



Accelerate Resources Limited

ABN 33 617 821 771

**Consolidated Interim Financial Report
For the Half-Year Ended 31 December 2022**

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CORPORATE INFORMATION

Accelerate Resources Limited

ABN 33 617 821 771

Directors

Mr Richard Hill
Non-Executive Chairman

Ms Yaxi Zhan
Managing Director

Mr Grant Mooney
Non-Executive Director

Dr Steve Bodon
Non-Executive Director

Company Secretary

Ms Yaxi Zhan

Registered and Principal Office

Suite 1, 16 Ord Street
West Perth, WA 6005

Telephone: (08) 6248 9663

Website

www.ax8.com.au

Stock Exchange

Australian Securities Exchange (ASX Limited)
Home Exchange Perth

Securities

Code: AX8

Share Registry

Advanced Share Registry
110 Stirling Hwy
Nedlands WA 6009

Australian Telephone: 1300 113 258
International Telephone: (618) 9389 8033
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Auditor

Hall Chadwick WA Audit Pty Ltd
283 Rokeby Road
Subiaco, WA 6008

Telephone: +61 8 9426 0666

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DIRECTORS' REPORT

The Directors of Accelerate Resources Limited (“the Company” or “Accelerate”) and its controlled entities (“the Group”), present their interim financial report for the half-year ended 31 December 2022.

DIRECTORS

The names of Directors in office at any time during or since the end of the half-year ended 31 December 2022 were as follows:

Name	Title	Date Appointed
Mr Richard Hill	Non-Executive Chairman	Appointed 3 July 2020
Ms Yaxi Zhan	Managing Director	Appointed 7 March 2017
Mr Grant Mooney	Non-Executive Director	Appointed 1 June 2017
Dr Steve Bodon	Non-Executive Director	Appointed 1 February 2022

PRINCIPAL ACTIVITIES

The Group is an Australian manganese projects development company, with gold, lithium and other exploration projects in the portfolio

REVIEW OF OPERATIONS AND RESULTS

1. Woodie Woodie North Manganese Project

The projects cover 328km² and offer the opportunity to identify manganese mineralisation of similar nature to the deposits of the nearby (~70km) Woodie Woodie Mine.

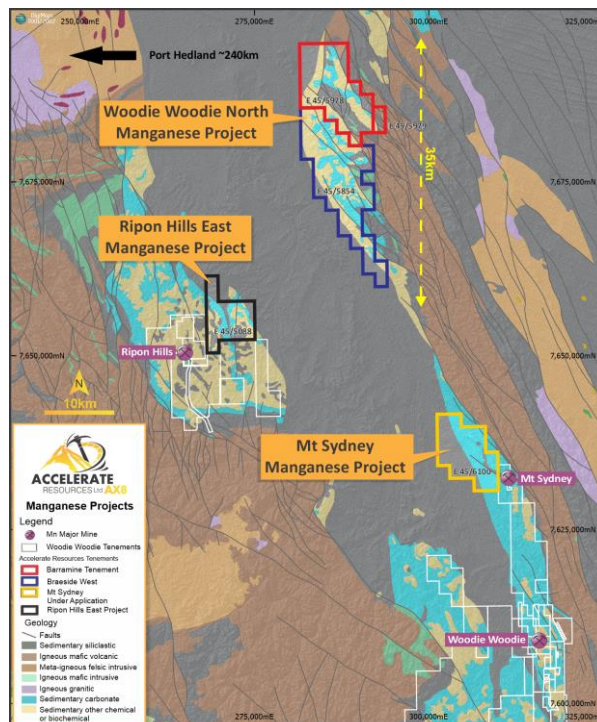


Figure 1: Woodie Woodie North Project area and consolidated Woodie Woodie Mine Corridor

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1.1. Exploration Activities

The Company commenced a 4,500m maiden drilling campaign at its Woodie Woodie North Manganese Project during the September 2022 quarter and completed the program in the December 2022 quarter.

Drill targets were identified based on an extensive review of historical data and Accelerate’s recent fieldwork, which included mapping, surface sampling and interpretation of the high-resolution imagery previously flown by the Company.

The exploration program was executed in two phases and summarized per below:

The Phase 1 drilling program focused on Areas 1, 3, 4 and 42. The drilling was designed to better define each of the respective mineralisation envelopes and to test for extensions of the known zones of mineralisation along host structures and the dolomite/breccia contact. Drilling at Area 42 was designed to test for the presence of the fault controlled mineralization.

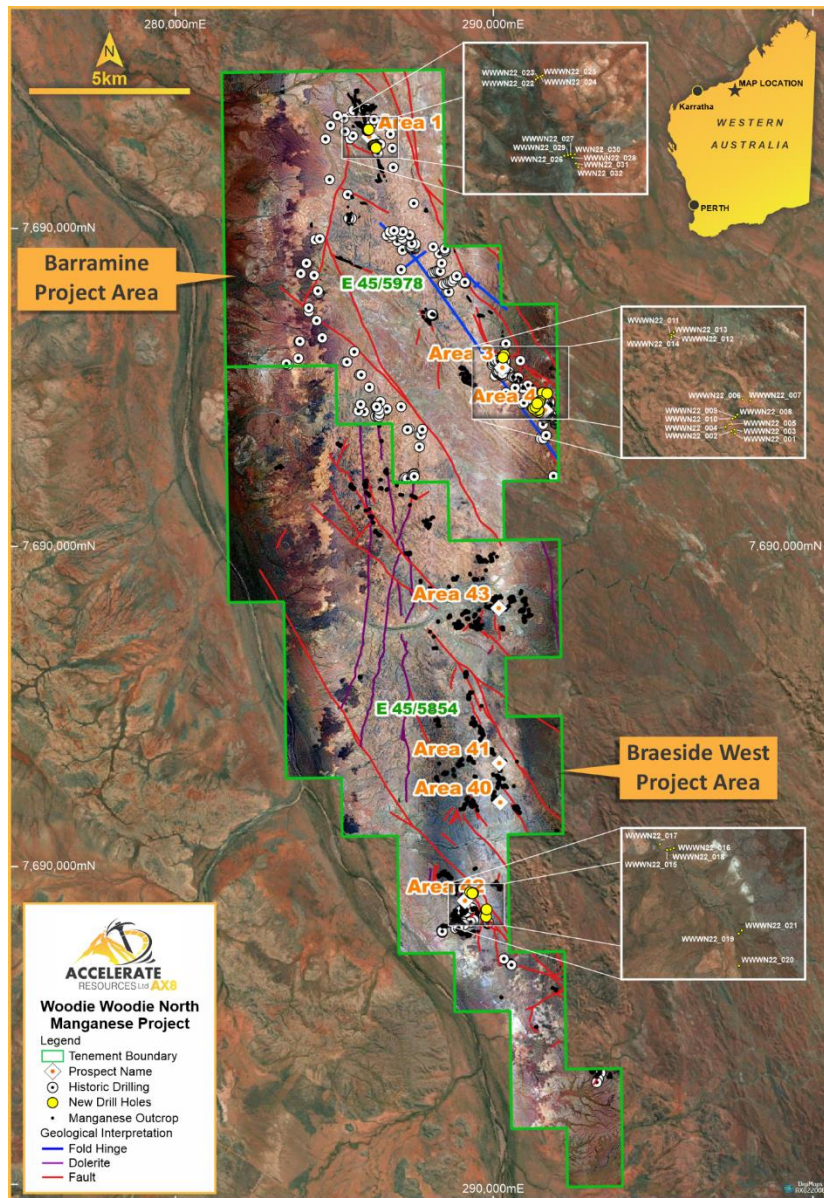


Figure 2: Exploration target areas and phase 1 drill hole locations

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Phase 1 drilling successfully intersected:

- near-surface manganese mineralization at Area 1 associated with a prominent N-S fault structure.
 - 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
- At Area 3, north of the historic drilling along the host N-S structure a scout hole intersected:
 - WNRC011 – 17 m @ 22% Mn & 15.7% Fe from 16m, *Incl.* 9m @ 25.3% Mn from 15m
- At Area 42 mineralization was intersected along a prominent NNW trending fault. Hole WNRC-017 intersected:
 - 6m @ 17.3% & 18.2% Fe from 13m
 - 5m @ 18.6% Mn & 21.9% Fe from 40m
 - 5m @ 19.4% Mn & 30.2% Fe from 82m.

These results show good potential for a Mn-Fe resource at Area 1. At Area 3 the host structure has been mapped 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 mineralized outcrops were located 600 m and 1.3 km along the trace of the fault, providing further encouragement for the prospectivity of this structure. At Area 42, the discovery hole ended in mineralization at 87m and tested the target dissolution zone over a horizontal width of approximately 35 m proving that it represents a substantial target.

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

Phase 2 drilling program was designed to follow-up the results of the Phase 1 Drilling results at Area 42 and to assess the potential for near-surface, high-grade manganese material. Historic drilling had identified shallow high-grade mineralisation. The exploration results were released post December 2022, including the discovery of high-grade manganese zones with low iron intersected from shallow depths at Area 42, results include:

- WNRC038 – 7m @ 31.4% Mn from, *incl.* 1m @ 42.2% Mn
- WNRC047 – 7 m @ 24.6% Mn, *incl.* 4 m @ 28.9% Mn from surface
- WNRC054 – 5 m @ 33.7 Mn from surface, *incl.* 1m @ 50.8% Mn from 1 m
- WNRC059 – 12 m @ 18.3% Mn from surface
- WNRC059 – 8 m @ 30.8% Mn from 13 m, *incl.* 1m @ 50.7% Mn from 18 m
- WNRC060 – 4 m @ 23.4% Mn from 3 m
- WNRC060 – 13 m @ 17.3% Mn from 14 m
- WNRC060 – 10 m @ 12.1% Mn from 32 m
- WNRC060 - 9 m @ 14.2% Mn from 43 m
- WNRC060 – 3 m @ 21.5% Mn from 57 m
- WNRC063 – 9 m @ 22% Mn from 4 m, *incl.* 2m @ 34% Mn from 9 m
- WNRC065 – 11 m @ 21.5% from the surface, *incl.* 3m @ 38.5% Fe from surface
- WNRC074 - 6 m @ 28.4% Mn from 3 m, *incl.* 3 m @ 37.4% Mn from 5 m

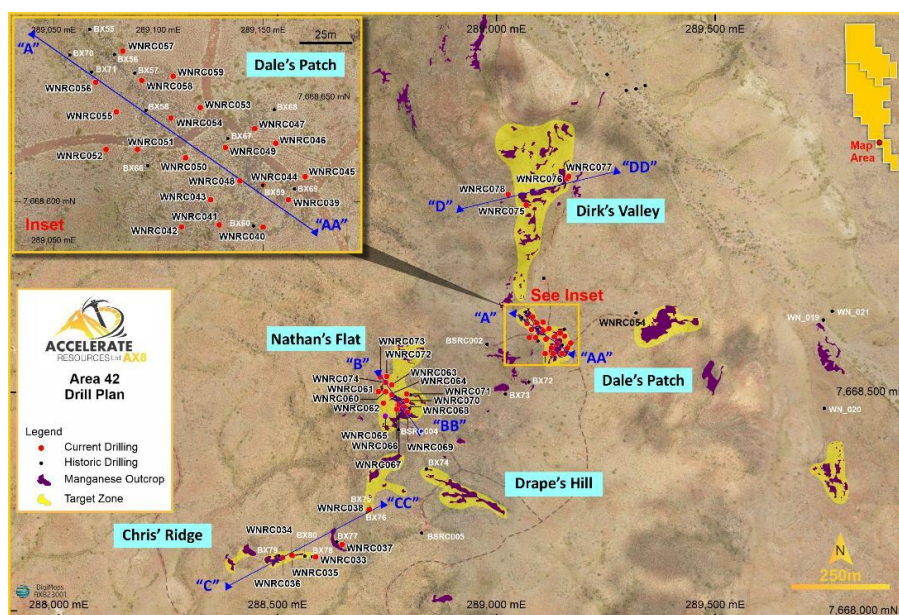


Figure 3 - Area 42 Prospects

For more details please refer to [ASX Announcement 9 February 2023](#)

1.2. Metallurgical Test Work

During the September quarter, the Company reported positive results from preliminary baseline metallurgical test work on a bulk surface sample of ~150kg from Area 42. The results indicated a potential DSO (Direct Shipping Ore) lump quality product with grades up to 40.9% Mn and 13.8% Fe and confirmed a proof-of-concept baseline for product optimisation in future metallurgical programs.

For more details please refer to [ASX Announcement 27 July 2022](#)

2. East Pilbara Lithium Project, WA

The Company's 100%-owned East Pilbara Lithium Project is located 30km east of Global Lithium Resources' (ASX:GL1) Archer deposit (10.5 Mt @ 1.0% LiO₂).

In September, following an encouraging initial reconnaissance sampling program earlier in the year and a detailed photo interpretation, Accelerate identified new targets for a follow-up exploration program. Maiden reconnaissance work confirmed the presence of outcrops of pegmatite dykes with the potential to host lithium mineralisation.

The photo interpretation identified numerous potential pegmatite intrusion targets within multiple vein/dyke filled cross-cutting structures in the granitic plutons. These plutons, Bishop Creek Monzogranite and Joorina Granodiorite are both meta-granites that host numerous younger felsic intrusions (pegmatite, aplite and granophyre veins). They also contain frequent xenoliths of mafic material as well as numerous mafic dykes. The Company's recent fieldwork and sampling concentrated on these zones.

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

3. Comet Project, WA

The Comet Gold Project is located in the central Murchison Goldfield; a historically prolific, yet under-explored, gold-producing region of Western Australia. The Project area is located approximately 650km northeast of Perth mid-way between the active mining centres of Mount Magnet and Meekatharra, close to the well serviced township of Cue in Western Australia.

The project tenure covers highly prospective portions of the Mount Magnet to Meekatharra Greenstone Belt, including the immediate strike extensions to the Big Bell gold mine and the Tuckabianna Shear Zone. Compilation and analysis of historical RAB and RC drilling data has identified several gold targets and anomalous gold trends within the Comet Project area.

Accelerate undertook the first phase of RC drilling at the Comet Gold Project, returning highly encouraging assay results from shallow drilling at the Comet East prospect in 2020.

During this half-year period, the Company continued to extend its ground position in the area through low-cost tenement applications. The Comet project includes five granted Exploration Licences (ELs) and three Exploration Licence applications for a total area of 336km². A detailed project review is currently in progress.

4. Tambellup Kaolin Project, WA

In May 2022, Accelerate and Vytas announced a maiden Inferred Mineral Resource Estimate (MRE) of approximately 12.5Mt of Kaolinised Granite, with Al₂O₃ content of 36.6% and an ISO brightness of 84.8 for the Company's Tambellup Kaolin Project (Tambellup) in southwest Western Australia.

A decision was made to delay the IPO as of 31/12/2022 due to unfavorable market conditions.

5. Mt Read Copper Cobalt Project, TAS

In June 2021, the Company signed a Heads of Agreement granting an option to unlisted company Stunalara Metals Limited ("Stunalara") to acquire 100% of the interest in the Company's Mt Read Copper Cobalt Project in Tasmania.

The parties mutually agreed to terminate the Heads of Agreement from 25 October 2022 due to unfavorable market conditions.

Equity Position in TSX-V Listed Exploration Company Currie Rose Resources

The Company holds 8,333,333 ordinary shares in TSX Listed Exploration Company Currie Rose Resources Inc.

CORPORATE

Capital Raising

During the period, Accelerate completed a capital raising of A\$3 million (before costs) and 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, 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.

DIVIDENDS

There were no dividends paid, recommended or declared during the half-year ended 31 December 2022.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There are no significant changes in the state of affairs of the Group.

EVENTS SUBSEQUENT TO REPORTING PERIOD

On 27 January 2023, the Company issued 2,250,000 unlisted options expiring 27 January 2025, 1,000,000 unlisted options expiring 1 December 2024 and 1,000,000 performance rights expiring 1 December 2023 under the Company's Employee Incentive Scheme.

No other matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

OPERATING RESULTS FOR THE PERIOD

The loss after tax for the half-year ended 31 December 2022 was \$1,558,680 (2021: \$774,665 loss).

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.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the directors



Yaxi Zhan
Managing Director

Date: 16 March 2023
Perth

To the Board of Directors

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Accelerate Resources Limited for the half year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Director

Dated this 16th day of March 2023
Perth, Western Australia

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2022

	Note	Consolidated	
		31 December 2022 \$	31 December 2021 \$
Revenue			
Other income		-	1,500
Expenses			
Corporate and professional expenses		(121,061)	(115,543)
Director and employee benefits		(140,994)	(159,489)
Administration expenses		(115,232)	(78,598)
Other expenses		(47,468)	(79,112)
Depreciation expenses		(1,547)	(996)
Share based payment expense		(46,850)	(124,913)
Impairment of exploration expenditure		(1,000,000)	-
Exploration expenditure		(85,528)	(217,514)
Loss before income tax expenses		(1,558,680)	(774,665)
Income tax expense		-	-
Loss after income tax for the half-year		(1,558,680)	(774,665)
Other comprehensive income for the half-year			
Changes in fair value of financial assets – fair value OCI		(10,664)	-
Total comprehensive loss for the half-year		(1,569,344)	(774,665)
Basic and Diluted Loss per share (cents per share)	10	(0.56)	(0.40)

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	Consolidated	
		31 December 2022 \$	30 June 2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	3	3,165,335	2,313,957
Other assets	4	223,133	112,351
Asset held for sale	5	-	1,000,000
Total Current Assets		3,388,468	3,426,308
Non-Current Assets			
Other non-current assets	4	1,506,960	1,131,223
Exploration and evaluation expenditure	5	3,540,735	2,121,929
Plant and equipment		22,538	11,426
Total Non-Current Assets		5,070,233	3,264,578
TOTAL ASSETS		8,458,701	6,690,886
LIABILITIES			
Current Liabilities			
Trade and other payables	7	365,293	266,167
Provision		71,980	63,857
Total Current Liabilities		437,273	330,024
TOTAL LIABILITIES		437,273	330,024
NET ASSETS		8,021,428	6,360,862
EQUITY			
Issued capital	8	16,131,679	12,948,619
Reserves	9	2,490,985	2,454,799
Accumulated losses		(10,601,236)	(9,042,556)
TOTAL EQUITY		8,021,428	6,360,862

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2022

	Note	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
Balance as at 1 July 2021		9,090,949	2,367,354	(7,821,026)	3,637,277
Loss for the half-year		-	-	(774,665)	(774,665)
Other comprehensive income		-	-	-	-
Total Comprehensive Loss for the half-year		-	-	(774,665)	(774,665)
Shares issued	8	3,544,000	-	-	3,544,000
Share issue costs	8	(183,223)	-	-	(183,223)
Options issued	9	-	124,912	-	124,912
Balance as at 31 December 2021		12,451,726	2,492,266	(8,595,691)	6,348,301
Balance as at 1 July 2022		12,948,619	2,454,799	(9,042,556)	6,360,862
Loss for the half-year		-	-	(1,558,680)	(1,558,680)
Other comprehensive income	6	-	(10,664)	-	(10,664)
Total Comprehensive Loss for the half-year		-	(10,664)	(1,558,680)	(1,569,344)
Shares issued	8	3,386,400	-	-	3,386,400
Share issue costs	8	(203,340)	-	-	(203,340)
Performance rights issued		-	6,414	-	6,414
Options issued	9	-	40,436	-	40,436
Balance as at 31 December 2022		16,131,679	2,490,985	(10,601,236)	8,021,428

The accompanying notes form part of this financial report

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(640,429)	(559,817)
Other income received		-	1,500
Net cash (used in) operating activities		(640,429)	(558,317)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation expenditures		(1,332,630)	(158,433)
Amounts advanced to external party		-	(250,000)
Purchase of plant and equipment		(12,659)	-
Net cash (used in) / from investing activities		(1,345,289)	(408,433)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares	8	3,000,000	3,100,000
Share issue costs	8	(162,904)	(183,223)
Net cash from / (used in) financing activities		2,837,096	2,916,777
Net increase / (decrease) in cash and cash equivalents		851,378	1,950,027
Cash and cash equivalents at the beginning of the half-year		2,313,957	1,232,440
Cash and cash equivalents at the end of the half-year	3	3,165,335	3,182,467

The accompanying notes form part of this financial report

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL REPORT

NOTE 1: GENERAL INFORMATION

Accelerate Resources Limited and its controlled entities is a public company listed on the Australian Securities Exchange (trading under the symbol 'AX8'), incorporated and operating in Australia.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

The half-year interim report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for the year ended 30 June 2022 and any public announcements made by the Group during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Basis of preparation

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the financial statements are consistent with those adopted and disclosed in the Group's annual financial report for the year ended 30 June 2022, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Changes in Accounting Policy, Accounting Standards and Interpretations

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTE 3: CASH AND CASH EQUIVALENTS

	Consolidated 31 December 2022 \$	Consolidated 30 June 2022 \$
Cash at bank	3,165,335	2,313,957

NOTE 4: OTHER ASSETS

	Consolidated 31 December 2022 \$	Consolidated 30 June 2022 \$
CURRENT		
GST receivable	120,234	48,582
Deposit	46,000	46,000
Prepayments	56,899	17,769
	223,133	112,531
NON-CURRENT		
Other non-current asset – Currie Rose Resources Inc. ¹	270,699	281,363
Other non-current asset – Vytas Resources Pty Ltd ²	1,236,261	849,860
	1,506,960	1,131,223

¹ Pursuant to the binding term sheet entered into with Currie Ross Resources Inc. ("Currie Rose") on 30 August 2020, Accelerate made available CAD\$500,000 to Currie Rose in order to fund a due diligence exploration program on the Rossland Gold Project ("Exploration Program"), with Currie Rose managing the Exploration Program at the direction of Accelerate.

The Company completed its Due Diligence on the Exploration Program and elected to convert its expenditure to 8,333,333 shares (which is equivalent to 16.6% of shares on issue), in Currie Rose.

² Pursuant to the binding term sheet entered into with Vytas Resources Pty Ltd ("Vytas") on 1 September 2021, Accelerate made available \$250,000 to Vytas in order to fund progressing the Work Program on the Tambellup Project and the Midwest Silica Sand Project.

The Company announced on 30 November 2021, that it had completed the sale of the Tambellup Project by transferring 100% of the shares of Halcyon Resources Pty Ltd, its wholly owned subsidiary, to Vytas and that Vytas had issued 27,120,000 shares in Vytas to the Company (which is equivalent to 33% of shares on issue).

NOTE 5: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 31 December 2022 \$	Consolidated 30 June 2022 \$
Exploration and evaluation expenditure – Western Australia	3,540,735	2,121,929
	3,540,735	2,121,929

NOTE 5: EXPLORATION AND EVALUATION EXPENDITURE (CONTINUED)

Exploration and evaluation expenditure – Western

Australia	\$
Balance as at 1 July 2022	2,121,929
Additions ¹	2,418,806
Impairment	(1,000,000)
Balance as at 31 December 2022	<u>3,540,735</u>

In June 2021, the Company announced that it had entered into a Heads of Agreement, granting an option to unlisted company Stunalara Metals Limited (“Stunalara”), to acquire 100% of the legal and beneficial interest in the Company’s Mt Read Project in Tasmania. The Mt Read Project comprises exploration license EL06/2013. Upon exercising of the option, the Company will receive fully paid ordinary shares in Stunalara to the value of \$1,000,000 at a deemed issue price equal to the price per share offered to the public under Stunalara’s proposed initial public offering or the 1-month VWAP price of an RTO vehicle prior to a deal being announced for the listing via a reverse takeover (back door listing).

The parties mutually agreed to terminate the Heads of Agreement as of 25 October 2022 due to unfavourable IPO market conditions.

As a result of the above, an impairment charge of \$1,000,000 has been recognised during the half year to 31 December 2022.

	Consolidated 31 December 2022 \$	Consolidated 30 June 2022 \$
Asset held for sale – Mt Read Project	-	1,000,000
	<u>-</u>	<u>1,000,000</u>

**NOTE 6: FINANCIAL ASSETS – FAIR VALUE OTHER
COMPREHENSIVE INCOME**

Balance at beginning of period	281,363	549,571
Changes in fair value	(10,664)	(268,208)
Balance at end of period	<u>270,699</u>	<u>281,363</u>

Financial assets – fair value other comprehensive income, consist of investments in TSX-V listed company. The fair value of current financial assets has been determined directly by reference to published price quotations in an active market. This resulted in a net loss on revaluation of \$10,664 as at 31 December 2022 (30 June 2022: \$268,208), recognised in other comprehensive income.

NOTE 7: TRADE AND OTHER PAYABLES

	Consolidated 31 December 2022 \$	Consolidated 30 June 2022 \$
Trade payables	241,814	216,687
Accruals	77,176	42,815
Other payables	46,303	6,665
	365,293	266,167

NOTE 8: ISSUED CAPITAL

	31 December 2022 No.	30 June 2022 No.	31 December 2022 \$	30 June 2022 \$
Fully paid ordinary shares	377,601,756	263,458,899	16,131,679	12,948,619
<i>Movements in Issued Capital</i>				
	Date	Issue price \$	Shares No.	Amount \$
Balance as at 1 July 2022			263,458,899	12,948,619
Deferred consideration for Halcyon transaction	04/07/2022	0.0552	7,000,000	386,400
Placement – tranche 1	21/11/2022	0.028	40,568,834	1,135,927
Placement – tranche 2	28/12/2022	0.028	66,574,023	1,864,073
Share Issue Cost				(203,340)
Balance as at 31 December 2022			377,601,756	16,131,679

NOTE 9: RESERVES

	31 December 2022 \$	30 June 2022 \$
Option reserve	2,763,409	2,722,973
Performance rights reserve	6,448	34
Fair value reserve	(278,872)	(268,208)
	2,490,985	2,454,799

NOTE 9: RESERVES (CONTINUED)

<i>Movements in Option Reserve</i>	Options No.	Amount \$
Balance as at 1 July 2022	43,500,000	2,722,973
Options issued to Shareholders ¹	53,571,376	-
Options issued to Lead Managers ²	5,000,000	40,436
Options expired ³	(9,000,000)	-
Balance as at 31 December 2022	93,071,376	2,763,409

¹ On 28 December 2022, the Company issued 53,571,376 unlisted options exercisable at \$0.05 each, expiring 28 December 2024 to Shareholders of the Company that participated in the Placement.

² On 28 December 2022, the Company issued 5,000,000 unlisted options exercisable at \$0.05 each, expiring 28 December 2024 were issued to the Placement Lead Managers.

³ On 27 November 2022, 7,500,000 unlisted options exercisable at \$0.0957 and 1,500,000 unlisted options exercisable at \$0.0959 lapsed unexercised.

The total fair value of \$40,436 for options issued to Placement Lead Managers was recognised as share issue costs in the statement of profit or loss and other comprehensive income.

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:

Grant Date	Expiry Date	Exercise Price	Share Price		Expected Volatility	Risk-free Interest Rate	Fair Value per Option
			at Grant Date	Expected			
30/08/2020	02/09/2023	\$0.06	\$0.056	97.8%	0.28%	\$0.0331	
23/11/2020	27/11/2024	\$0.0957	\$0.063	98.3%	0.20%	\$0.0381	
16/11/2021	16/11/2024	\$0.0593	\$0.048	100%	1.02%	\$0.0278	
01/02/2022	01/02/2025	\$0.059	\$0.038	100%	1.23%	\$0.0203	
22/04/2022	22/10/2024	\$0.10	\$0.049	100%	2.7%	\$0.0210	
28/12/2022	28/12/2024	\$0.05	\$0.023	100%	3.42%	\$0.0081	

NOTE 9: RESERVES (CONTINUED)

Summary of options granted as at 31 December 2022 are as follows:

Grant Date	Expiry Date	Exercise Price	Balance at 1 Jul 2022	Granted	Exercised	Expired / Forfeited / Other	Balance at 31 Dec 2022
28/05/2020	09/06/2023	\$0.06	5,000,000	-	-	-	5,000,000
30/08/2020	02/09/2023	\$0.06	5,000,000	-	-	-	5,000,000
31/10/2020	27/11/2022	\$0.0959	1,500,000	-	-	(1,500,000)	-
23/11/2020	27/11/2024	\$0.0957	9,000,000	-	-	-	9,000,000
23/11/2020	27/11/2022	\$0.0957	7,500,000	-	-	(7,500,000)	-
16/11/2021	16/11/2024	\$0.0593	4,500,000	-	-	-	4,500,000
01/02/2022	01/02/2025	\$0.059	1,000,000	-	-	-	1,000,000
22/04/2022	22/10/2024	\$0.10	10,000,000	-	-	-	10,000,000
28/12/2022	28/12/2024	\$0.05	-	53,571,376	-	-	53,571,376
28/12/2022	28/12/2024	\$0.05	-	5,000,000	-	-	5,000,000
			43,500,000	58,571,376	-	(9,000,000)	93,071,376

<i>Movements in Performance Rights Reserve</i>	Performance Rights	Amount
	No.	\$
Balance as at 1 July 2022	500,000	34
Performance rights issued to a Consultant ⁴	-	6,414
Balance as at 31 December 2022	500,000	6,448

⁴ On 27 June 2022, the Company granted 500,000 performance rights expiring 1 October 2023 to a Consultant. The performance rights were valued at \$0.032 per right, being the share price on the grant date, which reflects fair value in line with AASB 2 Share-Based Payments.

NOTE 10: EARNINGS PER SHARE

	Company 2022	Company 2021
	\$	\$
Loss after income tax (used in calculating both basic and diluted loss per share)	(1,558,680)	(774,665)
Basic loss per share (cents)	(0.56)	(0.40)
Diluted loss per share (cents)	(0.56)	(0.40)
		Number
Weighted average number of ordinary shares used in calculating basic and diluted EPS	280,211,483	191,751,420

NOTE 11: SEGMENT REPORTING

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 identified only one segment, being exploration assets in Australia. The Group is domiciled in Australia.

NOTE 12: CONTINGENT ASSETS AND LIABILITIES

At 31 December 2022, there was contingent consideration payable of 8,000,000 ordinary shares relating to the acquisition of Halcyon Resources Pty Ltd on 18 November 2019 relevant to the Tambellup Kaolin Project. These contingent consideration shares are payable based on 8,000,000 shares payable upon shipment of 50,000 tons of Kaolin Clay.

At 31 December 2022, there was contingent consideration payable of 500,000 ordinary shares relating to the acquisition of Volcanic Resources Pty Ltd on 27 November 2020. These contingent consideration shares are payable upon the grant of the tenement to the Company by the Western Australia Department of Mines, Industry Regulation and Safety. However, this consideration has been provided for as settlement of the liability is probable and can be reliably measured.

There were no contingent assets at 31 December 2022 (30 June 2022: nil).

NOTE 13: COMMITMENTS

Operating lease commitments consist of various mining tenement leases in Western Australia (Woodie Woodie North Manganese Project, Comet Gold Project, Wooleen Gold Project)

The Group has annual minimum expenditure commitments of \$347,000 (30 June 2022: \$224,000). This is excluding the commitment relating to the Mt Read Cobalt Project due the project value has been written down to nil.

NOTE 14: EVENTS SUBSEQUENT TO REPORTING PERIOD

On 27 January 2023, the Company issued 2,250,000 unlisted options expiring 27 January 2025, 1,000,000 unlisted options expiring 1 December 2024 and 1,000,000 performance rights expiring 1 December 2023 under the Company's Employee Incentive Scheme.

Apart from the above, no matter or circumstance has arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

In the opinion of the Directors of Accelerate Resources Limited:

1. The consolidated financial statements and notes, as set out within this financial report, are in accordance with the *Corporations Act 2001* including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year then ended.
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to Section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the directors



Yaxi Zhan
Managing Director

Perth

Dated: 16 March 2023

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

Conclusion

We have reviewed the accompanying half-year financial report of Accelerate Resources Limited ("the Company") which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Accelerate Resources Limited does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Company's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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* that are relevant to our audit of the annual 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 review report.

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD



CHRIS NICOLOFF CA
Director

Dated this 16th day of March 2023
Perth, Western Australia

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