

Accelerate and Vytas Complete Tambellup Transaction

Highlights

- Accelerate now a 33% shareholder in Vytas Resources Pty Ltd
- Vytas package expanded to include Tambellup, Moora Silica Sands, White Peaks Silica and the Ajana Silica Projects.
- Vytas IPO planned for April 2022, targeting supply of
 - High Purity Quartz (**HPQ**)
 - High Purity Alumina (**HPA**)
 - High Purity Silicon (**HPS**)
- **HPA** and **HPQ** have been identified by CSIRO (2021) in their Critical Energy Minerals Roadmap as critical minerals needed to transition to a renewable economy
- Moora Silica Sands Project update:
 - Tenement area extended to 200 km²
 - Program of Work (**PoW**) has been approved
 - Drilling to commence in early December 2021
 - Metallurgical test work planned
 - Surface rights obtained over the main project area



Moora Silica Sand Project – recognised deep sand region outcropping at surface

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BOARD

Richard Hill
Yaxi Zhan
Grant Mooney
Deborah Ho

Non-Executive Chairman
Managing Director
Non-Executive Director
Company Secretary

Market Data

ASX Code: AX8

Shares on Issue: 195.7m

Accelerate Resources Limited (ASX: AX8; "Accelerate" or the "Company") is pleased to advise that Accelerate has completed the sale of Tambellup to Vytas Resources Pty Ltd ("Vytas") as per the announcement dated 2 September 2021. Accelerate has been issued with 27,120,000 shares, equal to a 33% interest in Vytas.

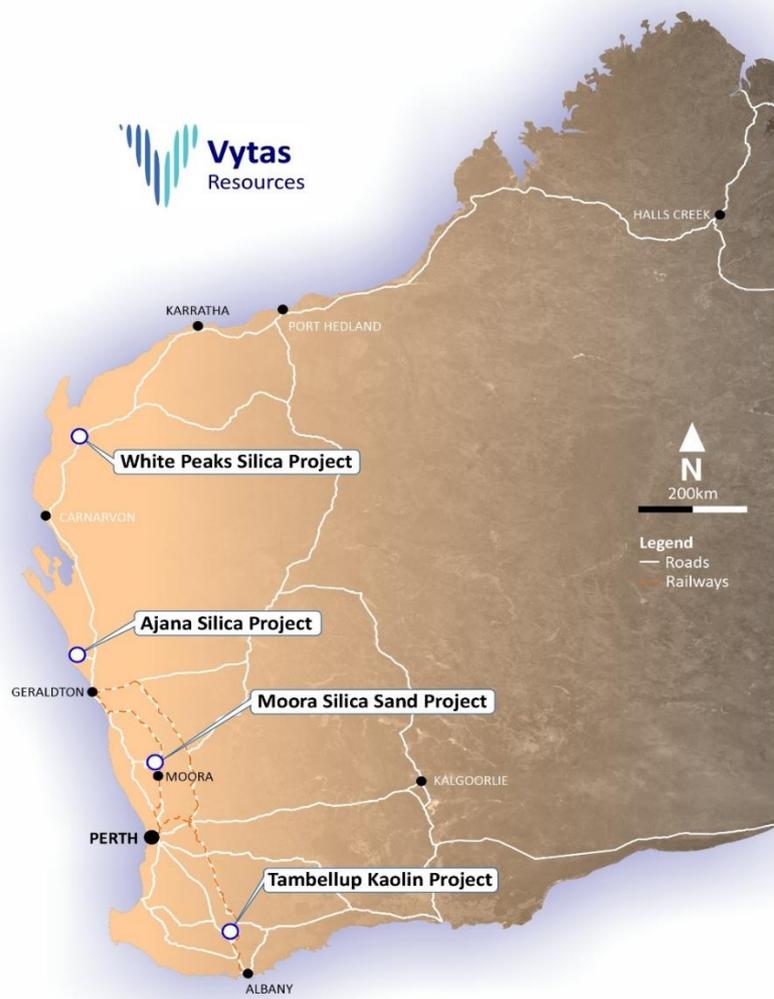
Vytas HPA HPQ Strategy

As indicated in the ASX Announcement on the 2 September 2021, both HPA and HPQ have been identified by CSIRO (2021) in their *Critical Energy Minerals Roadmap* as critical minerals needed to transition to a renewable economy. Both materials are in demand due to their manufacturing benefits and use in Solar PV, Wind Turbines, Concentrated Solar Power (CSP), Green Hydrogen Production and Batteries.

This new technology material venture will place Vytas and Accelerate at the forefront of the renewable technology industry and expose Accelerate shareholders to the globally significant HPQ market and the renewable energy sector.

Vytas Resources Projects

Vytas' Projects, including the recently acquired Tambellup Kaolin Project, target the emerging high grade silica market. All projects are strategically located adjacent to existing infrastructure, including telecommunications, road and rail, and close to major export ports (i.e. Geraldton and Albany).



Vytas Resources Project Location

Moora Silica Sand Project

The Moora Silica Sand Project (**Moora Project**) is located approximately 20 km northeast of the regional town of Moora, 2 hours north of Perth. The Moora Project covers an area of 10,644 ha (106 km²) and is positioned entirely on freehold agricultural land within the regionally extensive deep sand units of the Dandaragan Plateau.

Preliminary metallurgical test work shows that the white sand can be easily beneficiated using typical physical and chemical processes to achieve >99.9 % SiO₂ and <100 ppm Fe₂O₃ specifications needed for glass manufacture and high technology applications.



Characteristic Surface Sand Profile at the Moora Silica Sand Project and Bulk Sampled White Sand



Optical Imagery of the raw White Sand from the Moora Silica Sand Project (MRAC070; 5-6m)

White Peaks Silica Project

The White Peaks Silica Project (**White Peaks Project**) is located 140 km southeast of Exmouth and 240 km southwest of the regional town of Exmouth. The White Peaks Project consists of one Exploration License Application (E08/3449) covering approximately 20,000 ha of outcropping radiolarian siltstone (or amorphous silica) and includes, an active small scale mine (M08/135) and processing facility (G08/09) which is currently producing 1,000 – 2,000 tpa of granulated amorphous silica for the domestic agricultural market.

Vytas plans to drill test and expand the amorphous silica target currently being mined, to define high grade silica for high technology applications, including silicon anodes and nanotechnology.



Outcrop Amorphous Silica

Ajana Silica Project

The Ajana Silica Project (**Ajana Project**) is an early stage project targeting the same geological formation as the White Peaks Silica Project. The Ajana Project is located approximately 30 km southeast of the townsite of Kalbarri, 90 km north of Geraldton and consists of one tenement application (E70/5897) covering approximately 9,400 ha of outcropping Windalia Radiolarite siltstone (or amorphous silica).

Tambellup Project

The Tambellup 'Project's metallurgical testwork confirms the potential for a high-quality Kaolin product. ([ASX Release dated 24 August 2021](#))

Kaolin is a versatile material with a wide range of uses, including traditional applications in the paper, ceramics and coatings industries.

Kaolin is also a feedstock for High Purity Alumina (HPA), with a minimum purity of 99.99 per cent (4N) alumina. The primary by-product from this conversion is silica, which Vytas intends to upgrade to form HPQ, repurposing this waste stream to improve the project economics of the Tambellup Project.

The Vytas team will also focus on establishing a JORC 2012 resource estimate and additional targeted metallurgical test work directed at developing a process flow sheet while progressing product quality opportunities and off-take agreements.

Vytas Time-line to IPO

Vytas plans to complete the phase one exploration of the Moora Project in December 2021. With both the Tambellup Project and the Midwest Silica Sand Project being advanced, Vytas aims to be listed on the ASX by April 2022.

Key Terms of the Transaction

Accelerate has sold the Tambellup Project by transferring 100 per cent of the shares of Halcyon Resources Pty Ltd ("**Halcyon Shares**") to Vytas ("**Transaction**").

Vytas has issued 27,120,000 shares in Vytas to Accelerate, such that Accelerate now holds a 33 per

cent equity interest in Vytas ("**Consideration Shares**"). Accelerate is also entitled to participate in any equity raising or issue of shares carried out by Vytas to the extent that Accelerate's equitable interest in Vytas is not diluted.

Accelerate has transferred \$250,000 ("**Funding Amount**") to Vytas for the purposes of progressing the Work Program, which will include but is not limited to the following activities:

- defining a JORC Resource on the Tambellup Project;
- defining a JORC Resource on the Moora Silica Sand Project;
- preparing for Vytas' initial public offering; and
- contributions to working capital.

In the event Vytas does not list on the ASX by 31 December 2022, Accelerate has the right to buy back 100 per cent of the Halcyon Shares for nominal consideration ("**Right to Buy Back**"). Upon Accelerate exercising the Right to Buy Back, Accelerate will grant Vytas the right to buy back the Consideration Shares for nominal consideration.

Accelerate and Vytas have also executed a shareholders agreement formalising Accelerate's rights as a shareholder of Vytas, which includes the right to appoint a director to the Vytas board. Vytas has appointed Ms. Yaxi Zhan to the board of Vytas as a Non-Executive Director.

This Announcement is authorised for release by the Board of Accelerate Resources Limited.

For further information please contact

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Competent Person Statement:

Information in this release that relates to Exploration Results is based on information compiled by Mr Michael Griffiths, who is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Griffiths has sufficient experience which is relevant to the style of mineralisation 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'. Mr Griffiths consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

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 a variety of factors.