



Notice of Resumption of General Meeting and Dispatch of Offer Documents

Accelerate Resources Limited (ASX: AX8) (“the Company”) advises that the General Meeting of the Company initially scheduled to be held on 16 March 2020 that was adjourned will be resumed at the offices of the Company, at Ground Floor, 16 Ord Street, West Perth, Western Australia, on Thursday, 28 May 2020 at 10.00am (WST) (“Meeting”).

The business to be transacted at the Meeting remains unchanged. Shareholders who have already voted do not need to vote again. Shareholders who have not voted or who wish to change their vote, may do so by lodging a proxy form before 48 hours before the meeting or attending the Meeting.

Due to the ongoing COVID-19 pandemic, Shareholders will not be able to attend the meeting in person. The Company encourages Shareholders to consider attending the Meeting by teleconference or voting by proxy. Voting on each Resolution will occur by a poll rather than a show of hands.

An online polling facility via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to vote online during the Meeting. Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

The dial-in details for the teleconference facility are as below.

Shareholders are asked to submit all questions that relate to the formal items of business to be transacted at the Meeting by no later than Tuesday, 26 May 2020 to the Company Secretary by Email at admin@ax8.com.au. The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each per resolution.

Dial-in Details

Day:	Thursday, 28 May 2020
Time:	10:00am (WST)
Phone Number:	+ 61(8) 6500 2107
Conference Title:	Accelerate Resources Limited General Meeting

Market Data

ASX Code: AX8

Shares on Issue: 59.5M

CONTACTS

Yaxi Zhan
Managing Director
Suite 4/16 Ord Street
West Perth, 6005, WA

T: 08 9482 0500
E: Yaxiz@Ax8.com.au
P: PO Box 938,
West Perth, WA 6005

BOARD

Grant Mooney
Yaxi Zhan
Andrew Haythorpe
Terence Topping
Deborah Ho

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

Please find attached the Notice of Resumption of General Meeting and Explanatory Memorandum.

Dispatch of Offer Documents

Further to the Company's Rights Issue Update announcement on 21 April 2020, the Company advises that the Prospectus and personalised Entitlement and Acceptance Forms have been dispatched to Eligible Shareholders.

—ENDS—

For further information please contact

Yaxi Zhan

Managing Director

E: Yaxiz@AX8.com.au | P: +61 8 9480 0500 | W: www.AX8.com.au

This announcement was authorised for release by the Board of Accelerate Resources Limited.

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Managing Director
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Non-Executive Director
Company Secretary

**Accelerate Resources Limited
ACN 617 821 771**

Notice of Resumption of General Meeting

The General Meeting of the Company initially scheduled to be held on 16 March 2020 (as adjourned) will be resumed at the offices of the Company, at Ground Floor, 16 Ord Street, West Perth, Western Australia, on Thursday, 28 May 2020 at 10.00am (WST).

DUE TO THE ONGOING COVID-19 PANDEMIC, SHAREHOLDERS WILL NOT BE ABLE TO ATTEND THE MEETING IN PERSON.

Shareholders are urged to vote by lodging the proxy form attached to the Notice.

Shareholders who have already voted do not need to vote again. Shareholders who have not voted or who wish to change their vote, may do so by lodging a proxy form before 48 hours before the meeting or attending the meeting.

The Notice of Resumption of General Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +618 9482 0500.

Accelerate Resources Limited
ACN 617 821 771
(Company)

Notice of Resumption of General Meeting

Notice is hereby given that the general meeting of Shareholders of Accelerate Resources Limited initially scheduled to be held on 16 March 2020 (as adjourned) will be resumed at the offices of the Company, at Ground Floor, 16 Ord Street, West Perth, Western Australia, on Thursday, 28 May 2020 at 10.00am (WST) (**Meeting**).

Due to the ongoing COVID-19 pandemic, Shareholders will only be able to attend and participate in the Meeting via teleconference and all voting will be conducted by poll using proxy instructions received in advance of the Meeting. Please refer to the Explanatory Memorandum attached to the Notice for further details.

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Tuesday, 26 May 2020, at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

Agenda

Resolution 1 – Ratification of prior issue of Consideration Shares

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,000,000 Shares to the Vendors (or their respective nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of the Vendors (and their respective nominees) or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote on the resolution as the Chair decides; or

- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 2 – Ratification of prior issue of Placement Shares under Listing Rule 7.1

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 143,000 Shares on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Shares or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 3 – Ratification of prior issue of Placement Shares under Listing Rule 7.1A

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,762,000 Shares on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue of the Shares or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Resolution 4 – Approval of issue of Corporate Advisor Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

'That, pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 5,000,000 Options to Alto Capital (or its nominees) on the terms and conditions in the Explanatory Memorandum.'

Voting Exclusion

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Alto Capital (or its nominee) or a person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a Shareholder) or an associate of those persons.

However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way;
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

BY ORDER OF THE BOARD



Yaxi Zhan
Managing Director
Accelerate Resources Limited
Dated: 24 April 2020

Accelerate Resources Limited
ACN 617 821 771
(Company)

Explanatory Memorandum

1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company, at Ground Floor, 16 Ord Street, West Perth, Western Australia and virtually, on Thursday, 28 May 2020 at 10.00am (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

Section 1	Introduction
Section 2	Action to be taken by Shareholders
Section 3	Takeovers Panel Applications and Orders
Section 4	Resolution 1 – Ratification of prior issue of Consideration Shares
Section 5	Resolution 2 – Ratification of prior issue of Placement Shares under Listing Rule 7.1
Section 6	Resolution 3 – Ratification of prior issue of Placement Shares under Listing Rule 7.1A
Section 7	Resolution 4 – Approval of issue of Corporate Advisor Options
Schedule 1	Definitions
Schedule 2	Key Terms of Acquisition Agreement
Schedule 3	Terms and Conditions of Corporate Advisor Options
Schedule 4	Summary of Corporate Advisory Mandate

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 **Impact of COVID-19 on the Meeting**

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of the Notice, the Company intends to conduct a poll on the resolutions in the Notice using the proxies filed prior to the Meeting and for shareholders to be able to attend and vote at the Meeting virtually by teleconference and online polling.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an announcement to ASX.

2.2 **No attendance in person**

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company is not able to allow Shareholders to physically attend the Meeting. Please refer to the information below on how Shareholders can participate in the Meeting.

2.3 **Voting by proxy**

All voting will be conducted by poll using proxy instructions received in advance of the Meeting (and via online polling during the Meeting - see Section 2.6 below).

Shareholders are strongly encouraged to submit their proxies as early as possible and in any event prior to the cut-off for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised Proxy Form which will be enclosed with a copy of the Notice, delivered to you by email or post (depending on your communication preferences).

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form attached to the Notice.

Proxy Forms already submitted in respect of the general meeting initially scheduled for 16 March 2020 remain valid and there is no need to resubmit a Proxy Form. However, Shareholders are welcome to submit a revised Proxy Form if they wish up until 48 hours prior to the Meeting.

2.4 **Chair's voting intentions**

The Chair intends to exercise all available proxies in favour of all Resolutions unless the Shareholder has expressly indicated a different voting intention.

2.5 **Remote attendance via teleconference**

The Meeting will be accessible to all Shareholders via teleconference, which will allow Shareholders to listen to and observe the Meeting. If you wish to attend the virtual Meeting, please dial +618 6500 2107 to join the teleconference. The dialling number will be ready to receive calls 30 minutes before the Meeting.

Shareholders should note that the teleconference will not provide for a voting mechanism during the Meeting.

2.6 Remote voting via online polling

Shareholders will be able to vote on each Resolution via online polling during the Meeting. Please visit www.advancedshare.com.au/virtual-meeting and refer to the Meeting ID and Shareholder ID on the Proxy Form to login to the website.

2.7 Questions to be submitted in advance only

Shareholders are asked to submit questions that relate to the formal items of business in the Notice in advance of the Meeting to the Company. Questions must be submitted by emailing the Company Secretary at admin@ax8.com.au by no later than Tuesday, 26 May 2020.

The Chair will attempt to respond to the questions during the Meeting. Shareholders are limited to a maximum of two questions each per Resolution.

3. Takeovers Panel Applications and Orders

On 4 March 2020 and 17 March 2020, the Takeovers Panel received applications from GTT Global Opportunities Pty Ltd (**GTT**) in relation to the affairs of the Company, including, amongst other things, its acquisition of the Tambellup kaolin project in consideration for Shares as announced 18 November 2019 (**Kaolin Acquisition**).

On 16 March 2020, the Company lodged a number of substantial holder notices disclosing for the first time that it had a relevant interest of 12.82% in itself as a result of voluntary escrow arrangements and shareholder support deeds being entered into with certain vendors under the Kaolin Acquisition (**Supporting Vendors**) in relation to the Shares issued to them (**Voting Deeds**). The Voting Deeds were dated 18 November 2019. The Company only became aware of the oversight after close of market on Friday, 13 March 2020.

Copies of the Voting Deeds were attached to the substantial holder notices announced by the Company on 16 March 2020. The key terms of the Voting Deeds are set out below:

Key term	Summary
Voting agreement	The relevant Supporting Vendor agrees that they will exercise all of the voting rights attached to the relevant Shares at a meeting of Shareholders on each resolution in accordance with the voting intentions stated by the Chair at the meeting in respect of undirected proxies.
Remedies	The relevant Supporting Vendor acknowledges that damages are an inadequate remedy for the non-performance of any obligations arising under the Voting Deed and agrees that the terms of the Voting Deed shall be specifically enforceable and that the Company shall be entitled to injunctive relief in order to enforce such obligations.
Benefit	The Voting Deed is given by the relevant Supporting Vendor for the benefit of, and may be enforced by, the Company. However it is acknowledged and agreed by the relevant Supporting Vendor that no consideration is payable by the Company.

Key term	Summary
Term and termination	<p>The Voting Deed takes effect on and from execution (being 18 November 2019) and terminates on the earlier of:</p> <p>(a) 9 months from the date of the Voting Deed; and</p> <p>(b) termination (including by the Company at any time (in its absolute discretion) by written notice to the relevant Supporting Vendor).</p> <p>If the Voting Deed is terminated then:</p> <p>(a) the provisions of the Voting Deed will cease to have effect (other than clauses relating to the term of the Voting Deed and general terms and conditions, which will survive termination); and</p> <p>(b) each party retains the rights it has against the other party in respect of any breach of the Voting Deed occurring before termination.</p>

As at 18 November 2019, the Company also had in place a similar shareholder support deed with GTT and certain other Shareholders which gave the Company a relevant interest of 11.27% in itself (**Shareholder Support Deed**).

The Takeovers Panel found that by virtue of entering into the Voting Deeds when the Shareholder Support Deed was still on foot (it subsequently lapsed in December 2019), the Company increased its voting power in Shares from below 20% to above 20% without any exceptions in section 611 of the Corporations Act applying, in contravention of section 606 of the Corporations Act. The Company also delayed in disclosing its relevant interest in Shares under the Voting Deeds, in contravention of section 671B of the Corporations Act.

On 16 April 2020, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the affairs of the Company and on 20 April 2020 made final orders, including that (in effect):

- (a) the Supporting Vendors are released from their Voting Deeds;
- (b) the Company must inform the Supporting Vendors that, as a result of being released from their respective Voting Deeds, they will be free to vote their Shares that were the subject of the Voting Deeds according to their own wishes; and
- (c) the Company give its Shareholders at least 28 days' notice in respect of reconvening the general meeting initially scheduled to be held on 16 March 2020 and a new notice of meeting must be prepared and issued to Shareholders, which will include details of the terms of the Voting Deeds and explain the effect of the declaration and the Takeovers Panel's orders.

The Company confirms that it has advised the Supporting Vendors that they are free to vote their Shares that were the subject of the Voting Deeds according to their own wishes.

The Notice for the Meeting provided to Shareholders is intended to serve as a new notice of meeting in accordance with the Takeovers Panel orders. Details of the terms of the Voting Deeds and an explanation of the effect of the declaration and the Takeovers Panel's orders are set out above.

4. **Resolution 1 – Ratification of prior issue of Consideration Shares**

4.1 **General**

On 18 November 2019, the Company announced that it had entered into a binding agreement (**Acquisition Agreement**) to acquire 100% of the issued capital of Halcyon Resources Pty Ltd (ACN 615 968 155) (**Halcyon**) from the shareholders of Halcyon (**Vendors**) in consideration for:

- (a) 7,000,000 Shares at a deemed issue price of \$0.04 per Share (**Consideration Shares**); and
- (b) subject to the satisfaction of certain milestones, the payment of deferred consideration in two tranches of 7,000,000 Shares and 8,000,000 Shares respectively (or an equivalent cash payment).

A summary of the material terms of the Acquisition Agreement is set out in Schedule 2.

All conditions precedent under the Acquisition Agreement have been satisfied and completion has occurred.

For further details regarding the Acquisition Agreement, Halcyon and the Tambellup Kaolin Project, refer to the Company's announcement dated 18 November 2019 and Section 3 above.

The Company issued the Consideration Shares to the Vendors (or their respective nominees) on 18 November 2019 within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Consideration Shares.

Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 1.

4.2 **Listing Rules 7.1 and 7.4**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Consideration Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1, and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval to the issue of the Consideration Shares under and for the purposes of Listing Rule 7.4.

If Resolution 1 is passed, the issue of the Consideration Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 1 is not passed, the issue of the Consideration Shares will be included in calculating the Company's 15% limit in listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

4.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Consideration Shares:

- (a) the Consideration Shares were issued to the Vendors (or their respective nominees), none of whom is a related party of the Company and none of whom is considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21;
- (b) a total of 7,000,000 Consideration Shares were issued;
- (c) the Consideration Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Consideration Shares were issued on 18 November 2019;
- (e) the Consideration Shares were issued for nil cash consideration at a deemed issue price of \$0.04 per Share, as part consideration for the acquisition of Halcyon;
- (f) no funds were raised from the issue of the Consideration Shares as the Consideration Shares were issued for nil cash consideration;
- (g) a summary of the material terms of the Acquisition Agreement is set out in Schedule 2; and
- (h) a voting exclusion statement is included in the Notice.

5. **Resolution 2 – Ratification of prior issue of Placement Shares under Listing Rule 7.1**

5.1 **General**

On 23 January 2020, the Company announced that it had received binding commitments for a placement to raise a total of \$120,418 (before costs) (**Placement**) by the issue of a total of 4,905,000 Shares at \$0.02455 each (**Placement Shares**) to sophisticated and professional investors (**Placement Participants**).

Alto Capital acted as lead manager to the Placement.

On 28 January 2020, the Company issued 143,000 Placement Shares to the Placement Participants using the Company's placement capacity under Listing Rule 7.1.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1.

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

5.2 **Listing Rules 7.1 and 7.4**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1, and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 2 seeks Shareholder approval to the issue of 143,000 Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 2 is passed, the issue of 143,000 Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, the issue of 143,000 Placement Shares will be included in calculating the Company's 15% limit in listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

5.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) the Placement Shares were issued to the Placement Participants, who were sophisticated and professional investors introduced to the Company by Alto Capital and none of whom is considered to be a 'material investor' for the purposes of

section 7.4 of ASX Guidance Note 21 other than Mr Shane Wee who is a director of Alto Capital;

- (b) a total of 143,000 Placement Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued on 28 January 2020;
- (e) the Placement Shares were issued at an issue price of \$0.02455 each;
- (f) the proceeds of the Placement Shares will be used towards upcoming drilling and exploration programs at the Tambellup Kaolin Project as well as for costs of the Placement and general working capital; and
- (g) a voting exclusion statement is included in the Notice.

6. Resolution 3 – Ratification of prior issue of Placement Shares under Listing Rule 7.1A

6.1 General

A summary of the Placement is set out in Section 5.1.

On 28 January 2020, the Company issued 4,762,000 Placement Shares to the Placement Participants using the Company's placement capacity under Listing Rule 7.1A.

Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares issued pursuant to the Company's placement capacity under Listing Rule 7.1A.

Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 3.

6.2 Listing Rules 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1A limits the amount of equity securities that an eligible entity can issue without the approval of its shareholders over any 12 month period to 10% of the fully paid ordinary securities it had on issue at the start of that period.

The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 10% limit in Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the 12 month period following the issue date.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1, and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1A.

To this end, Resolution 3 seeks Shareholder approval to the issue of 4,762,000 Placement Shares under and for the purposes of Listing Rule 7.4.

If Resolution 3 is passed, the issue of 4,762,000 Placement Shares will be excluded in calculating the Company's 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

If Resolution 2 is not passed, the issue of 4,762,000 Placement Shares will be included in calculating the Company's 10% limit in listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

6.3 **Specific information required by Listing Rule 7.5**

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

- (a) the Placement Shares were issued to the Placement Participants, who were sophisticated and professional investors introduced to the Company by Alto Capital and none of whom is considered to be a 'material investor' for the purposes of section 7.4 of ASX Guidance Note 21 other than Mr Shane Wee who is a director of Alto Capital;
- (b) a total of 4,762,000 Placement Shares were issued pursuant to the Company's placement capacity under Listing Rule 7.1A;
- (c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Placement Shares were issued on 28 January 2020;
- (e) the Placement Shares were issued at an issue price of \$0.02455 each;
- (f) the proceeds of the Placement Shares will be used towards upcoming drilling and exploration programs at the Tambellup Kaolin Project as well as for costs of the Placement and general working capital; and
- (g) a voting exclusion statement is included in the Notice.

7. **Resolution 4– Approval of issue of Corporate Advisor Options**

7.1 **General**

Subject to Shareholder approval, the Company has agreed to issue Alto Capital (or its nominees) 5,000,000 unquoted Options exercisable at \$0.06 each and expiring 3 years from the date of issue as partial consideration for corporate advisory services provided by Alto Capital to the Company (**Corporate Advisor Options**)

Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.1 for the issue of the Corporate Advisor Options.

Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 4.

7.2 **Listing Rule 7.1**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The issue of the Corporate Advisor Options does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 4 seeks the required Shareholder approval to the issue of the Corporate Advisor Options under and for the purposes of Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Corporate Advisor Options and will issue the Corporate Advisor Options no later than three months after the date of the Meeting.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Corporate Advisor Options until such time as further Shareholder approval is obtained or such issuance can be made pursuant to the Company's existing placement capacity under Listing Rules 7.1 or 7.1A.

7.3 **Specific information required by Listing Rule 7.3**

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Corporate Advisor Options:

- (a) the Corporate Advisor Options will be issued to Alto Capital (or its nominees);
- (b) the Corporate Advisor Options will be exercisable at \$0.06 each on or before 3 years from the date of issue and otherwise on the terms and conditions set out in Schedule 3;
- (c) the Corporate Advisor Options will be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);
- (d) the Corporate Advisor Options will be issued for nil cash consideration as part consideration for corporate advisory services provided by Alto Capital to the Company and as such, no funds will be raised from the issue;
- (e) the Corporate Advisor Options will be issued pursuant to a corporate advisory mandate entered into between the Company and Alto Capital (**Mandate**), which is summarised in Schedule 4; and
- (f) a voting exclusion statement is included in the Notice.

Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

\$	means Australian Dollars.
Acquisition Agreement	means the binding agreement between the Company and the Vendors for the acquisition by the Company of 100% of the issued capital of Halcyon.
Alto Capital	means ACNS Capital Markets Pty Ltd (ACN 088 503 208) trading as Alto Capital.
ASX	means the ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
Board	means the board of Directors.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Company	means Accelerate Resources Limited (ACN 617 821 771).
Consideration Shares	means the 7,000,000 Shares issued to the Vendors (or their respective nominees) pursuant to the Acquisition Agreement, which are the subject of Resolution 1.
Corporate Advisor Options	means the 5,000,000 Options to be issued to Alto Capital (or its nominees), which are the subject of Resolution 4.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Director	means a director of the Company.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Halcyon	means Halcyon Resources Pty Ltd (ACN 615 968 155).
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice	means this notice of general meeting.
Option	means an option to acquire a Share.
Placement	means the placement to raise a total of \$120,418 (before costs) by the issue of the Placement Shares to the Placement Participants as announced to ASX on 23 January 2020.

Placement Participants	means the participants in the Placement, being sophisticated and professional investors introduced to the Company by Alto Capital.
Placement Shares	means the 4,905,000 Shares issued to the Placement Participants pursuant to the Placement, which are the subject of Resolution 2 and Resolution 3.
Proxy Form	means the proxy form attached to the Notice.
Resolution	means a resolution referred to in the Notice.
Schedule	means a schedule to the Notice.
Section	means a section of the Explanatory Memorandum.
Securities	means any Equity Securities of the Company.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means the holder of a Share.
Vendors	means the shareholders of Halcyon.
WST	means Western Standard Time being the time in Perth, Western Australia.

Schedule 2 Key Terms of Acquisition Agreement

1. General

Pursuant to the Acquisition Agreement, the Company has agreed to acquire 100% of the issued capital of Halcyon from the Vendors in consideration for:

- (a) the issue to the Vendors (or their respective nominees) of 7,000,000 Shares at a deemed issue price of \$0.04 per Share (**Consideration Shares**);
- (b) and subject to satisfaction of the Tranche 1 Milestone and Tranche 2 Milestone (defined below), the payment of the Tranche 1 Consideration and the Tranche 2 Consideration (defined below).

The Consideration Shares are subject to a voluntary escrow period of 9 months from the date of issue.

2. Tranche 1 Consideration and Tranche 1 Milestone

The Tranche 1 Consideration will be payable to the Vendors upon an announcement by the Company of an inferred (or greater) 'Mineral Resource' (in accordance with the JORC Code) from the project held by Halcyon of either:

- (a) not less than 5,000,000 tonnes of Kaolin Clay containing 45% minus 45 micron clay with an 82% ISO brightness; or
- (b) not less than 5,000,000 tonnes of Kaolin Clay containing not less than an average of 29% Al₂O₃ at an optimal fraction size,

(Tranche 1 Milestone).

The Tranche 1 Consideration will be satisfied by the issuance of 7,000,000 Shares to the Vendors (or their respective nominees) based on a 30 day volume weighted average price of Shares (**VWAP**) (subject to ASX shareholder approval) or, if shareholder approval is not obtained, an equivalent cash payment.

If Shares are issued on satisfaction of the Tranche 1 Milestone, 3,500,000 Shares will be subject to voluntary escrow for a period of 6 months.

3. Tranche 2 Consideration and Tranche 2 Milestone

The Tranche 2 Consideration will be payable upon an announcement by the Company of shipment(s) of a minimum of 50,000 tons of Kaolin Clay or derived product from the project held by Halcyon (**Tranche 2 Milestone**).

The Tranche 2 Consideration will be satisfied by, at the Company's election, the issuance of 8,000,000 Shares to the Vendors (or their respective nominees) based on a 30 day VWAP (subject to ASX shareholder approval) or an equivalent cash payment.

If Shares are issued on satisfaction of the Tranche 2 Milestone, 4,000,000 Shares will be subject to voluntary escrow for a period of 6 months.

4. Warranties and conditions precedent

The Vendors provide a number of warranties and representations in relation to Halcyon's assets, business and operations, as well as indemnities which are considered standard for an agreement of this nature.

All of the conditions precedent under the Acquisition Agreement (including completion of due diligence by the Company on Halcyon and ASX confirming that Listing Rules 11.1.2 and 11.1.3 will not apply to the acquisition) have been satisfied and completion has occurred.

Schedule 3 **Terms and Conditions of Corporate Advisor Options**

1. **Entitlement**

The Options entitle the Option holder (**Optionholder**) to subscribe for one Share upon the exercise of each Option.

2. **Quotation of Options**

The Company will not apply for official quotation of the Options on ASX.

3. **Exercise price and Expiry date**

Each Option has an exercise price of \$0.06 (**Exercise Price**) and will expire at 5.00pm (WST) on or before the date that is 3 years from the date of issue (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

4. **Notice of Exercise**

The Optionholder may exercise their Options by lodging with the Company, on or prior to the Expiry Date:

- (a) in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion;
- (b) a written notice of exercise of Options specifying the number of Options being exercised (**Exercise Notice**); and
- (c) a cheque or electronic funds transfer for the Exercise Price for the number of Options being exercised. Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.

5. **Timing of issue of Shares and quotation of Shares on exercise**

As soon as practicable after the valid exercise of an Option by the Optionholder, the Company will:

- (a) issue, allocate or cause to be transferred to the Optionholder the number of Shares to which the Optionholder is entitled;
- (b) issue a substitute Certificate for any remaining unexercised Options held by the Optionholder;
- (c) if required and subject to paragraph 6, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
- (d) do all such acts, matters and things to obtain the grant of quotation of the Shares by ASX in accordance with the Listing Rules.

All Shares issued upon the exercise of Options will upon issue rank equally in all respects with the then issued Shares.

6. Restrictions on transfer of Shares

If the Company is unable to give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, Shares issued on exercise of the Options may not be traded until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

7. Quotation of Shares on exercise

The Company will apply for official quotation on ASX of all Shares issued upon exercise of the Options within 10 business days after the date of issue of those Shares.

8. Options transferrable

The Options will be transferable subject to compliance with the Corporations Act, Listing Rules and conditional on obtaining prior approval from the Board.

9. Participation in new issues

There are no participation rights or entitlements inherent in the Options and the Optionholder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give the Optionholder notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

10. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will not be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

11. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will not be adjusted following an entitlement offer.

12. Adjustments for reorganisation

If there is any reorganisation of the issued share capital of the Company, the rights of the Optionholder will be varied to comply with the Listing Rules which apply to a reorganisation of capital at the time of the reorganisation.

Schedule 4 Summary of Corporate Advisory Mandate

1. General

The Company has entered into a corporate advisory mandate with Alto Capital dated 20 January 2020 (**Mandate**), pursuant to which the Company has agreed to pay Alto Capital (or its nominee) the following fees:

- (a) a capital raising fee equal to 6% of all funds raised by Alto Capital and/or its network under the Placement;
- (b) a corporate advisory fee of \$5,000 per month (excluding GST) for a period of 12 months for corporate advisory services provided to the Company; and
- (c) the Corporate Advisor Options.

2. Term and termination

Alto Capital is engaged for a 12-month term. The Mandate may be terminated by either party providing the other party 1 months' written notice.

3. Other

The Mandate contains additional terms which are considered to be standard for agreements of this nature.

Important Note: Due to the rapidly evolving COVID-19 outbreak, Shareholders are encouraged to consider participating in the teleconference meeting or voting by proxy as they will not be able to attend the Meeting in person. More information regarding teleconference and online polling is available at the back of the proxy form.

2020 RECONVENED GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Accelerate Resources Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

STEP 1

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Extraordinary General Meeting of the Company to be held at **the offices of the Company, at Ground Floor, 16 Ord Street, West Perth, WA 6005, Australia on Thursday, 28 May 2020 at 10:00am (WST)** and at any adjournment or postponement of that Meeting.

CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Ratification of prior issue of Consideration Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of prior issue of Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of prior issue of Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval of issue of Corporate Advisor Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 2

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address

Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

STEP 3

COVID-19: ACCELERATE RESOURCES LIMITED GENERAL MEETING

Due to the rapidly evolving COVID-19 outbreak, the Company encourages Shareholders to consider participating in the teleconference Meeting or voting by proxy. Shareholders will not be able to attend the Meeting in person.

Please dial +618 6500 2107 to join the teleconference. The dialling number is ready to receive calls 30 minutes before the meeting.

All questions must be lodged by no later than 26 May 2020 to the Company Secretary by Email at admin@ax8.com.au.

To facilitate such participation, voting on each Resolution will occur by a poll rather than a show of hands.

An online polling via www.advancedshare.com.au/virtual-meeting will be offered to allow Shareholders to vote online. Please refer to the Meeting ID and Shareholder ID on the proxy form to login to the website.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

CHANGE OF ADDRESS

This form shows your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

PLEASE NOTE: If you appoint the Chair as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as he sees fit on that resolution.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- (a) On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- (b) Return both forms together.

COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all shareholders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10:00am (WST) on 26 May 2020, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033