

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



ACN 113 025 808

ANNUAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2010**

A C C E N T

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



ACN 113 025 808

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Directors

Ian Hastings – Executive Chairman
Ian Richer – Executive Director
Fiona K.C. Li – Non Executive Director
Jun Sheng Liang – Non Executive Director
Jie You – Alternate Director to Mr Jun Sheng Liang

Company Secretary

Ranko Matic

Auditor

WHK Horwath
Level 6
256 St Georges Terrace
PERTH WA 6000

Bankers

BankWest
1/1215 Hay St
West Perth WA 6005

Solicitors

Allion Legal
Level 2, 50 Kings Park Road
WEST PERTH WA 6005

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Share Registry

Advanced Share Registry
150 Stirling Highway
NEDLANDS WA 6009

Stock Exchange Listing

Australian Stock Exchange Limited
(Home Branch - Perth)
ASX Code: ACS and ACSO

Registered Office

Level 1, 12 Kings Park Road
WEST PERTH WA 6005

Exploration & Administration Office

4/29 Ord Street
WEST PERTH WA 6005

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Dear Shareholder

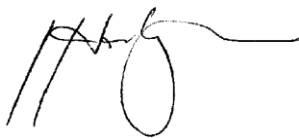
The staff and management of Accent Resources have worked extremely hard over the last twelve months to position the company to take advantage of the unprecedented Chinese interest in Australian Iron Ore. To that end over the past year Accent has reported its maiden JORC Resource at Magnetite Range, broadened its relationship with potential Chinese partners and investors, and commenced discussions with possible purchasers of the project.

Reporting the 391 million tonne resource at Magnetite Range in February 2010 achieved a major milestone for Accent and immediately crystalized an asset of significant value for the company. The challenge ahead now lies in fully extracting the value of that asset in a way which benefits all shareholders. Options open to the company include developing the asset through to production, joint venturing the project or selling it. Any decision on Magnetite Range will not be made until all possibilities have been evaluated.

Accent continues to progress its Vanadium project at Katanning but has concentrated primarily on Magnetite Range. It is hoped that progress at Katanning can be accelerated in the year ahead.

During the year the Company again experienced changes to its Board with the resignation of Technical Director Mr. Terry Butler-Blaxell who left to take up the position as Managing Director of Hazelwood Resources Ltd. Mr. Butler-Blaxell was instrumental in the reporting of the company's maiden resource at Magnetite Range and much thanks must go to him for the significant contribution he has made to Accent over several years.

I am pleased to report that Accent has never been in a better position to capitalize on the investments of its many shareholders. I look forward to the year ahead in which I am confident we can achieve an outcome in respect to the company's flagship project at Magnetite Range, to the development of the company's other projects and above all to the continued growth of the Company to the benefit of all shareholders.



Ian Hastings
Chairman



Your directors present their report together with the financial report of Accent Resources NL ("the Company") for the year ended 30 June 2010.

Directors

The Directors in office at the date of this report and at any time during the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Terence Butler-Blaxell (resigned 16 April 2010)
 Ian Hastings
 Ian Richer
 Fiona K.C Li
 Jun Sheng Liang (appointed 8 July 2009)
 Jie You (alternate director for Mr Jun Sheng Liang – appointed 8 September 2010)

Information on Directors

Ian Hastings

Executive Chairman, appointed 15 March 2008

Qualifications	Lawyer and Accountant
Experience	Ian Hastings is a corporate advisor with many years experience in the fields of finance, investment banking, securities markets compliance and regulation and has almost 30 years experience in the finance industry and regulatory bodies. He is a former Member of ASX and former Principal of several ASX Member Stock Brokers. Mr. Hastings is a Practitioner Member (Master Stockbroking) of the Stockbrokers Association of Australia and holds Bachelor of Commerce and Bachelor of Laws Degrees.
Interest in Shares & Options	Mr Hastings holds an interest in 2,225,000 ordinary shares in the Company, and 3,000,000 20 cent options expiring 1 December 2012.
Other Current Directorships of Listed Companies	Top End Uranium Limited since 20 November 2008 3D Resources Ltd. since 23 July 2010
Former Directorships of Listed Companies in last three years	North Australian Diamonds Limited. Period of service 26 September 2008 to 30 September 2009.

Fiona K. C. Li

Non-Executive Director, appointed 24 June 2008

Qualifications	Lawyer
Experience	Ms Li has over 20 years legal and corporate finance experience, having worked in private practice and acted as in house legal counsel for several multinational companies.
Interest in Shares & Options	Ms Li holds a beneficial interest in 3,000,000 20 cent options expiring 1 December 2012.
Other Current Directorships of Listed Companies	None.
Former Directorships of Listed Companies in last three years	None.

Ian Richer

Executive Director, appointed 7 August 2007

Qualifications

Dip Met.Min. MAusIMM

Experience

Mr Richer is an Engineer with more than 30 years experience in operations, project management and construction on a range of significant mining projects. He played a role in the Goldsworthy iron ore projects, laterite nickel projects in Indonesia and Queensland, mineral sands projects in New South Wales, titano-magnetite mining and processing in New Zealand and various domestic and offshore aluminium and copper - uranium projects. His technical and commercial expertise was gained in organisations including Consolidated Goldfields, INCO, Fluor International, Dravo Corporation and Minproc. Specific nickel sulphide experience was gained through active involvement at Widgiemooltha. Mr Richer has served more than 10 years as a director in banking and corporate finance, with Chase, Societe Generale and as a consultant to the World Bank.

Interest in Shares & Options

Mr Richer holds a beneficial interest in 660,000 ordinary shares in the Company.

Other Current Directorships of Listed Companies

Hazelwood Resources Limited since 9 March 2006

Former Directorships of Listed Companies in last three years

Top End Uranium Limited. Period of service 16 September 2007 to 29 December 2008.

North Australian Diamonds Limited. Period of service 17 September 2007 to 18 December 2008

Jun Sheng (Jerry) Liang

Non-Executive Director, appointed 8 July 2009

Qualifications

Bachelor of Science and Engineering.

Experience

Jerry Liang is Managing Director of Rich Mark Development (Group) Pty Ltd and Director of two steel mills and an iron ore mining company in China. He had 25 years experience in international trade, including 11 years in COFCO, China's largest company, and 12 years in iron ore and steel trading.

Interest in Shares & Options

Jerry Liang has a beneficial interest in 28,218,366 ordinary shares in the company and 3,000,000 20 cent options expiring 1 December 2012.

Other Current Directorships of Listed Companies

None.

Former Directorships of Listed Companies in last three years

None.

Terence Butler-Blaxell

Technical Director, appointed 7 August 2007, resigned 16 April 2010

Qualifications

Bachelor of Science (University of Western Australia), Master of Business Administration (Murdoch University) Graduate Diploma of Applied Finance and Investment (Securities Institute). Member Australasian Institute of Mining and Metallurgy, Fellow Financial Services Institute of Australia, Member Australian Institute of Company Directors.

Experience

Mr Butler-Blaxell has 17 years experience across a range of commodities including gold, industrial minerals, vanadium, base metals, nickel, tungsten and titanomagnetite. He has written investment research for AFSL licensees, and has experience in financial modeling and valuation. Over the past five years Mr Butler-Blaxell has been involved in the compilation of fund raising documents, project and company transactions, due diligence reviews, quantitative market event studies, and company promotion activities. He has been involved in the Exploration and Evaluation of several titanomagnetite and vanadium deposits, including specification of testwork programs and

pilot plants.

Interest in Shares & Options

Mr Butler-Blaxell held a beneficial interest in 500,000 ordinary shares in the Company until date of resignation.

Other Current Directorships of Listed Companies

Hazelwood Resources Limited since 9 March 2006

Former Directorships of Listed Companies in last three years

None.

Jie You

Alternate Director for Mr Jun Sheng Liang, appointed 8 September 2010

Qualifications

Bachelor of Science (Xiamen University, China)

Experience

Jie You joined Xiamen International Trade Group (ITG) after he graduated from the university in 1989 and worked in the international trade side of ITG for ten years. He was also general manager of two ITG subsidiary companies between 1996 ~2000. Jie You has worked as a marketing manager for Rich Mark Development (Group) P/L. Rich Mark is a bulk commodities company.

Interest in Shares & Options

530,000 Fully Paid Ordinary shares (Indirect holding)

Other Current Directorships of Listed Companies

None.

Former Directorships of Listed Companies in last three years

None.

Company Secretary & CFO

Ranko Matic

Mr Matic is a Chartered Accountant with over 20 years experience in the areas of financial and executive management, accounting, audit, business and corporate advisory. Mr Matic has considerable experience in a range of industries with particular exposure to public listed companies and large private enterprises. Mr Matic is a Director of a Chartered Accounting firm and a Corporate Advisory Company based in West Perth and has been involved in an advisory capacity to over 35 initial public offerings on the ASX in the last 8 years. Mr Matic has also acted as CFO and Company Secretary for companies in the private sector and currently also holds company secretarial roles with Golden State Resources Ltd, White Canyon Uranium Ltd and is also a Non-Executive Director and Company Secretary for East Energy Resources Ltd.

Meeting of Directors

During the year 4 meetings of directors were held. Attendances were:

Directors	Number Eligible to Attend	Number Attended
Terry Butler-Blaxell	3	3
Ian Richer	4	4
Ian Hastings	4	4
Fiona Li	4	4
Jerry Liang	3	3

Principal Activities

The Company's principal activity is as a mineral exploration company.

There were no significant changes in the nature of the economic entity's principal activities during the financial year.

Results of Operations

The net loss of the Company after income tax for the year amounted to \$1,363,862 (2009: \$1,480,321).

Dividends

No dividend has been paid or declared by the Company up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend.

Review of Operations

Activities Summary

The Company continued to actively explore and evaluate their Western Australian projects during the reporting period. At the Magnetite Range Iron Ore project, located in the mid-west of Western Australia, advanced drilling and evaluation studies continued. The company also completed a road show to Chinese investors and potential partners and has commenced discussions with possible purchasers of the project.

The level of work at the Katanning vanadium project was reduced as the Company's focus was directed towards the evaluation of the Magnetite Range Project. A small diamond drill programme returned anomalous titano vanadium intersections from magnetite gabbros at the Red Hill and Mine Hill prospects and additional follow up is required. Preparations also commenced for a concerted geological and geochemical evaluation of the project area during the next year.

Magnetite Range Iron Ore Project (ACS 100%).

The Magnetite Range Iron Ore Project is considered a high-priority value adding opportunity and accordingly significant activity has been implemented to assess the size and economic merits of this project. Accent moved to a 100% interest in the project through the acquisition of the outstanding interest from its Joint Venture Partner.

During the reporting period granted mining lease M59/166 was acquired from Legend Mining Ltd. The new tenement contains extensions of mineralisation at depth and its acquisition assists development options.

Reverse circulation and diamond core drilling continued during the reporting period. A total of 15 RC holes for 1,428m, 27 diamond for 6,820.4m and 12 RC diamond tail holes for 3,186.4m were drilled. In February 2010 the company announced a maiden resource of 391Mt at 30% Fe (DTR 67%Fe, 30.8% mass recovery).

This drilling includes dedicated holes for additional metallurgical test work in the southern areas where thick BIF units were intersected.

Process engineers METS have continued with the development of metallurgical test work, process flow sheets, and engineering and infrastructure studies. Significant amounts of detailed metallurgical test work were undertaken that is aimed at characterizing the various ore types. The results showed that a clean magnetite concentrate could be produced with moderate energy requirements. Preliminary processing flow sheets were derived for a 5 million tonne per annum magnetite concentrator. Scoping level operating cost estimates for the concentrator are comparable with other proposed local magnetite projects.

Katanning Vanadium Project (ACS 90%).

Accent has interests in a large area of tenure in the southwest mineral field of Western Australia which contains several areas of interest for vanadium mineralisation. The Katanning project is well served by infrastructure including road, rail, grid power and proximity to regional centres.

Follow up diamond drilling over anomalous RC intersections was completed at the Red Hill and Mine prospects. The diamond drilling successful returned anomalous titano vanadium intersections, associated with titanomagnetite within from favorable magnetite gabbros, at both prospects and further drilling is warranted to determine the extent of the vanadiferous units. A more concerted geological and geochemical evaluation of the project area is proposed during the next year.

Norseman Gold Project (ACS 100%)

A gold mineral resource has previously been reported for the Norseman Project. Although the resource is unlikely to be of sufficient scale to support a stand-alone operation, there may be joint venture opportunities for development and or toll processing with other operators in the region. Accordingly, in recognition of this potential, the Norseman Gold Project has been retained in the Company's portfolio of tenements.



The tenements are endorsed by the Minister to explore for iron ore. Previous sampling of hematite rich outcrops returned significant iron values with 12 samples greater than 53% iron.

The results are considered sufficiently promising to warrant follow up work within the project area, which occurs in close proximity to rail and road transport infrastructure.

Financial Position

The net assets of the Company are \$16,593,244. Full details of the financial position of the Company can be found in the Financial Report section within this Annual Report.

The directors believe the Company is in a strong and stable financial position to pursue its current operations.

Significant changes in state of affairs

There were no other significant changes in the state of affairs of the company during the financial period.

After Balance Date Events

On 19 July 2010 the company announced a memorandum of understanding with Chongqing Chonggang Minerals Development Investment Ltd to work together to achieve a mutually beneficial outcome, reflecting economic savings for infrastructure sharing for their respective Magnetite Range and Extension Hill projects, which are adjacent. On 20 August 2010 the company announced that it has executed confidentiality deeds with interested parties in China to facilitate the exchange of information in respect to a possible sale of the Magnetite Range project.

On 7 September 2010, the 10,000,000 13 September 2010 options were exercised at 12¢ raising \$1.2 million. On 13 September 2010 the company announced that it has completed a placement of 15 million ordinary fully paid shares at \$0.30 together with 3.5 million attaching options exercisable at \$0.30 to raise \$4.5 million. The placement was completed to Xingang Resources (HK) Ltd which is a wholly owned subsidiary of Xinyang Iron and Steel Co Ltd.

Other than the above, no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Future Developments, Prospects and Business Strategies

The Company intends to continue to pursue its goals to acquire, explore, and exploit iron ore and other deposits and explore prospective tenements.

Environmental Issues

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.

The directors continue to consider the National Greenhouse and Energy Reporting Act 2007 (the NGER Act) which introduces a single national reporting framework for the reporting and dissemination of information about the greenhouse gas emissions, greenhouse gas projects, and energy use and production of corporations. Currently, at this stage of development, the directors have determined that the NGER Act still has no effect on the company for the current, nor subsequent financial year. The directors will reassess this position as and when the need arises.



Remuneration Report

The Remuneration Report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Service agreements
- C Details of remuneration
- D Share-based compensation

The information provided in this remuneration report has been audited as required by section 308 (3C) of the Corporations Act 2001.

The remuneration arrangements detailed in this report relate to the following Directors and key management personnel as follows:

Terence Butler-Blaxell - Technical Director (resigned 16 April 2010)
Ian Richer - Executive Director
Ian Hastings - Executive Chairman
Fiona K.C Li - Non-Executive Director
Jun Sheng Liang – Non-Executive Director (appointed 8 July 2009)
Mr Ranko Matic - Company Secretary & CFO

A. Principles used to determine the nature and amount of remuneration

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and industry generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice should be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

The Board recognises that Accent Resources NL operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

Market Comparisons

Consistent with attracting and retaining talented executives, the board endorses the use of incentive and bonus payments. The board continues to seek external advice to ensure reasonableness in remuneration scale and structure, and to compare the Company's position with the external market. The impact and high cost of replacing senior employees and the competition for talented executives requires the committee to reward key employees when they deliver consistently high performance.

Board Remuneration

Shareholders approve the maximum aggregate remuneration for non-executive directors. The Board determines actual payments to directors and reviews their remuneration annually based, on independent external advice with regard to market practice, relativities, and the duties and accountabilities of directors. A review of directors' remuneration is conducted annually to benchmark overall remuneration including retirement benefits.

Performance-based remuneration

The Board recognises that Accent Resources NL operates in a global environment. To prosper in this environment the Company must attract, motivate and retain key executive staff.

The principles supporting our remuneration policy are that:

- Reward reflects the competitive global market in which the Company operates.
- Remuneration arrangements are equitable and facilitate the development of senior management across the company

Senior managers should receive a component of their remuneration in equity.



B. Service Agreements

Employment Contracts Of Directors And Senior Executives

The employment conditions of the Technical Director, Terry Butler-Blaxell was formalised in a contract of service with Excelsior Minerals Pty Ltd for \$50,000 per annum. The contract was for no predetermined term and was terminated in April 2010 on Mr Butler-Blaxell's resignation.

The employment contracts stipulate a range of two to three month resignation periods. The Company may terminate an employment contract without cause by providing two to three months written notice or making payment in lieu of notice, based on the individual's annual salary component. There are no employment contracts relating to Directors or the company secretary other than those outline above.

C. Details of remuneration

The remuneration for each director and each executive officer of the Company receiving the highest remuneration during the year was as follows:

2010

Key Management

Person	Short-term Benefits					Share based Payment		Total	Performance Related
	Cash,	Directors	Non-cash	Post	Other	Equity	Options		
	salary &	Fees	benefit	employment					
	commissions			benefits					
\$	\$	\$	\$	\$	\$	\$	\$	%	
Ian Richer	-	44,107	-	-	-	-	-	44,107	-
Terry Butler-Blaxell (i)	-	31,500	-	-	41,600	-	-	73,100	-
Ian Hastings (ii)	-	77,107	-	-	192,188	-	176,100	445,395	-
Fiona Li	-	36,000	-	-	-	-	176,100	212,100	-
Jun Sheng Liang	-	32,210	-	2,629	-	-	176,100	210,939	-
Ranko Matic (iii)	-	-	-	-	93,705	-	176,100	269,805	-
	-	220,924	-	2,629	327,493	-	704,400	1,255,446	-

2009

Key Management

Person	Short-term Benefits					Share based Payment		Total	Performance Related
	Cash, salary & commissions	Directors Fees	Non-cash benefit	Post employment benefits	Other	Equity	Options		
\$	\$	\$	\$	\$	\$	\$	\$	%	
Richard Oh	-	85,560	-	-	-	-	-	85,560	-
Daniel Podger	247,373	-	-	10,416	-	19,200	-	276,989	-
Alan Wolstencroft	111,150	30,000	-	-	-	-	-	141,150	-
Ian Richer	-	36,000	-	-	-	-	-	36,000	-
Terry Butler-Blaxell (i)	-	36,000	-	-	33,870	-	-	69,870	-
Ian Hastings (ii)	-	39,871	-	-	-	-	-	39,871	-
Fiona Li	-	36,000	-	-	-	-	-	36,000	-
Ranko Matic (iii)	-	-	-	-	111,185	-	-	111,185	-
	358,523	263,431	-	10,416	145,055	19,200	-	796,625	-

- (i) Terry Butler-Blaxell is a director and shareholder of 189 Projects Pty Ltd and Excelsior Minerals Pty Ltd. 189 Projects Pty Ltd was paid \$Nil (2009: \$33,870) and Excelsior Minerals Pty Ltd was paid \$41,600 (2009: \$Nil) in relation to technical services provided.
- (ii) Ian Hastings is a director and shareholder of Ascot Securities Pty Ltd. Ascot Securities was paid \$192,188 (2009: \$ Nil) for services related to capital raising activities.

- (iii) Ranko Matic is a director and shareholder of Bentleys (WA) Pty Ltd. Bentleys (WA) Pty Ltd was paid \$93,705 (2009: \$111,185) in relation to, corporate secretarial, administrative and accounting services performed.

D. Share-based compensation

Share-based Compensation

In the previous year, there were 200,000 shares issued to Mr Daniel Podger as a sign on fee in his capacity as CEO. No shares were issued as compensation to Directors (2009: nil). The following options were granted during the year (2009 : Nil):

Key Management

Person	Grant date	Number	Value	Exercised			Lapsed	Vested no	Vested	Unvested	Lapsed
				no	Exercised	Lapsed no					
			\$		\$				%	%	%
Ian Richer	-	-	-	-	-	-	-	-	-	-	-
Terry Butler-Blaxell	-	-	-	-	-	-	-	-	-	-	-
Ian Hastings	1/12/2009	3,000,000	176,100	-	-	-	-	3,000,000	100	-	-
Fiona Li	1/12/2009	3,000,000	176,100	-	-	-	-	3,000,000	100	-	-
Jun Sheng Liang	1/12/2009	3,000,000	176,100	-	-	-	-	3,000,000	100	-	-
Ranko Matic	1/12/2009	3,000,000	176,100	-	-	-	-	3,000,000	100	-	-
		12,000,000	704,400	-	-	-	-	12,000,000			

The value of options granted as remuneration and as shown in the above table has been determined in accordance with applicable accounting standards.

Option values at grant date were determined using the Black-Scholes method. Refer below for further details on options issued.

Shares Issued Upon Exercise of Remuneration Options

No shares have been issued upon exercise of options granted as compensation during the year (2009: nil).

Shares Under Option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

	Number	Exercise Price	Expiry Date
Unlisted Options	12,000,000	20¢	1 December 2012
Unlisted Options	3,000,000	20¢	30 June 2011

4,916,500 of the 30 September 2009 28,331,119 listed options were exercised, and the remainder lapsed as un-exercised at 30 September 2009.

On 1 December 2009, 12,000,000 options were issued to key management as a share based payment. The options were issued for nil consideration as approved at the annual general meeting of the company. The options are exercisable on or before 1 December 2012 at an exercise price of 20 cents.

On 1 June 2010, 3,000,000 options were issued to Australian International Lawyers and Associates (AILA) as a share based payment. The options were issued for nil consideration as per the announcement made to the market on 28 May 2010. The options are exercisable on or before 30 June 2011 at an exercise price of 20 cents.

On 7 September 2010, the 10,000,000 13 September 2010 options were exercised at 12¢.

Refer to the notes in the financial statements for details of options granted.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Indemnification and Insurance of Officers

The Company has entered into Director Protection Deeds with each Director of the Company.

Under the Deeds, the Company indemnifies the directors to the maximum extent permitted by law and the Constitution against legal proceedings, damage, loss, liability, cost, charge, expense, outgoing or payment (including legal expenses on a solicitor/client basis) suffered, paid or incurred by them in connection with them being directors of the Company, the employment or engagement of them with the Company or a breach by the Company of its obligations under the Deeds.

Pursuant to the Deeds, the Company must insure them against liability as directors of the Company from the date of the Deed until the date which is 7 years after any director ceases to be a Director ("**End of the Access Period**"). The Company must insure them as required under the Deeds and pay insurance premiums in respect of such insurance.

In addition, the Company must provide access to directors up to the End of the Access Period to all board documents, with such information to be used only for the purpose of assisting them to defend, appeal, commence or settle any claim brought against them in connection with their being a Director or the employment or engagement of them with the Company, or the threat of any such claim.

In accordance with the constitution, except as may be prohibited by the Corporations Act 2001 every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. The total amount of insurance contract premiums paid was \$10,270 (2009: \$20,759).

Auditor's Independence Declaration

The auditor's independence declaration for the period ended 30 June 2010 has been received and can be found on page 48 of the Financial Report.

Non-audit Services

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure that they do not adversely affect the integrity and objectivity of the auditors; and
- the nature of the services provided do not compromise the general principles relating to audit independence as set out in the Institute of Chartered Accountants in Australia and APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2010 (2009: nil).

**ACCENT RESOURCES NL
DIRECTORS' REPORT**



Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Accent Resources NL support and adhere to the principles of corporate governance. The Company's Corporate Governance Statement is contained in the preceding section of this report and on its website at www.accentresources.com.au

Signed in accordance with a resolution of the Board of Directors.

A handwritten signature in black ink, appearing to read "I. Hastings", with a long horizontal line extending to the right.

Ian Hastings
Chairman

Dated this 28th day of September 2010



CORPORATE GOVERNANCE STATEMENT

As a listed company with the ASX Limited (ASX), Accent Resources NL must report on its main corporate governance practices by reference to the Principles and Recommendations of the ASX Corporate Governance Council (the Council). This Report is prepared with reference to the 2nd Edition of the Council's Corporate Governance Principles and Recommendations as published in August 2007 (Principles), which also contains guidelines to companies as to how they should report in relation to the Principles (Guide).

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation 1.1 - Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Board of Directors has been charged by members to oversee the affairs of the Company to ensure that they are conducted appropriately and in the interests of all members. The role of the Board includes:

- (a) appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) approving the annual, half yearly and quarterly accounts;
- (g) approving significant changes to the organisational structure;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company;
- (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- (k) meeting with the external auditor, at their request, without management being present.

The Board has delegated to the relevant appointed CEO or other appointed management, the management of the day-to-day operations and administration of the Company, consistent with the objectives and policies set down by the Board. The CEO or appointed management is directly accountable to the Board for the performance of the management team.

Recommendation 1.2 - Companies should disclose the process for evaluating the performance of senior executives

The Remuneration and Nomination Committee of the Board has been delegated the responsibilities of formulating, implementing and reporting upon results of the appropriate processes for the evaluation of performance of senior executives, directors and Board committees.

In the case of senior executives an informal process of Business Plan Objectives, Key Performance Indicators and Annual Targets has been put in place, the results of which are reviewed on a half yearly basis.

Having regard to the current size and activities of the Company, the Board will retain responsibility for the duties outlined in respect to a Remuneration and Nomination Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Committee.

Recommendation 1.3 - Companies should provide the information indicated in the Guide to reporting on Principle 1.

The Company has provided this information.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Recommendation 2.1 - A majority of the Board should be independent directors

Recommendation 2.2 - The chair should be an independent director

Recommendation 2.3 - The roles of chair and chief executive officer should not be exercised by the same individual

The skills, experience and expertise relevant to the position of director held by each director in office is included in the Director's Report in the Company's annual report and website.

The current Board comprises four directors - two non-executive directors and two executive (Mr Ian Richer and Mr Ian Hastings). The non-executive directors are assessed as not being independent due to significant shareholdings or shareholding representation in the Company, or due to the provision of material services. A director is assessed as being independent according to the following criteria.

An independent Director is a non-executive Director (i.e. is not a member of management) and:

- (a) holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- (c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- (f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

Despite the Company not currently complying with Recommendations 2.1 and 2.2, the Board believes its level of broad management skills and experience, financial skills and deep understanding of the minerals and exploration industry allow it to guide and direct the Company in an appropriate manner.

Recommendation 2.3 has been complied with as the company currently does not have a CEO in place and appointed management is separate from the Chairman's position.

Recommendation 2.4 - The Board should establish a Remuneration and Nomination Committee

The Company does not have a separately formed Remuneration and Nomination Committee. Having regard to the current size and activities of the Company, the Board will retain responsibility for the duties outlined in respect to a Remuneration and Nomination Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Committee

The Board has established a Remuneration and Nomination Committee Charter which has been posted on the Company's website at www.accentresources.com.au.

The Directors' terms of appointment are governed by the Constitution of the Company. A Director appointed to fill a casual vacancy, or as an addition to the Board, only holds office until the next general meeting of members and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding the Managing Director) must retire at each annual general meeting of members. The term of office held by each director in office at the date of this Annual Report is set out in the Directors Report.

All Directors of the Company have direct access to the management of the Company and, where necessary, to external advisers.

Each Director has the right to request independent professional advice at the expense of the Company, which request is not to be unreasonably withheld.

Recommendation 2.5 - Companies should disclose the process for evaluating the performance of the Board, its Committees and individual directors.

The Nomination Committee will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used. The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of its Charter;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration Committee will oversee the performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

Having regard to the current size and activities of the Company, the Board will retain responsibility for the duties outlined in respect to a Remuneration and Nomination Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Committee

The appropriate processes for such evaluations have been initiated but the intended evaluation processes did not occur during the reporting period due to operational priorities and changes in Board structure.

Recommendation 2.6 - Companies should provide the information indicated in the Guide to reporting on Principle 2

The Company has provided this information.

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Recommendation 3.1 - Companies should establish a code of conduct and disclose the code or a summary of the code as to:

3.1.1 the practices necessary to maintain confidence in the Company's integrity;

3.1.2 the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and

3.1.3 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

The Board has adopted a Code of Conduct, which is posted on the Company's website at www.accentresources.com.au

Recommendation 3.2 - Companies should establish a policy concerning trading in Company securities by directors, senior executives and employees, and disclose the policy or a summary of that policy.

The Board has adopted a Securities Trading Policy, which is posted on the Company's website at www.accentresources.com.au

Recommendation 3.3 - Companies should provide the information indicated in the Guide to reporting on Principle 3.

The Company has provided this information.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Recommendation 4.1 - The Board should establish an Audit Committee

It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of asset, the maintenance of proper accounting records and the reliability of financial information as well as non financial considerations.

Having regard to the current size and activities of the Company, the Board will retain responsibility for the duties outlined in the Audit and Risk Committee Charter on the Company's website. As the size and composition of the Board increases over time, the Board will delegate these duties to an Audit and Risk Management Committee.

Recommendation 4.2 - The Audit Committee should be structured so that it: Consists only non-executive directors; consists of a majority of independent directors; is chaired by an independent chair, who is not chair of the Board; and has at least three members.

Having regard to the current size and activities of the Company, the Board will retain responsibility for the duties outlined for an Audit Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to an Audit and Risk Committee, whose composition can then be determined in accordance with the below.

The Committee must comprise at least three members.

- (a) All members of the Committee must be non-executive Directors.
- (b) A majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A.
- (c) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (d) All members of the Committee must be able to read and understand financial statements.

(e) The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent.

(f) The Chairman shall have leadership experience and a strong finance, accounting or business background.

(g) The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

The Board is satisfied that it has sufficient financial, public company, industry sector and business expertise to discharge its duties in terms audit and risk management at this stage of the Company's development.

Recommendation 4.3 - The Audit Committee should have a formal charter

The Board has established an Audit and Risk Committee Charter which has been posted on the Company's website at www.accentresources.com.au

The Company and Audit and Risk Committee policy is to appoint external auditors who demonstrate independence, quality and performance. The performance of the external auditor is reviewed on an annual basis.

Recommendation 4.4 - Companies should provide the information indicated in the Guide to reporting on Principle 4.

The Company has provided this information.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Recommendation 5.1 - Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.

The Company must comply with continuous disclosure requirements arising from the Corporations Act and the Listing Rules of the Australian Securities Exchange (ASX).

The general rule, in accordance with ASX Listing Rule 3.1, is that once the Company becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, the Company must immediately disclose that information to the ASX.

The Company has in place a written policy on information disclosure and relevant procedures.

The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.

The Company Secretary is responsible for:

(a) overseeing and co-ordinating disclosure of information to the relevant stock exchanges and shareholders; and

(b) providing guidance to Directors and employees on disclosure requirements and procedures.

Price sensitive information is publicly released through ASX before it is disclosed to shareholders and market participants. Distribution of other information to shareholders and market participants is also managed through disclosure to the ASX.

Information is posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.



Recommendation 5.2 - Companies should provide the information indicated in the Guide to reporting on Principle 5

The Company has provided this information.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

Recommendation 6.1 - Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Information is communicated to shareholders through:

1. the Annual Report delivered by post and which is also placed on the Company's website;
2. the half yearly report which is placed on the Company's website;
3. the quarterly reports which are placed on the Company's website;
4. disclosures and announcements made to the Australia Securities Exchange, copies of which are placed on the Company's website;
5. notices and explanatory memoranda of Annual General Meetings (AGM) and Extraordinary General Meetings (EGM) copies of which are placed on the Company's website;
6. the Chairman's address and the Managing Director's address made at the AGMs and the EGMs, copies of which are placed on the Company's website;
7. the Company's website, (www.accentresources.com.au) on which the Company posts all announcements which it makes to the ASX; and
8. the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

The Company is reviewing its website to identify ways in which it can promote its greater use by shareholders and make it more informative. At least three historical years of the Company's Annual

Report is provided on the Company's website. Shareholders queries should be referred to the Company Secretary in the first instance.

Recommendation 6.2 - Companies should provide the information indicated in the Guide to reporting on Principle 6.

The Company has provided this information.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Recommendation 7.1 - Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.

Recommendation 7.2 - The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has assumed the normal responsibilities of an Audit and Risk Committee, including the responsibility for implementing the risk management system.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- (a) oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- (b) assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- (c) review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- (a) identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- (b) Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- (c) Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- (a) compliance with applicable laws and regulations.
- (b) preparation of reliable published financial information.
- (c) implementation of risk transfer strategies where appropriate e.g. insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back quarterly to the Audit and Risk Committee.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

Recommendation 7.3 - The Board should disclose whether it has received assurance from the Chief Executive Officer (or equivalent) and the Chief Financial Officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Managing Director, or equivalent, and the Chief Financial Officer have provided to the Board a declaration in accordance with section 295A of the Corporations Act that the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies of the Board; and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Recommendation 7.4 - Companies should provide the information indicated in the Guide to reporting on Principle 7.

The Company has provided this information.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

Recommendation 8.1 - The Board should establish a Remuneration Committee

Having regard to the current size and activities of the Company, the Board will retain responsibility for the duties outlined below in respect to a Remuneration Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Remuneration Committee. The Charter may be subject to review by the Board at any time.

The Board has established a Remuneration and Nomination Committee Charter of which has been posted on the Company's website at www.accentresources.com.au

Recommendation 8.2 - Companies should clearly distinguish the structure of Non-Executive Director's remuneration from that of Executive Directors and senior executives

The Constitution of the Company provides that the aggregate remuneration of all Directors, in their capacity as Directors, must not exceed such sum as the Company in general meeting may approve and is to be apportioned amongst them in such manner as the Directors agree and, in default of agreement, equally. Non-Executive Directors who chair any of the Board committees do not receive additional remuneration for such duties.

The remuneration of Directors and Company Secretary of the Company are set out in the Company's Annual Reports. The disclosure sets out the salary, fees, bonus entitlement, non-cash benefits, retirement benefits and equity related components of each of their respective remuneration packages.

There are no arrangements currently in place for payment of retirement benefits to Non-Executive Directors, other than statutory superannuation contributions.

Recommendation 8.3 - Companies should provide the information indicated in the Guide to reporting on Principle 8.

The Company has provided this information.



ACCENT RESOURCES NL
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010



	Note	2010 \$	2009 \$
Revenues	2	279,177	433,307
Exploration costs expensed		(8,123)	(145,473)
Write-off of exploration costs		(10,030)	(797,542)
Management and marketing costs		(417,431)	(539,016)
Depreciation		(21,588)	(43,500)
Insurances, listing, compliance and auditors fees		(106,913)	(80,915)
Occupancy expenses		(63,532)	(102,754)
Share based payments		(836,100)	(19,200)
Other expenses		(179,322)	(185,228)
Loss before income tax expense		(1,363,862)	(1,480,321)
Income tax expense	4(a)	-	-
Loss from continuing operations		(1,363,862)	(1,480,321)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,363,862)	(1,480,321)
Total comprehensive income attributable to members of the company		(1,363,862)	(1,480,321)
		Cents Per Share	Cents Per Share
Basic and diluted earnings/(loss) per share	3	(1.06)	(1.37)

The accompanying notes form part of these financial statements.

ACCENT RESOURCES NL
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010



	Note	2010 \$	2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents		3,136,301	3,893,736
Trade and other receivables	5	236,001	106,190
Total Current Assets		3,372,302	3,999,926
Non-Current Assets			
Plant and equipment	6	131,185	133,549
Deferred exploration and evaluation costs	7	13,612,015	8,019,567
Total Non-Current Assets		13,743,200	8,153,116
Total Assets		17,115,502	12,153,042
LIABILITIES			
Current Liabilities			
Trade and other payables	8	522,258	228,309
Total Current Liabilities		522,258	228,309
Total Liabilities		522,258	228,309
NET ASSETS		16,593,244	11,924,733
EQUITY			
Issued capital	9	19,893,154	14,451,809
Reserves	10	1,472,537	881,509
Accumulated losses		(4,772,447)	(3,408,585)
TOTAL EQUITY		16,593,244	11,924,733

The accompanying notes form part of these financial statements.

ACCENT RESOURCES NL
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010



	Issued Capital \$	Accumulated Losses \$	Option Reserve \$	Total Equity \$
Balance as at 1 July 2008	14,207,609	(1,928,264)	881,509	13,160,854
Total comprehensive income for the year	-	(1,480,321)	-	(1,480,321)
Issue of share capital, net of transaction costs	-	-	-	-
Share based payments	244,200	-	-	244,200
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2009	14,451,809	(3,408,585)	881,509	11,924,733
Total comprehensive income for the year	-	(1,363,862)	-	(1,363,862)
Issue of share capital, net of transaction costs	4,956,273	-	-	4,956,273
Share based payments	240,000	-	836,100	1,076,100
Options expired	245,072	-	(245,072)	-
Dividends paid or provided for	-	-	-	-
Balance at 30 June 2010	19,893,154	(4,772,447)	1,472,537	16,593,244

The accompanying notes form part of these financial statements.

ACCENT RESOURCES NL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010



	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		185,660	433,307
Other income from operating activities		45,517	-
Receipts from customers		-	-
Payments to suppliers and employees		(587,227)	(1,015,813)
Payments for exploration and evaluation		(5,312,478)	(2,996,254)
Net cash (used in) operating activities	12(a)	(5,668,528)	(3,578,760)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration tenements		(50,000)	(10,000)
Payments for plant and equipment		(43,180)	(89,315)
Proceeds from sale of exploration assets		48,000	-
Net cash (used in) investing activities		(45,180)	(99,315)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares and options		5,148,460	-
Transaction costs relating to issue of shares		(192,187)	(194,500)
Proceeds from loan repayments		-	-
Net cash provided by / (used in) financing activities		4,956,273	(194,500)
Net increase/(decrease) in cash and cash equivalents held		(757,435)	(3,872,575)
Cash and cash equivalents at the beginning of the financial year		3,893,736	7,766,311
Cash and cash equivalents at the end of the financial year		3,136,301	3,893,736

The accompanying notes form part of these financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Basis of Accounting

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report covers the individual entity of Accent Resources NL. Accent Resources NL is a listed public company, incorporated and domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The functional currency and presentation currency of Accent Resources NL is Australian dollars.

(ii) Statement of Compliance

The Company's financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

The accounting policies described below have been applied consistently to both years.

(iii) Significant accounting estimates and assumptions

Estimates of any restoration obligations are based on current technology, legal requirements and future costs. In determining restoration obligations, the Company has assumed no significant changes will occur in the relevant legislation in relation to restoration of sites in the future.

(iv) Summary of Significant Accounting Policies

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Current receivables for GST are due for settlement within 30 days and other current receivables within 12 months.

Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a reducing balance basis to write off the net cost of each item of plant and equipment over its expected useful life, being 2.5 to 13 years.

Exploration and evaluation expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

(iv) **Summary of Significant Accounting Policies (continued)**

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Impairment of assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset carrying value. Any excess of the asset carrying value over its recoverable amount is expensed to the income statement.

Financial instruments

(a) ***Recognition and Initial Measurement***

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

(b) ***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(c) ***Classification and Subsequent Measurement***

(i) ***Financial assets at fair value through profit or loss***

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) ***Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iv) **Summary of Significant Accounting Policies (continued)**

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(d) **Derivative instruments**

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the income statement unless they are designated as hedges.

(e) **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(f) **Impairment**

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Restoration, rehabilitation, and environmental costs

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

Trade and other payables

Trade payables and other payables are carried at cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

(iv) Summary of Significant Accounting Policies (continued)

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Share-based payment transactions

The fair value of options granted by Accent Resources NL is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the option holder becomes unconditionally entitled to the options. The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

Upon exercise of the options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any transaction costs, are credited to issued capital.

Revenue

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Interest revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

Income tax

The charge for current income tax expense is based on the result for the period adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred income tax is calculated on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(iv) **Summary of Significant Accounting Policies (Continued)**

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse changes occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Issued capital

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

Earnings per share

Basic EPS is calculated as net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined when the Company has on issue potential ordinary shares which are dilutive. It is calculated by dividing net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the Financial Report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

(a) *Impairment*

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(b) *Provision for Impairment of Receivables*

No provision for impairment of receivables has been made at 30 June 2010.

(c) *Exploration and Evaluation Costs*

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at balance sheet date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or relating to, the area of interest are continuing.

(d) *Share-based Payment Transactions*

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using the Black-Scholes option pricing model.

(e) *Environmental Issues*

Balances disclosed in the financial statements and notes thereto are not adjusted for any pending or enacted environmental legislation, and the Directors understanding thereof. At the current stage of the Company's development and its current environmental impact, the Directors believe such treatment is reasonable and appropriate.

(f) *Taxation*

Balances disclosed in the financial statements and the notes thereto, related to taxation, are based on the best estimates of Directors. These estimates take into account both the financial performance and position of the Company as they pertain to current income taxation legislation, and the Directors' understanding thereof. No adjustment has been made for pending or future taxation legislation. The current income tax position represents the Directors' best estimate, pending an assessment by the Australian Taxation Office.

(v) *Adoption of new and Revised Accounting Standards*

During the current year the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these standards and interpretations has had on the financial statements of Accent Resources NL.

AASB 8: Operating Segments

In February 2007 the Australian Accounting Standards Board issued AASB 8 which replaced AASB 114: Segment Reporting. Below is an overview of the key changes and the impact on the company's financial statements.

Measurement impact

Identification and measurement of segments — AASB 8 requires the 'management approach' to the identification measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments. Under AASB 114, segments were identified by business and geographical areas, and only segments deriving revenue from external sources were considered.

The adoption of the 'management approach' to segment reporting has resulted in the identification of reportable segments largely consistent with the prior year.

Under AASB 8, operating segments are determined based on management reports using the 'management approach', whereas under AASB 114 financial results of such segments were recognised and measured in accordance with Australian Accounting Standards. This has resulted in changes to the presentation of segment results, with inter-segment sales and expenses such as depreciation and impairment now being reported for each segment rather than in aggregate for total group operations, as this is how they are reviewed by the chief operating decision maker.

Disclosure impact

AASB 8 requires a number of additional quantitative and qualitative disclosures, not previously required under AASB 114, where such information is utilised by the chief operating decision maker. This information is now disclosed as part of the financial statements.

AASB 101: Presentation of Financial Statements

In September 2007 the Australian Accounting Standards Board revised AASB 101 and as a result, there have been changes to the presentation and disclosure of certain information within the financial statements. Below is an overview of the key changes and the impact on the Group's financial statements.

Disclosure impact

Terminology changes — the revised version of AASB 101 contains a number of terminology changes, including the amendment of the names of the primary financial statements.

Reporting changes in equity — the revised AASB 101 requires all changes in equity arising from transactions with owners, in their capacity as owners, to be presented separately from non-owner changes in equity. Owner changes in equity are to be presented in the statement of changes in equity, with non-owner changes in equity presented in the statement of comprehensive income. The previous version of AASB 101 required that owner changes in equity and other comprehensive income be presented in the statement of changes in equity.

Statement of comprehensive income — the revised AASB 101 requires all income and expenses to be presented in either one statement, the statement of comprehensive income, or two statements, a separate income statement and a statement of comprehensive income. The previous version of AASB 101 required only the presentation of a single income statement.

The Company's financial statements now contain a statement of comprehensive income.

Other comprehensive income — The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expenses that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.

The financial report was authorised for issue on 28 September 2010 by the Board of Directors.

	2010 \$	2009 \$
2. REVENUE AND EXPENSES		
Revenue		
Interest revenue – other entities	185,660	433,307
Profit on sale of assets	48,000	-
Other income	45,517	-
Total Revenue	279,177	433,307
3. EARNINGS PER SHARE		
Basic and diluted earnings per share	Cents (1.06)	Cents (1.37)
	\$	\$
Loss attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share	(1,363,862)	(1,480,321)
	Number of shares	Number of shares
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share	128,747,991	108,304,767
The Company's potential ordinary shares, being its options granted, are not considered dilutive as the conversion of these options would result in a decrease net loss per share.		
4. INCOME TAX		
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
	-	-
Deferred income tax expense included in income tax expense comprises:		
- (Increase) in deferred tax assets	-	-
- Increase in deferred tax liabilities	-	-
	-	-
(b) Reconciliation of income tax expense to prima facie tax payable		
The prima facie tax payable on profit from ordinary activities before income tax is reconciled to the income tax expense as follows:		
Prima facie tax on operating profit at 30%	(409,159)	(444,096)
Add / (Less)		
Tax effect of share based payments	250,830	73,260
Tax effect of exploration expenditure	(2,407,888)	(490,851)
Tax effect of other	(63,364)	(98,660)
Tax effect of:		
Deferred tax asset not brought to account	2,629,581	960,347
Income tax attributable to operating loss	-	-
The applicable weighted average effective tax rates are as follows:	nil%	nil%

	2010 \$	2009 \$
4. INCOME TAX - continued		
Balance of franking account at year end	nil	nil
(c) Deferred tax assets		
Tax Losses	5,335,583	2,418,868
Other	120,103	150,735
	<u>5,455,686</u>	<u>2,569,603</u>
Set-off deferred tax liabilities	(4,080,250)	(1,672,361)
Net deferred tax assets not recognised	<u>1,375,436</u>	<u>897,242</u>
(d) Deferred tax liabilities		
Exploration expenditure	4,080,250	1,672,361
	<u>4,080,250</u>	<u>1,672,361</u>
Set-off deferred tax assets	(4,080,250)	(1,672,361)
Net deferred tax liabilities	<u>-</u>	<u>-</u>
(e) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	<u>4,584,788</u>	<u>2,990,807</u>

Potential deferred tax assets attributable to tax losses and exploration expenditure carried forward have not been brought to account at 30 June 2010 because the directors do not believe it is appropriate to regard realisation of the deferred tax assets as probable at this point in time. These benefits will only be obtained if:

- i. the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- ii. the company continues to comply with conditions for deductibility imposed by law; and
- iii. no changes in tax legislation adversely affect the company in realising the benefit from the deductions for the loss and exploration expenditure.

5. TRADE AND OTHER RECEIVABLES

Current

Goods and services tax refunds	187,485	57,674
Other Receivables	48,516	48,516
	<u>236,001</u>	<u>106,190</u>

There are no balances within trade and other receivables that should be impaired. It is expected that these balances are fully recoverable.

	2010	2009
	\$	\$
6. PLANT AND EQUIPMENT		
Plant and equipment at cost	240,588	197,408
Accumulated depreciation	(109,403)	(63,859)
	<u>131,185</u>	<u>133,549</u>
<i>Reconciliation of plant and equipment:</i>		
Carrying amount at beginning of the year	133,549	87,734
Additions	43,180	89,315
Disposals	-	-
Depreciation expense	(45,544)	(43,500)
Carrying amount at end of the year	<u>131,185</u>	<u>133,549</u>
7. DEFERRED EXPLORATION COSTS		
Carrying amount at the beginning of the year	8,019,567	5,585,855
Deferred exploration expenditure incurred during the year	5,613,660	3,231,254
Write-off of deferred exploration expenditure during the year	(21,212)	(797,542)
Carrying amount at the end of the year	<u>13,612,015</u>	<u>8,019,567</u>
The value of the Company's interest in exploration expenditure is dependent upon the:		
- the continuance of the economic entity rights to tenure of the areas of interest; - the results of future exploration; and - the recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.		
The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.		
8. TRADE AND OTHER PAYABLES		
Current		
Trade creditors and accruals	<u>522,258</u>	<u>228,309</u>
9. ISSUED CAPITAL		
144,000,233 fully paid ordinary shares (2009: 109,816,000 shares)	<u>19,893,154</u>	<u>14,451,809</u>

9. ISSUED CAPITAL - continued

	Number of Shares 2010	Number of Shares 2009	2010 \$	2009 \$
(a) Movements in Ordinary Shares				
Summary of Movements:				
At the beginning of the reporting period	109,816,000	108,116,000	14,451,809	14,207,609
Shares issued during the year				
- Issue of Shares – Share based payment 10 December 2008	-	200,000	-	19,200
- Issue of Shares – Share based payment 11 June 2009	-	1,500,000	-	225,000
- Issue of Shares – Acquisition of Legend Mining Ltd mining lease August 2009	1,500,000	-	240,000	-
- Exercise of options September 2009	4,916,500	-	983,300	-
- Expiry of options	-	-	245,072	-
- Issue of Shares – Tranche one of share purchase plan October 2009	7,000,000	-	996,188	-
- Issue of Shares – Completion of share purchase plan November 2009	2,767,733	-	415,160	-
- Issue of Shares – Tranche two of share purchase plan January 2010	18,000,000	-	2,561,625	-
Closing balance at 30 June 2010	<u>144,000,233</u>	<u>109,816,000</u>	<u>19,893,154</u>	<u>14,451,809</u>

The company has no authorised capital and its ordinary shares have no par value.

(b) Options

Accent Resources NL has the following options on issue:

- 10,000,000 unlisted options at an exercise price of \$0.12 exercisable on or before 13 September 2010.
- 12,000,000 unlisted options at an exercise price of \$0.20 exercisable on or before 1 December 2012.
- 3,000,000 unlisted options at an exercise price of \$0.20 exercisable on or before 30 June 2011.

The following changes to options occurred during the financial year (2009: nil):

4,916,500 of the 30 September 2009 28,331,119 listed options were exercised, and the remainder lapsed as un-exercised at 30 September 2009.

On 1 December 2009, 12,000,000 options were issued to key management as a share based payment. The options were issued for nil consideration as approved at the annual general meeting of the company. The options are exercisable on or before 1 December 2012 at an exercise price of 20 cents.

On 1 June 2010, 3,000,000 options were issued to Australian International Lawyers and Associates (AILA) as a share based payment. The options were issued for nil consideration as per the announcement made to the market on 28 May 2010. The options are exercisable on or before 30 June 2011 at an exercise price of 20 cents.

(c) Terms and Conditions of Issued Capital

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

9. ISSUED CAPITAL - continued

(d) Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2010 is as follows:

	2010	2009
	\$	\$
Cash and cash equivalents	3,136,301	3,893,736
Trade and other receivables	236,001	106,190
Trade and other payables	(522,258)	(228,309)
Working capital position	<u>2,850,044</u>	<u>3,771,617</u>

10. RESERVES

Options reserve

Balance at the beginning of the year	881,509	881,509
Share based expenses – Key management & consultants	836,100	-
Exercise of options transfer to Issued Capital	(245,072)	-
Balance at the end of the year	<u>1,472,537</u>	<u>881,509</u>

Nature and purpose of the reserve:

The options reserve is used to recognise the fair value of options granted but not exercised.

11. COMMITMENTS AND CONTINGENT LIABILITIES

Tenement Expenditure Commitments:

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2010/2011. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

	2010	2009
	\$	\$
The Company also has tenement rental and expenditure commitments of:		
Payable:		
– not later than 12 months	311,425	717,383
– between 12 months and 5 years	694,498	2,869,532
– greater than 5 years	-	-
	<u>1,005,923</u>	<u>3,586,915</u>

11. COMMITMENTS AND CONTINGENT LIABILITIES - continued

Other Commitments:

Operating Lease Commitments:

The Company currently has an operating lease in place upon its West Perth office and 3x car bays. The lease was for a 3 year period commencing 1 September 2008. Commitments are detailed below.

	2010 \$	2009 \$
Payable:		
– not later than 12 months	47,820	47,820
– between 12 months and 5 years	7,970	58,580
– greater than 5 years	-	-
	<u>55,790</u>	<u>106,400</u>

Contingencies:

It is possible that native title, as defined in the Native Title Act 1993, might exist over land in which the Company has an interest. It is impossible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company. However, at the date of these accounts, the Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

12. CASH FLOW INFORMATION

(a) Reconciliation of loss after tax to the net cash flows used in operations

Loss after income tax	(1,363,862)	(1,480,321)
Non-Cash Items:		
Depreciation	21,588	43,500
Share-based payments	836,100	19,200
Write-off of exploration expenditure	10,030	797,542
Gain on sale of exploration assets	(48,000)	-
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(129,811)	319,173
(Increase)/decrease in other assets	-	-
(Increase)/decrease in exploration and evaluation costs	(5,288,522)	(2,996,254)
Increase/(decrease) in trade and other payables	293,949	(281,600)
Cash flows from operations	<u>(5,668,528)</u>	<u>(3,578,760)</u>

(b) Non-Cash Financing and Investing Activities

On 9 September 2009 the company issued 1,500,000 shares plus \$50,000 cash to Gibson Metals Pty Ltd (a subsidiary of Legend Mining Ltd) to acquire 100% interest in Mining Lease 59/166 as part of the Magnetite Range Iron Ore Project. The shares were issued for a deemed valued of 16 cents.

13. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Details of Directors and Key Management Personnel

(i) Directors

The following persons were Directors of Accent Resources NL during the financial year:

13. KEY MANAGEMENT PERSONNEL DISCLOSURES – continued

Ian Hastings – Executive Chairman
Ilan Richer – Executive Director
Fiona Li – Non-Executive Director
Jun Sheng (Jerry) Liang – Non Executive Director (appointed 8 July 2009)
Terence Butler-Blaxell – Technical Director (resigned 16 April 2010)

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

(ii) Other Key Management Personnel

Ranko Matic – Company Secretary & CFO

(b) Key management personnel compensation

	2010	2009
	\$	\$
Short-term employee benefits	548,417	703,780
Post-employment benefits	2,629	10,416
Long-term benefits	-	-
Termination benefits	-	63,229
Share-based	704,400	19,200
	1,255,446	796,625

(c) Equity Instrument Disclosures Relating to Key Management Personnel

(i) Options provided as remuneration and shares issued on any exercise of such options

Details of options provided as remuneration and shares issued on any exercise of such options, together with terms and conditions can be found in the remuneration report within the Directors' Report.

(ii) Option holdings

The number of options over ordinary shares in the Company held during the financial year by each Director of Accent Resources NL and any other key management personnel of the Company, including their personally related parties, are set out below:

Number of Options Held by Key Management Personnel

30 June 2010	Balance at beginning of year	Granted as compensation	Options Exercised	Net Changes Other	Balance at end of year	Total Vested during the year	Vested and exercisable	Vested and unexercisable
Ian Richer	-	-	-	-	-	-	-	-
Terry Butler-Blaxell (a)	-	-	-	-	-	-	-	-
Ian Hastings	10,000,000	3,000,000	-	(10,000,000)	3,000,000	3,000,000	3,000,000	-
Fiona Li	-	3,000,000	-	-	3,000,000	3,000,000	3,000,000	-
Jun Sheng Liang	-	3,000,000	-	10,000,000	13,000,000	13,000,000	13,000,000	-
Ranko Matic (b)	100,000	3,000,000	-	(100,000)	3,000,000	3,000,000	3,000,000	-
	10,100,000	12,000,000	-	(100,000)	22,000,000	22,000,000	22,000,000	-

(a) Terry Butler-Blaxell resigned as director on 16 April 2010. The option holding reflects his option holding as at that date.

(b) Ranko Matic's options are held by Bentleys (WA) Pty Ltd.

13. KEY MANAGEMENT PERSONNEL DISCLOSURES - continued

30 June 2009	Balance at beginning of year	Granted as compensation	Options Exercised	Net Changes Other	Balance at end of year	Total Vested during the year	Vested and exercisable	Vested and unexercisable
Richard Oh (a)	2,980,000	-	-	(400,000)	2,580,000	2,580,000	2,580,000	-
Alan Wolstencroft (b)	1,955,000	-	-	-	1,955,000	1,955,000	1,955,000	-
Ian Richer	-	-	-	-	-	-	-	-
Terry Butler-Blaxell	-	-	-	-	-	-	-	-
Ian Hastings	10,000,000	-	-	-	10,000,000	10,000,000	10,000,000	-
Fiona Li	-	-	-	-	-	-	-	-
Dan Podger (c)	-	-	-	-	-	-	-	-
Ranko Matic	100,000	-	-	-	100,000	100,000	100,000	-
	15,035,000	-	-	(400,000)	14,635,000	14,635,000	14,635,000	-

- (a) Richard Oh resigned as Chairman on 27 May 2009. The option holding reflects his option holding as at that date.
- (b) Alan Wolstencroft resigned as Director on 3 March 2009. The option holding reflects his option holding as at that date.
- (c) Dan Podger resigned as Chief Executive Officer on 27 May 2009. The option holding reflects his option holding as at that date.

(iii) Share holdings

The number of ordinary shares in the Company held during the financial year by each Director and any other key management personnel of the Company, including their personally related parties, are set out below.

Number of Shares Held by Key Management Personnel

30 June 2010	Balance at beginning of year	Received as Compensation	Options Exercised	Net Change Other	Balance at end of year
Ian Richer	1,160,000	-	-	(500,000)	660,000
Terry Butler-Blaxell (a)	1,000,000	-	-	(500,000)	500,000
Ian Hastings	2,000,000	-	-	225,000	2,225,000
Fiona Li	-	-	-	-	-
Jun Sheng Liang	-	-	-	28,218,366	28,218,366
Ranko Matic	380,000	-	-	75,500	455,500
	4,540,000	-	-	27,518,866	32,058,866

- (a) Terry Butler-Blaxell resigned as director on 16 April 2010. The shareholding reflects his shareholding as at that date.

Number of Shares Held by Key Management Personnel

30 June 2009	Balance at beginning of year	Received as Compensation	Options Exercised	Net Change Other	Balance at end of year
Richard Oh (a)	2,850,000	-	-	(2,850,000)	-
Alan Wolstencroft (b)	1,910,000	-	-	-	1,910,000
Ian Richer	1,160,000	-	-	-	1,160,000
Terry Butler-Blaxell	1,000,000	-	-	-	1,000,000
Ian Hastings	2,000,000	-	-	-	2,000,000
Fiona Li	-	-	-	-	-
Dan Podger (c)	-	200,000	-	-	200,000
Ranko Matic	380,000	-	-	-	380,000
	9,300,000	200,000	-	(2,850,000)	6,650,000

- (a) Richard Oh resigned as Chairman on 27 May 2009. The shareholding reflects his shareholding as at that date.
- (b) Alan Wolstencroft resigned as Director on 3 March 2009. The shareholding reflects his shareholding as at that date.
- (c) Dan Podger resigned as Chief Executive Officer on 27 May 2009. The shareholding reflects his shareholding as at that date.

13. KEY MANAGEMENT PERSONNEL DISCLOSURES - continued

(c) Other Transactions with Key Management Personnel

There were no other transactions with key management personnel during the financial year.

14. OTHER RELATED PARTY TRANSACTIONS

Disclosures relating to key management personnel are set out in Note 13. The remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standards AASB 124 Related Party Disclosures, the Corporations Act 2001 and the Corporations Regulations 2001. There are no other related party transactions.

15. SHARE BASED PAYMENTS

The Company provides benefits to employees (including directors) and contractors in the form of share-based payment transactions, whereby employees render services in exchange for shares or options to acquire ordinary shares.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the company with full dividend and voting rights.

On 10 December 2008 the company issued 200,000 shares to Dan Podger. The shares were issued for nil consideration and were valued at 9.6 cents each.

On 11 June 2009 the company issued 1,500,000 shares plus \$10,000 cash to Mawson West Ltd to acquire the remaining 20% interest in the Magnetite Range Iron Ore Project. The shares were issued for a deemed value of 15 cents.

On 9 September 2009 the company issued 1,500,000 fully paid ordinary shares plus \$50,000 cash to Gibson Metals Pty Ltd (a subsidiary of Legend Mining Ltd) to acquire 100% interest in Mining Lease 59/166 as part of the Magnetite Range Iron Ore Project. The shares were issued for a deemed value of 16 cents.

On 1 December 2009, 12,000,000 options were issued to key management as a share based payment. The options were issued for nil consideration as approved at the annual general meeting of the company. The options are exercisable on or before 1 December 2012 at an exercise price of 20 cents.

On 1 June 2010, 3,000,000 options were issued to Australian International Lawyers and Associates (AILA) as a share based payment. The options were issued for nil consideration as per the announcement made to the market on 28 May 2010. The options are exercisable on or before 30 June 2011 at an exercise price of 20 cents. The fair value of the services received from AILA could not be reliably measured.

	2010		2009	
	Number of options	Weighted average exercise price cents	Number of options	Weighted average exercise price cents
Set out below are summaries of the options granted:				
Outstanding at the beginning of the year	11,194,944	12.9	11,194,944	12.9
Granted	15,000,000	20.0	-	-
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(1,194,944)	20.0	-	-
Outstanding at year-end	25,000,000	16.8	11,194,944	12.9
Exercisable at year-end	25,000,000	16.8	11,194,944	12.9

The weighted average remaining contractual life of share options outstanding at the end of the financial year was 1.32 years (2009: 11.9 months), and the exercise prices range from 12 cents to 20 cents. The weighted average fair value of the options granted during the year was 5.6 cents each as there were 15,000,000 issued (2009: nil). The price was calculated by using the Black-Scholes Model applying the following inputs:

15. SHARE BASED PAYMENTS - continued

	2010	2009
Weighted average exercise price (cents)	20	-
Weighted average life of the option (years)	2.62	-
Weighted average underlying share price (cents)	15	-
Expected share price volatility	73.37	-
Weighted average risk free interest rate	4.69%	-

Historical volatility has been used as the basis for determining expected share price volatility as it assumed that this is indicative of future trends, which may not eventuate.

(a) Expenses arising from share-based payment transactions	2010	2009
	\$	\$
Total expenses arising from share-based payment transactions recognised during the period were as follows:		
Equity issued to employees and contractors as part of:		
Equity based payment expense	836,100	19,200
Equity based payment recorded as capital raising costs in equity	-	-
Equity based payment recorded as exploration, evaluation & development costs	240,000	225,000
	<u>1,076,100</u>	<u>244,200</u>

16. INTERESTS IN JOINT VENTURE OPERATIONS

Joint venture agreements have been entered into with various tenement holders, whereby the company has purchased an interest in exploration areas or has earned or can continue to earn an interest in exploration areas by expending specified amounts in the exploration areas. During the previous financial year, the company acquired the outstanding 20% interest in the Magnetite Range Iron Ore Project, and disposed of its interests in the Meekatharra Joint Venture. The company's percentage interests in the future output of the joint ventures, if all its obligations are fulfilled, are as follows:

Joint Venture	Interest %
Katanning Vanadium Project	90

There are no assets employed by these joint ventures and the company's expenditure in respect of them is brought to account initially as deferred exploration and evaluation expenditure (Note 7). The principal activity of all joint ventures listed above is of the nature of exploration for minerals.

17. AUDITOR'S REMUNERATION

	2010	2009
	\$	\$
Remuneration of the auditor of the Company for:		
- auditing or reviewing the financial report	29,500	24,927

18. SEGMENT REPORTING

Identification of Reportable Segment

The Company identifies its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

18. SEGMENT REPORTING – continued

The Company operates in mineral exploration in Australia. The financial information in the Statement of Comprehensive Income and the Statement of Financial Position is the same as that presented to the chief operating decision maker.

Basis of Accounting for Purposes of Reporting by Operating Segments

Accounting Policies Adopted

Unless otherwise stated, all amounts reported to the Board of Directors as the chief operating decision maker, is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

Comparative Information

This is the first reporting period in which AASB 8: Operating Segments has been adopted. Comparative information has been stated to conform to the requirements of the standard.

19. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management

The Company's financial instruments consist mainly of deposits with banks and accounts receivable and payable.

The main purpose of non-derivative financial instruments is to raise finance for the Company's operations.

Derivatives are not currently used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

(i) Treasury Risk Management

Senior management of the Company meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

The Company does not have any debt that may be affected by interest rate risk.

The Company seeks to utilise fixed interest rate products to assist in managing its deposit funds and is subject to interest rate risk as detailed below in *sensitivity analysis*.

Sensitivity analysis

At 30 June 2010, if interest rates had changed by +/- 200 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for Company would have been \$70,296 lower/higher (2009 - \$114,529) lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

Liquidity risk

Liquidity risk arises from the possibility that the Company may encounter difficulty in settling its debts or otherwise meeting its financial obligations related to financial liabilities. The Company manages liquidity risk by monitoring forecast cash flows.

19. FINANCIAL RISK MANAGEMENT - continued

Financial liability and financial asset maturity analysis:

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial liabilities due for payment								
Trade and other payables	522,258	228,309	-	-	-	-	522,258	228,309
Total Expected outflows	522,258	228,309	-	-	-	-	522,258	228,309
Financial assets – cash flows realisable								
Cash and cash equivalents	3,136,301	3,893,736	-	-	-	-	3,136,301	3,893,736
Trade and other receivables	236,001	106,190	-	-	-	-	236,001	106,190
Total Anticipated Inflows	3,372,302	3,999,926	-	-	-	-	3,372,302	3,999,926
Net inflow on financial instruments	2,850,044	3,771,619	-	-	-	-	2,850,044	3,771,619

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the economic entity.

Price Risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities. As at 30 June 2010 and 30 June 2009 the Company is not exposed to equity securities price risk or commodity price risk

(b) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Company at the balance date are recorded at amounts approximating their carrying amount.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Company is the current bid price.

The carrying value less impairment provision of trade receivables and payables approximate their fair values due to their short-term nature. Trade and sundry payables are all expected to be paid in less than 6 months.

Net Fair Value of Financial Assets and Financial Liabilities

The net fair value of the Company's financial assets and financial liabilities approximates their carrying value.

19. FINANCIAL RISK MANAGEMENT - continued

	2010 \$	2009 \$
Available-for-Sale Financial Assets Comprise:		
Unlisted investments at Cost		
- Shares in other corporations	-	4,500
Less: Impairment	-	(4,500)
	-	-

(c) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

	Floating Interest Rate		Fixed Interest Rate				Non Interest Bearing		Total		Weight Effective Interest Rate	
			1 Year or Less		1 to 5 Years							
	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$	2010 %	2009 %
Financial Assets												
Cash	1,082,236	294,421	2,048,747	3,500,000	-	-	5,318	99,315	3,136,301	3,893,736	5.28	7.57
Trade and other receivables	-	-	-	-	-	-	236,001	106,190	236,001	106,190	N/A	N/A
Total Financial Assets	1,082,236	294,421	2,048,747	3,500,000	-	-	241,319	205,505	3,372,302	3,999,926	-	-
Financial Liabilities												
Trade and other payables	-	-	-	-	-	-	522,258	228,309	522,258	228,309	N/A	N/A
Total Financial Liabilities	-	-	-	-	-	-	522,258	228,309	522,258	228,309	-	-

20. EVENTS AFTER THE BALANCE SHEET DATE

On 19 July 2010 the company signed a memorandum of understanding with Chongqing Chonggang Minerals Development Investment Ltd to work together to achieve a mutually beneficial outcome, reflecting economic savings for infrastructure sharing for their respective Magnetite Range and Extension Hill projects, which are adjacent. On 20 August 2010 the company announced that it has executed confidentiality deeds with interested parties in China to facilitate the exchange of information in respect to a possible sale of the Magnetite Range project.

On 7 September 2010, the 10,000,000 12¢ options were exercised raising an additional \$1.2 million.

On 13 September 2010 the company announced that it has completed a placement of 15 million ordinary fully paid shares at \$0.30 together with 3.5 million attaching options exercisable at \$0.30 to raise \$4.5 million. The placement was completed to Xingang Resources (HK) Ltd which is a wholly owned subsidiary of Xinyang Iron and Steel Co Ltd.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

21. COMPANY DETAILS

The registered office of the Company is:
1/12 Kings Park Rd
WEST PERTH WA 6005

The principal place of business of the Company is:
4/29 Ord Street
WEST PERTH WA 6005

22. NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE PERIODS

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Company follows:

- i. AASB 9: Financial Instruments and AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements. The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.

- ii. AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Company.

- iii. AASB 2009–4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.

- iv. AASB 2009–8: Amendments to Australian Accounting Standards — Group Cash-settled Share-based Payment Transactions [AASB 2] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments incorporate the requirements previously included in Interpretation 8 and Interpretation 11 and as a consequence, these

two Interpretations are superseded by the amendments. These amendments are not expected to impact the Company.

- v. AASB 2009–9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Company.

- vi. AASB 2009–10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Company.

- vii. AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. These amendments are not expected to impact the Company.

- viii. AASB 2009–13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Company.

- ix. AASB 2009–14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

- x. AASB Interpretation 19: Extinguishing Financial Liabilities with Equity Instruments (applicable for annual reporting periods commencing on or after 1 July 2010).

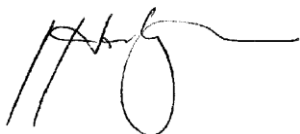
This Interpretation deals with how a debtor would account for the extinguishment of a liability through the issue of equity instruments. The Interpretation states that the issue of equity should be treated as the consideration paid to extinguish the liability, and the equity instruments issued should be recognised at their fair value unless fair value cannot be measured reliably in which case they shall be measured at the fair value of the liability extinguished. The Interpretation deals with situations where either partial or full settlement of the liability has occurred. This Interpretation is not expected to impact the Company.

The Company does not anticipate the early adoption of any of the above Australian Accounting Standards.

The Directors of the Company declare that:

1. the financial statements, notes and audited remuneration disclosures included in the Directors' report of the Company are in accordance with the Corporations Act 2001, including:
 - a. complying with Accounting Standards; and
 - b. giving a true and fair view of the Company's financial position at 30 June 2010 and of its performance for the year ended on that date; and
2. the Chief Executive Officer and the Chief Financial Officer have declared that:
 - a. the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001; and
 - b. the financial statements and notes for the financial year comply with the Accounting Standards and the financial report also complies with International Financial Reporting Standards as disclosed in Note 1; and
 - c. the financial statements and notes for the financial year give a true and fair view;
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
4. The remuneration disclosures that are contained in the Remuneration Report in the Directors Report comply with Australian Accounting Standards AASB 124 Related Party Disclosures the Corporations Act 2001 and the Corporations Regulations 2001.

This declaration is made in accordance with a resolution of the Board of Directors.



Ian Hastings
Chairman

Dated this 28th day of September 2010



INDEPENDENT AUDIT REPORT TO MEMBERS OF ACCENT RESOURCES NL

We have audited the accompanying financial report of Accent Resources NL (the company), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion, the financial report of Accent Resources NL is in accordance with the Corporations Act 2001 including:

- a) i. giving a true and fair view of the company's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included in pages 8 to 10 of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Accent Resources NL for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.

WHK HORWATH PERTH AUDIT PARTNERSHIP

A handwritten signature in dark ink, appearing to read "Nicholas Hollens", is written over a light blue rectangular background.

NICHOLAS HOLLENS
Partner

Perth, WA

Dated this 28th day of September 2010

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AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Accent Resources NL for the year ended 30 June 2010, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

WHK HORWATH PERTH AUDIT PARTNERSHIP



NICHOLAS HOLLENS
Partner

Perth, WA

Dated this 28th day of September 2010

Total Financial Solutions**Member Horwath International**

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Email perth@whkhorwath.com.au www.whkhorwath.com.au
A WHK Group firm

As at 22 September 2010

1. Numbers of Holders of Equity Securities

a. Ordinary Share Capital

169,000,233 fully paid ordinary shares are held by 842 individual shareholders.

b. Listed Options

There are no listed options.

c. Unlisted Options

12,000,000 unlisted options exercisable on or before 1 December 2012 are held by 4 individual holders, 3,000,000 unlisted options exercisable on or before 30 June 2011 are held by 1 individual holder and 3,500,000 unlisted options exercisable on or before 14 September 2012 are held by 1 individual holder.

d. Distribution of Holders of Equity Securities

	Fully Paid Ordinary Shares	Listed Options	Unlisted Options
1 - 1,000	38	-	-
1,001 – 5,000	104	-	-
5,001 – 10,000	134	-	-
10,001 – 100,000	402	-	-
100,001 – and over	164	-	6
Total	842	-	6

e. Substantial Share and Option Holders

The names of the substantial shareholders listed in the Company's register as at 22 September 2010:

	Number
1. Rich Mark Development (Group) Pty Ltd	28,218,366
2. Grandmaster Fortune Limited	21,563,603
3. Xinyang Resources (HK) Limited	15,000,000
4. Sino Oriental International Limited	10,000,000

The names of the substantial option holders listed in the Company's register as at 22 September 2010:

	Number	Exercise Price	Expiry Date
Mr Yong Peng & Ms Yi Liu <PAL Super Fund A/C>	3,000,000	20 cents	30 Jun 2011
Xinyang Resources (HK) Limited	3,500,000	30 cents	14 Sep 2012
Tomik Nominees Pty Ltd	3,000,000	20 cents	1 Dec 2012
Mr Jun Sheng Liang	3,000,000	20 cents	1 Dec 2012
Bentleys (WA) Pty Ltd	3,000,000	20 cents	1 Dec 2012
Li Kit Chi Fiona	3,000,000	20 cents	1 Dec 2012

f. Other Information

The voting rights attached to ordinary shares are governed by the Constitution of the Company. On a show of hands every person present who is a Member or representative of a Member shall have one vote on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.

g. Unmarketable Parcels

At the date of this report, there were 49 holders who held shares that were unmarketable parcels.

2. Twenty Largest Shareholders

	Number	Percentage
RICH MARK DEVELOPMENT (GROUP) PTY LTD	28,218,366	16.697%
GRANDMASTER FORTUNE LIMITED	21,563,603	12.760%
XINYANG RESOURCES (HK) LIMITED	15,000,000	8.876%
SINO ORIENTAL INTERNATIONAL LIMITED	10,000,000	5.917%
CASCADE HOLDINGS PTY LTD <FARRAH FAMILY SUPERFUND A/C>	5,850,000	3.462%
MR BIN CUI	5,593,000	3.309%
ACADEMIC GROWTH INSTITUTE FUND PTY LTD	3,490,000	2.065%
MRS LI LI ZHAO	2,102,500	1.244%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	2,063,922	1.221%
MR VICENCO ALAC	2,020,000	1.195%
ASCOT NOMINEES PTY LTD <IAN HASTINGS>	2,000,000	1.183%
MR ALAN WOLSTENCROFT	1,910,000	1.130%
JF APEX SECURITIES BERHAD <CLIENT ACCOUNT>	1,894,000	1.121%
MR KEVIN WEEKS WEEKS SUPER FUND A/C	1,718,000	1.017%
CRANDELL PTY LTD <BERPAID PTY LTD S/F A/C>	1,700,000	1.006%
MR BRUCE LAWRENCE HODGES & MRS ELIZABETH HODGES THE SHARE SUPER FUND A/C	1,387,059	0.821%
N D BIRCHMORE PTY LTD	1,166,667	0.690%
H & Y HOLDINGS PTY LTD <LUI FAMILY A/C>	1,052,300	0.623%
CRANDELL PTY LTD <BERPAID PTY LTD S/F A/C>	1,000,000	0.592%
MOORE PARK INVESTMENTS PTY LTD <CHIVERS RETIREMENT FUND>	1,000,000	0.592%
	110,729,417	65.521%

3. Twenty Largest Listed Option Holders

There were no listed options at the date of this report.

4. Restricted Securities

At 22 September 2010 there were no restricted securities.

Set out below is a schedule of tenements that the Company holds as at 8 September 2010.

SCHEDULE A
WESTERN AUSTRALIA

PROJECT	TENEMENT PARTICULARS	STATUS/GRANT DATE	% BENEFICIAL OWNERSHIP OF ACCENT
Meekatharra	E51/1209	26/06/08	100%
Mt Gibson	E59/875	22/03/06	100%
	M59/166	28/09/89	100%
	L59/106	Pending	100%
	E59/1613	pending	100%
	E59/1662	pending	100%
	E59/1663	pending	100%
Norseman	M63/225	04/01/91	100%
	M63/226	04/01/91	100%
	M63/229	19/11/90	100%
	M63/247	04/12/92	100%
	P63/1642	06/06/08	100%
	P63/749	09/09/92	100%
	M63/369	Pending, conversion of P63/749	100%
	P63/1380	05/09/07	100%
	P63/1381	05/09/07	100%
	P63/1382	05/09/07	100%
	P63/1383	05/09/07	100%
	P63/1384	05/09/07	100%
Katanning	E70/3077	02/03/08	90%*
	E70/3078	02/03/08	90%*
	E70/3311	22/06/10	90%
	P70/1504	31/01/08	90%
	P70/1505	31/01/08	90%
	P70/1506	31/01/08	90%
	P70/1507	31/01/08	90%
	P70/1508	31/01/08	90%
	P70/1509	31/01/08	90%
	P70/1510	31/01/08	90%
	E70/2729	18/11/05	0%*
	E70/3584	Pending	90%
	E70/3585	Pending	90%

* Accent has right to explore for vanadium – titanium - magnetite

The information within this report as it relates to exploration results, mineral resources or ore reserves has been compiled by Mr Philip J Ash who is the exploration manager of Accent Resources NL. Mr Philip J Ash has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a Competent Person as defined in the 2004 edition of the Australasian Code for the reporting of exploration results, mineral resources and ore reserves. Mr Philip J Ash consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

