
A C C E N T
R E S O U R C E S N . L .



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Quarterly Activities Report For The Period Ending 31 December 2018


Highlights for the quarter ending 31 December 2018

- The Magnetite Range Project diamond drill hole MGD045 will be reviewed and orientated prior to metallurgical and geochemical sampling during the next quarter test work at Na-grom Labs
- A geochem soils orientation multielement survey has been designed over the eastern portion of the Magnetite Range Project, this field program is on hold pending EOT approval of E59/1878
- The Meekatharra Gold Project tenement E51/1209 Extension of Term application was refused and expired on 10/12/2018
- The Norseman Gold project database and geological review has progressed; project wide drill design was completed, drill budgets granted and POW74353 was submitted during the quarter and is currently pending DMP grant; Native Title discussions for MLA agreement have temporarily stalled due to the assignment of another new lawyer by NNTAC
- Shipping Container relocation of company samples to Lot 163 England Crescent within the Perenjori light industrial area is ongoing
- The Company continues to concentrate on the identification of investment opportunities in the resources sector and is targeting projects which are generating or will generate positive cashflow.

Capital Structure

Ordinary Fully Paid Shares at 31 December 2018	181,000,233
12 month high-low	\$0.03 - \$0.006

Directors & Management

Yuzi (Albert) Zhou	Executive Chairman
Dianzhou He	Deputy Chairman
Jun Shang Liang (alternate Jie You)	Non Executive Director
Rob Allen	Company Secretary

Top 10 Shareholders
No.
%

Xingang Resources (HK) Limited	98,026,518	54.16%
Rich Mark Development (Group) Pty Ltd	28,218,366	15.59%
Grandmaster Fortune	21,563,603	11.91%
Sino Oriental International Limited	10,000,000	5.52%
Mr Bin Cui	9,993,998	5.52%
Mrs Li Li Zhao	2,102,500	1.16%
Mr Gregory Ian Willims & Mrs Judith Anne Willims	875,000	0.48%
Mr Tony James Pears & Mrs Lynda Pamela Pears	650,300	0.36%
Tolsutra Pty Ltd	500,000	0.28%
Brownward Pty Ltd <Brian Hayward S/F A/C>	500,000	0.28%



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Corporate

In conjunction with majority shareholder Xingang Resources (HK) Limited and Rich Mark Development the Company continues to assess investment opportunities and projects for acquisition or development.

MZI Resources Ltd (ACS 3.7%)

The Company announced on 30th November 2015 that it had acquired a substantial shareholding in MZI Resources ("MZI") which is a listed West Australian mineral sands producer (ASX Code: MZI). MZI carried out a \$43 million share placement in 3 Tranches, the first 2 of which the Company participated in. The Company acquired 10m shares or 6.25% of MZI at an issue price of 40 cents for a total consideration of \$4.0 million. The third Tranche of MZI placement, which took place in late February 2016, and subsequent share issues have diluted the Company's interest to 3.7%. The Company funded its participation in the MZI placement by way of a \$4 million loan facility extended by the Company's major shareholder Xingang Resources (HK) Ltd.

In November 2015 MZI commissioned a mineral sands mine at Keysbrook which is 70kms south of Perth. During 2016 the project was expected to ramp up to its initial production target of 96ktpa of leuconite (L70 and L88) and zircon concentrate comprising 38ktpa of L88, 29ktpa of L70 and 29ktpa of zircon concentrate. However despite the project being completed on time and within budget operating performance in 2016 was disappointing with production being at 55%-60% of design capacity and operating costs being above budget. Performance in 2016 was affected by below design level recoveries in the WCP (necessitating an additional 48 spirals to be installed) and mining problems caused by equipment breakdown, long haul distances and noise restrictions limiting 24 hour operations.

In November 2016 MZI announced a Board and Management transition with Mr Rod Baxter becoming the new Chairman and Mr Steve Ward becoming the interim Managing Director. At the same time it also advised that a US\$16m debt funding package had been provided by the major shareholder Resource Capital Fund VI LP. The funding package was for expenditure on plant modifications and working capital. In May 2017 MZI announced that it had appointed a new Managing Director MR Martin Purvis who commenced on 1st July 2017. Later that month it announced that it had secured an additional US\$5m funding package from RCF for land acquisition.



In September 2017 MZI announced a new operating plan to increase Keysbrook throughput to 5.25 mtpa by mid 2018. To finance the expansion two further funding packages of US\$5m each from RCF were announced with the second one taking short term borrowings from RCF to US\$31m in January 2018. These short term loans were to be repaid by 1st April 2018.

On 8th March 2018 MZI announced that Accent's Chairman, Mr Albert Zhou, had been appointed a Non Executive Director. Accent, together with major shareholder Rich Mark Development Pty Ltd, held at that time a total associated interest of 13.2% in MZI.

On 29th March 2018 MZI announced a new funding package had been provided by RCF comprising an additional US\$10m working capital loan and a new US\$61m 3 year term loan to retire short term debt and provide working capital, land access expenses and operational optimization.

For the year to June 2018 MZI announced a loss of \$35.4m (2017: \$31.4m loss) on sales of \$42.5m (2017: \$39.6m). Saleable production was 74.7k tonnes (2017: 62.2k tonnes). The Company reported that by year end mining operations were operating at the expanded rate of 5.25mtpa but recovery of the major product L88 had still not reached targeted levels at both the WCP and MSP. These recovery problems together with high financing costs have been the major reasons for the ongoing losses.

Keysbrook is a high value, low cost operation and is expected to be the world's largest primary producer of leuconite. With resources equivalent to 30 years mine life at initial production rates it has significant expansion potential. The Keysbrook project has mineral resources totalling 139mt at 2.0% heavy mineral content and within these resources Proved and Probable Reserves are 57.6 mt at 2.2% heavy mineral grade. The reserves are sufficient for 10 years.

Magnetite Range Iron Ore Project (ACS 100%)

The Company's wholly owned Magnetite Range Project ('MRP') is located in the Midwest region of Western Australia, immediately adjacent to the Extension Hill iron ore mine, and contains a total JORC resource of **434.5 Mt at 31.4% Fe** at 15% weight recovery cut off, as announced to the ASX on 28 November 2012.

Westralian Diamond Drillers completed one diamond hole (MGD045) on Monday 27th March 2018 on Julia Prospect for a total of 130.7m; located on infill Section 10465E. **(See Figure 1)**. MGD045 was designed as a Metallurgical test hole within the main Magnetite Range resource located at Julia Prospect. The main resource target zone was intercepted in drilling, relocation of the core to Perth has been completed, appropriate test work is pending.

A geochemical soils orientation survey proposed for Magnetite Range east tenements E59/1878 (491 soils), E59/2043 (231 soils) and E59/2044 (170 soils) for a total of 892 samples is pending EOT decision for E59/1878. Program logistics and budget has been completed and is scheduled to commence 2019, land access and contractor dependent.

The Company remains committed to development of the project and continue to review land access, infrastructure and corporate options.

Accent project drill samples from all projects are currently stored in secure shipping containers located in the field. Light industrial site Lot 163 England Crescent, Perenjori has seen the delivery of 6 of 8 shipping containers to site. Weather conditions caused some difficulties and the remaining containers will be relocated early 2019. The location of Lot 163, England Crescent, Perenjori is ideally placed as a regional base or hub for the future development of the Magnetite Range Iron Project.

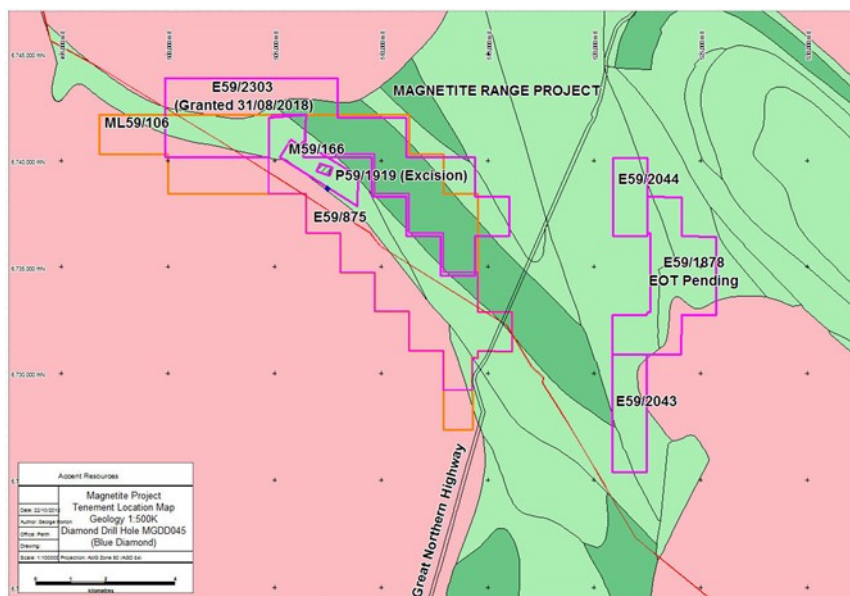


Figure 1 – Magnetite Range Tenement Location Map on Geology

Norseman Gold Project (ACS 100%)

The Norseman Gold Project occurs within a strongly mineralised portion of the southern Norseman-Wiluna greenstone belt and is located 5km south of the Norseman town site.

A JORC 2004 Code Mineral Resource for Iron Duke and Surprise deposits of **1,039,400 tonnes @ 1.8 g/t Au for 59,500 ounces** (99 percentile upper cut, 1.0 g/t Au lower cut off) was announced to the ASX on 26 November 2012. Over 70-80% of the resource is shallow, within 50m of surface.

The 2012 review and resource estimation exercise clearly demonstrated that additional drilling is required to test deeper potential and newly identified zones, an update of the existing 2012 optimisation studies was completed by external engineering consultants and results of the updated optimisations were used to complete a high level geological technical strategic review of the project. Recommendations have been reviewed, an initial stage one relog program of historical drilling and digitizing of all data has been recommended followed by an updated geological model and targeted drill planning. The board agreed to a budget for the above to take place during October 2018. An RC drill program was reviewed and updated POW74353 was submitted during December 2018. POW74353 is currently pending.

Mining Lease application (M63/657) applied for on 3 September 2015 is pending with the WA Department of Mines, Industry Regulation and Safety. This application seeks to convert 7 contiguous granted Prospecting Licences and 5 contiguous granted Mining Leases into one consolidated Mining Lease (M63/657). The 12 tenements are P63/1380-1381; P63/1383-1384; P63/1642; P63/1893; P63/1904; M63/225-226; M63/229; M63/247 and M63/369 (**See figure 2**).

Mining Lease Agreement Native Title negotiations for MLA63/657 have somewhat stalled due to NNTAC assigning another new lawyer to the project. Accent Resources are hoping to finalize the third and final negotiations in the near future.

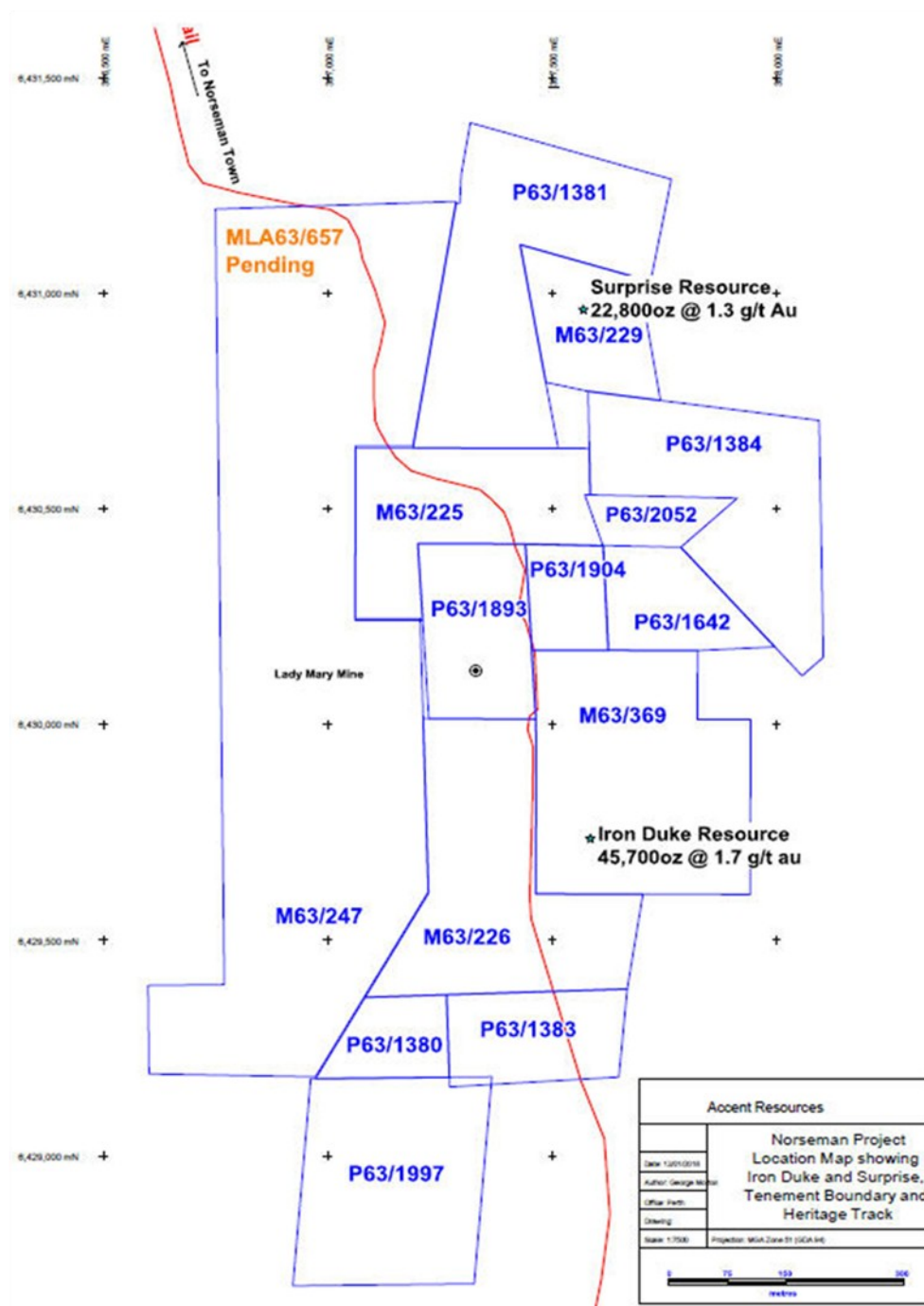


Figure 2—Norseman project tenement location map

Arcadia Gold Project - Meekatharra (ACS 100%)

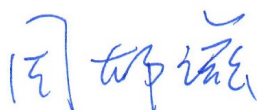
The Arcadia-Meekatharra gold project (E51/1209) was located in the southern portion of the Abbots greenstone belt some 45km south west of Meekatharra and 30km south west of Bluebird gold mine (Metals X) in the Murchison district of Western Australia. The project was an early stage exploration project with historical exploration confined to limited historical drilling at the Hope River Prospect.

Previous work on the tenement included drilling, soil surveys, geological mapping and historical geophysical surveys over parts of the tenement. Due to the lack of subsurface information and a high proportion of salt lake cover, gravity and aerial magnetic surveys were completed during 2016 to help define geological architecture and preliminary local scale target definition. A detailed report by SGC was completed and a total of 41 targets for orogenic gold were identified and ranked during 2017, based on a combination of empirical evidence, conceptual ideas, analogous and/or unusual magnetic responses, interpreted structural settings and historical mapping.

A drill proposal was proposed and granted during 2018 to complete an RC drill program over a high priority target located on the western edge of Lake Annean and east of previous historical drilling, however an extension of term submission submitted on 20th June 2018 was rejected by the DMP and Accent were notified by MMTS on 13th December 2018. This has resulted in the tenement expiring, Accent Resources therefore no longer hold this tenement



Yours faithfully,
Accent Resources NL

A handwritten signature in blue ink, appearing to read 'Yuzi Zhou' in a stylized, cursive script.

Yuzi Zhou
Executive Chairman

For further details contact:
Yuzi (Albert) Zhou - Executive Chairman (08-94813006)

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resource and Ore Reserves is based on information compiled by Ms George Morton, a Competent Person who is a Member of the Australian Institute of Geoscientists. Ms Morton is a full time employee of Accent Resources NL. Ms Morton has sufficient experience that 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'. Ms Morton consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.