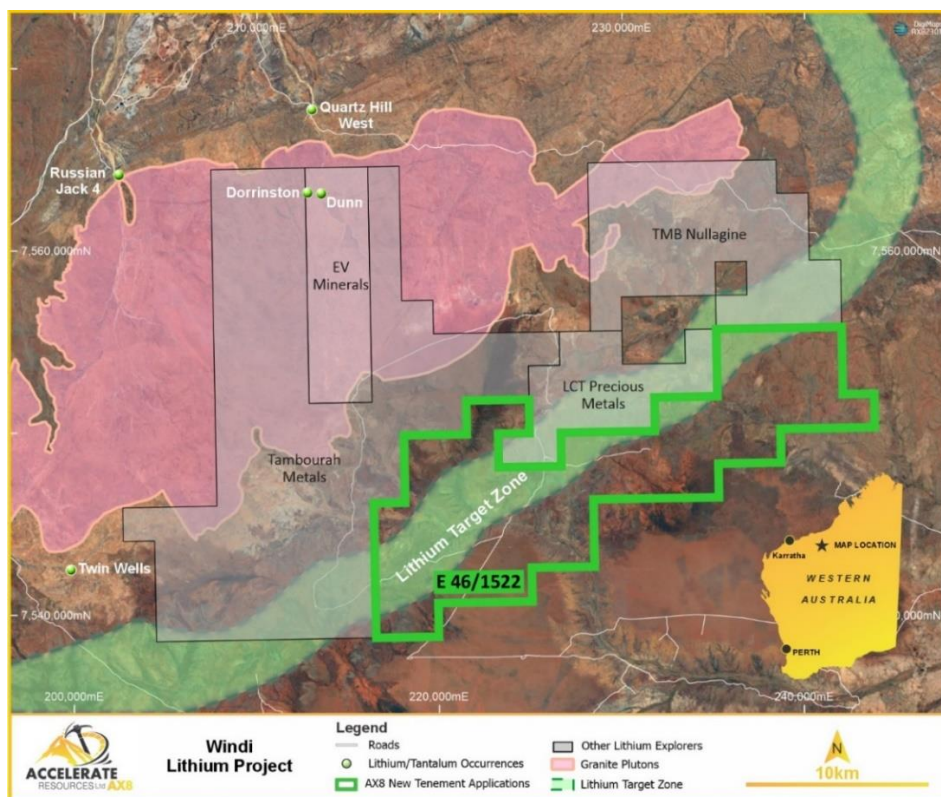


Figure 7: Location of the Windi Lithium Project area showing the lithium exploration target zone and extent of the Bonney Downs Monzogranite.

The initial project evaluation includes satellite image interpretation to identify possible LCT pegmatites hosted in the greenstones for follow-up field mapping and sampling to determine the lithium prospectivity of the project area.

Please refer to ASX Announcement dated 6 September 2023 for more details.

Garden Rock Lithium Project, Murchison, WA

Accelerate's Garden Rock Lithium Project in the Murchison Region is located approximately 7km southeast of Cue. The area is well known for gold occurrences in the greenstones, however it remains underexplored for pegmatite-hosted lithium mineralisation despite the existence of possible late granitoid intrusions.

Initial indications from limited GSWA open-file geochemical data suggests that elevated lithium values within the Comet project area may be spatially associated with a late K-feldspar porphyry intrusion in the Garden Rock Monzogranite. This association may suggest that the late porphyritic phase of the monzogranite could be the source of the elevated lithium in the area.

Based on the lithium pegmatite model successfully employed by other explorers, the greenstone belt in the eastern area of the Garden Rock project falls within the 5-9km zone considered prospective for pegmatite-hosted lithium mineralisation surrounding a late K-feldspar porphyry of the Garden Rock Monzogranite.

Please refer to ASX Announcement dated 6 September 2023 for more details.

Woodie Woodie North Manganese Project, East Pilbara, WA

A fourth phase of drilling (Phase 4) was completed by the end of August 2023 and comprised extensional and resource definition drilling at Barra North and South (Areas 1, 3 and 4) and Area 42. Infill drilling at Area 5 in the Gum Creek Corridor was completed to assess the resource potential. A total of 2,105m of RC drilling (45 holes) was completed with significant extensions of mineralisation confirmed in the Barra South Corridor. Significant results from the drilling included:

- Area 42 – Chris's Ridge:
 - WNRC162 – 12m @ 25.7% Mn (12.6% Fe) from surface, incl. 4m @ 33.7% Mn from 5m
- Barra South – Area 3:
 - WNRC140 – 6m @ 22.8% Mn (32.7% Fe) from 16m
 - WNRC145 – 16m @ 22% Mn (11.5% Fe) from 25m, incl. 6m @ 32.8% Mn from 27m
 - WNRC149 – 11m @ 18.6 Mn (17.4% Fe) from 24m
 - WNRC146 – 18m @ 14.6% Mn (24.9% Fe) from 32m

Further details can be found in ASX Announcement dated 4 October 2023.

Results from the Phase 1 to 4 drilling campaign and the historical drilling database will be utilised for the development of a JORC-2012 Maiden Mineral Resource Estimate (MRE) at Barra North (Area 1) and South (Areas 3 and 4), and Area 42. The MRE is scheduled to be completed by 2023 year-end (see ASX Announcement dated 16 May 2023).

Phase 5 RC and Diamond drilling program and associated metallurgical test work will be postponed to 2024 to allow sufficient resources and fast tracking of the Karratha Lithium Projects.

Capital Raising

Post September 2023, the Company raised A\$3.6million by way of a placement (before costs) (**Placement**).

Proceeds from the Placement, together with existing cash, will be applied primarily to exploration activities within the newly acquired, highly prospective Karratha Lithium Projects, as well as progressing the East Pilbara Lithium Project and Woodie Woodie North Manganese Project. General working capital and costs of the Offer will also be included.

The Placement will result in the issue of up to 180,000,000 new fully paid ordinary shares (**New Shares**) at an issue price of A\$0.02 per share, comprising:

- ~85.4 million New Shares (~\$1.7 million) to be issued within the Company's 15% placement capacity under ASX Listing Rule 7.1 and an additional 10% placement capacity under ASX Listing Rule 7.1A (**Tranche 1**); and,
- ~95.1 million New Shares (~\$1.9 million) to be issued subject to shareholder approval at a meeting of shareholders scheduled to take place on or around late November 2023 (**Tranche 2**). Director participation will also be subject to shareholder approval at this meeting.

Cash

As at 30 September 2023, the Company had \$737,000 in cash. On 12 October 2023, the Company received Tranche 1 Placement of ~\$1.7 million.

Information Required by Listing Rules

Listing Rule 5.3.1

During the September 2023 Quarter, the Company spent \$849,000 on project evaluation and exploration activities.

Listing Rule 5.3.5

During the September 2023 Quarter, the Company made payments to related parties of \$175,000 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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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 Percentage Interest
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	E20/1000	Application	Western Australia	100%
Comet	E21/217	Application	Western Australia	100%
Wooleen Project	E09/2757	Application	Western Australia	100%
Wooleen Project	E59/2775	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%
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	Granted	Western Australia	100%
Woodie Woodie North	E45/5907	Granted	Western Australia	100%
Woodie Woodie North	E45/5942	Granted	Western Australia	100%
Woodie Woodie North	E45/6508	Application	Western Australia	100%
Woodie Woodie North	E45/6527	Application	Western Australia	100%
Woodie Woodie North	E45/6603	Application	Western Australia	100%
Pilbara Lithium	E45/6278	Granted	Western Australia	100%
Pilbara Lithium	E45/6279	Granted	Western Australia	100%
Pilbara Lithium	E45/6280	Granted	Western Australia	100%
Pilbara Lithium	E45/6416	Application	Western Australia	100%

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
Pilbara Lithium	E45/6416	Application	Western Australia	100%
Pilbara Lithium	E45/6615	Application	Western Australia	100%
Pilbara Lithium	E45/6634	Application	Western Australia	100%
Windi Lithium Project	E45/1522	Application	Western Australia	100%

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

Project	Tenement Number	Status	Location	Comment
Woodie Woodie North	E45/6527	Application	Western Australia	100%
Woodie Woodie North	E45/6603	Application	Western Australia	100%
Pilbara Lithium	E45/6604	Application	Western Australia	100%
Windi Lithium Project	E45/1522	Application	Western Australia	100%

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

Project	Tenement Number	Status	Location	Comment
Wooleen Project	E59/2646	Application	WA	0%
Mt Read	EL 6/2013	Granted	Tasmania	0%

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")

30 September 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(245)	(245)
	(e) administration and corporate costs	(75)	(75)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	-	-
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Bank Guarantee	(17)	(17)
1.9	Net cash from / (used in) operating activities	(338)	(338)

2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	(100)	(100)
	(c) property, plant and equipment	(14)	(14)
	(d) exploration & evaluation (if capitalised)	(849)	(849)
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	(963)	(963)

¹Mt Monger Minerals Options Extension

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
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	(1)	(1)
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	(1)	(1)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,039	2,039
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(338)	(338)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(963)	(963)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1)	(1)

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 (3 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 1 below)	737	737

Note 1: Subsequent to the end of the quarter, the Company announced a placement to raise \$3.6 million..Tranche 1 of the placement, being \$1.7million (before cost) was received on 12th October 2023. Tranche 2 totalling \$1.9million will be received immediately following shareholder approval on or about 28 November 2023.

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	737	2,039
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)	737	2,039

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**

175

-

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

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

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (Item 1.9)	(338)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(849)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,187)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	737
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)	737
8.7	Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	(0.62)

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: Subject to exploration results and available cash, the Company expects to incur a similar level of net operating cash flows for the next quarter.

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: On 6 October 2023, the Company announced a placement to raise \$3.6 million and based on its past record for raising requisite funding, the Company expects that it will be able to fund its ongoing activities via future equity financings.

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: The Company believes it will obtain sufficient funding to continue its operations as detailed in item 8.8(2) above.

Compliance statement

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

Date: 27/10/2023

Authorised by: By the Board

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

Notes

1. 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 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.