

Xingang Resources (HK) Limited

Bidder's Statement

Unconditional on-market offer by Xingang Resources (HK) Limited to
acquire all of your ordinary shares in
Accent Resources N.L. (ACN 113 025 808)

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION REGARDING THE OFFER
FOR YOUR SHARES AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN
ANY DOUBT AS TO HOW TO DEAL WITH THIS DOCUMENT CONSULT YOUR
STOCKBROKER, LEGAL OR FINANCIAL ADVISER.**

Legal Adviser

Financial Services Adviser

ASX Market Participant

Colin Hiles Associates

Greenard Willing Pty Ltd

D2MX Pty Ltd

Bidder's Statement

Xingang Resources for ACS Shares

Contents

IMPORTANT INFORMATION	3
LETTER FROM XINGANG RESOURCES	5
1. Why you should accept the Offer	7
2. Summary of the Offer and how to accept it	9
3. Overview of Xingang Resources and Xinyang Iron & Steel	11
4. Overview of ACS	15
5. Bidder's intentions	19
6. Funding of cash consideration	24
7. Taxation information	25
8. Other Material Information	28
9. The Offer	31
10. Definitions and Interpretation	35
11. Approval of Bidder's Statement	38
Corporate Directory	39
Appendix 1	40
Appendix 2	41

UNCONDITIONAL ON-MARKET OFFER

by

XINGANG RESOURCES (HK) LIMITED

to acquire all of your shares in

ACCENT RESOURCES N.L.

for each share you will receive 33¢ in cash.

Greenard Willing Pty Ltd (ABN 43 147 158 334), a financial services advisor which holds an Australian Financial Services Licence (ASIC AFSL No. 403562), has been appointed by Xingang Resources (HK) Limited to arrange for the purchase of all shares in Accent Resources NL (ACN 113 025 808) which it and its associates do not own which are offered to it on-market at the Offer Price from 20 January 2012 (the date of the announcement of the bid) to the close of the Offer Period.

D2MX Pty Ltd (ABN 98 113 959 596, AFSL 297950) an ASX Market Participant has also been appointed by Xingang Resources (HK) Limited to act in the market on its behalf as required by ASIC Market Integrity Rules (ASX Market) 2010.

The Offer Period will officially commence on 3 February 2012 and will close at 4:00 pm (AESST) on 2 March 2012 unless extended.

This is an important document and requires your immediate attention. If you are in doubt as to how to deal with this document, you should consult your financial or other professional advisers as soon as possible.

IMPORTANT INFORMATION

Important dates

Announcement of Offer	20 January 2012
Bidder's Statement lodged with ASIC	20 January 2012
Copy of Bidder's Statement sent to ASX and ACS	20 January 2012
Shareholders able to sell ACS Shares to Xingang Resources	20 January 2012
Offer Period officially opens	10:00 am (AESST) on 3 February 2012
Offer Period closes* (unless extended)	4:00 pm (AESST) on 2 March 2012

*This date is indicative only and may be extended as permitted by the Corporations Act. If extended beyond 1 April 2012, references to AESST change to AEST.

Bidder's Statement

This document is the Bidder's Statement issued under Part 6.5 of the Corporations Act by Xingang Resources (HK) Limited (registered in Hong Kong under Company No. 1445818) in relation to the Offer described in Section 9 of this Bidder's Statement.

A copy of this Bidder's Statement has been lodged with ASIC and ASX. Neither ASIC nor ASX nor any of their officers takes any responsibility for the content of this Bidder's Statement.

The date of this Bidder's Statement is 20 January 2012.

No account of personal circumstances

The information provided in this Bidder's Statement is not investment advice and does not take into account the individual investment objectives, financial situation and particular needs of each Shareholder of Accent Resources N.L. (ACN 113 025 808). You should seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Information on ACS

The information concerning ACS contained in this Bidder's Statement has been obtained from publicly available sources. Neither Xingang Resources, nor any of its directors, officers or advisers assumes any responsibility for the accuracy or completeness of this information.

Defined terms

A number of defined terms are used in this Bidder's Statement. Unless the context otherwise requires, capitalised words and terms in bold text have the meaning given in Section 10.

Foreign Shareholders

The distribution of this Bidder's Statement may be restricted in some countries. Therefore, persons who come into possession of this Bidder's Statement should make themselves aware of, and comply with, those restrictions.

This is an important document and should be read in its entirety before you decide whether or not to accept the Offer. If you are in any doubt how to deal with this document or whether or not to accept the Offer, you should consult your financial or other professional advisers.

XINGANG RESOURCES (HK) LIMITED

Room 1505, 15/F Yu Sung Boon Building
107 -111 Des Vouex Road
Central, Hong Kong SAR

20 January 2012

Dear ACS Shareholder

I am pleased to present this Offer by Xingang Resources (HK) Limited to acquire all of your shares in Accent Resources N.L. for 33¢ per share in cash. We believe that our Offer provides you with a fair value for your ACS Shares, particularly given the uncertain global economic outlook and volatilities in the financial markets.

A summary of the key reasons for accepting the Offer are:

- The offer represents fair value on the share price.
- Xingang Resources believes that the share price over the period from 27 May to 29 November 2011 had a premium built into it as a result of ACS's announcement of friendly takeover discussions.
- The Offer, which is unconditional, further represents fair value when viewed against the information contained in Section 1.
- The consideration for your ACS Shares will be paid to you in cash, providing you with a certain and immediate value for your ACS Shares now.
- As the Offer is unconditional, you can sell your ACS Shares to Xingang Resources immediately on ASX and receive cash 3 Trading Days (T+3) after your acceptance.
- The Offer removes any risks that could otherwise affect the future value of your ACS Shares.

The Offer may only be accepted by selling your ACS shares on-market on the ASX. You can do this through your Broker. A summary of how to sell your ACS Shares to Xingang Resources is set out in Section 9.3.

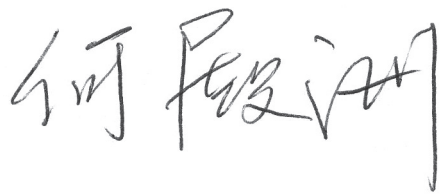
The Offer is scheduled to close at 4:00 pm (AESST) on 2 March 2012, unless extended.

Should you not accept the Offer and it lapses, the ACS share price may drop to pre-Offer level or below with a reduced level of trading liquidity. Some consequences of not accepting the Offer are set out in Section 1.

If you have any questions or require any further information in relation to the Offer, please contact your financial or other professional advisers.

I strongly encourage you to carefully read this Bidder's Statement and accept this Offer.

Yours faithfully

A handwritten signature in black ink, appearing to be '何殿洲' (He Dianzhou), written in a cursive style.

Dianzhou He

Chairman

1. Why you should accept the Offer

The Offer is an unconditional cash offer at a premium of 9.09% to the share price on 12 January 2012.

Although the offer is less than the average price of ACS shares over the period from the end of May to end of November 2011, Xingang Resources believes that the share price over the aforesaid period had a premium built into it as a result of ACS's announcement of friendly takeover discussions and as a result of Xingang advising ACS of its intention to make this Offer and the market being informed of the impending bid.

1.1 The Offer Price represents a fair and reasonable premium to the ACS' current share price

Xingang Resources is offering 100% cash consideration to Accent Resources N.L. shareholders of 33¢ cash per ACS Share. The Offer values ACS at approximately \$57 million.

Over the past year the share price of ACS shares has fluctuated considerably between a low of 20.5¢ and a high of 40.5¢. Prior to the announcement of the friendly takeover discussions on 27 May 2011 the price was approximately 26¢. This was followed by prices in excess of 30¢ during the period from then to 29 November 2011. Since the end of November 2011 to 16 January 2012 the price of the ACS shares has been between 31¢ and 27¢.

Appendix 1 shows the premium/discount of the offer compared to the volume weighted average price (VWAP) of ACS Shares over the previous 12 months.

The Offer represents attractive value to ACS Shareholders given the current volatile and uncertain global equity and debt markets.

Xingang Resources believes that ACS will have difficulty in funding the capital to finalise the exploration of the Magnetite Range project and complete financial closing without a significant injection of funds from its major shareholder. This is unlikely to eventuate if this bid is not successful.

1.2 You will receive certain and immediate value for your ACS Shares through a 100% cash consideration payable on a T+3 basis.

Key attributes of the Offer are:

- 100% cash consideration of 33¢ per ACS Share;
- the Offer is unconditional;
- you may sell your ACS Shares on-market at the Offer Price immediately from the Announcement Date of 20 January 2012 until the Offer closes at 4:00 pm (AESST) on 2 March 2012 unless extended or withdrawn as set out in Section 9.6.
- The Offer Period officially commences at 10:00 am (AESST) on 3 February 2012; and

- you will receive a cash payment on a T+3 basis (being 3 Trading Days after your acceptance).
- the certainty of this receipt of cash should be compared against the uncertainties of, and risks associated with retaining your ACS shares in the current difficult economic environment. Key risks include continued exposure to:
 - Market risks – since the start of the global financial crisis in 2008, financial markets have experienced great volatility. There continues to be speculation surrounding another downward move in the global economy should economic growth further slow and markets revise their expectations downward; and
 - Share price volatility – the potential risk of share price falls due to a number of factors including those mentioned in this Section 1.

You can choose, in effect, between the all-cash Unconditional Offer of certain value which is available now and future uncertain value by retaining your ACS Shares.

1.3 Xingang Resources hopes to receive the support of the ACS Board

For the other reasons set out in this Section 1, Xingang Resources has a reasonable hope that the Offer will prove to be acceptable to the board of ACS and therefore hopes that the board of ACS will recommend acceptance of the offer (which is likely to be subject to there not being a superior competing offer or proposal) to be forthcoming because the Offer is an unconditional cash offer.

1.4 Consequences of not accepting

Xingang Resources believes that the Offer for ACS Shares is attractive and represents fair value. However, if you choose not to accept the Offer, there are certain risks of which you should be aware including:

- (a) following the close of the Offer, the ACS Share price may drop to pre-Offer levels with a reduced level of trading liquidity; and
- (b) if Xingang Resources becomes entitled to acquire your ACS Shares compulsorily, it intends to exercise those rights.

You should consult with your Broker or financial or other professional advisers to ascertain the impact of the risks outlined above on the value of your ACS Shares.

2. Summary of the Offer and how to accept it

The following is a summary only of the Offer and is qualified by the information contained in the rest of this Bidder's Statement. Section 9 of this Bidder's Statement contains the full terms and conditions of the Offer. You should read this Bidder's Statement in full before deciding how to deal with your ACS Shares.

What is the Offer? Xingang Resources is offering to acquire all of your ACS Shares for 33¢ cash per ACS Share by way of an on-market takeover bid on the terms and conditions set out in Section 9.

Who is making the Offer? Xingang Resources is a company incorporated in Hong Kong which currently holds a Relevant Interest in 17.58% of ACS Shares on issue.

Further information on Xingang Resources is set out in Section 3.

How do I accept the Offer? Because the Offer is an on-market offer, acceptance is made by selling your ACS Shares through a Market Participant of ASX before the end of the Offer Period. You are not required to complete a form to accept the Offer.

If your ACS Shares are in a CHESS Holding, you will need to instruct your Broker to sell your ACS Shares.

If your ACS Shares are registered in an Issuer Sponsored Holding, you may sell your ACS Shares through a Broker of your choice.

Section 9.3 provides more detailed instructions on how to accept the Offer.

When can I sell my ACS Shares? You can sell your ACS Shares on-market to Xingang Resources immediately. You may also accept the Offer on-market during the Offer Period. D2MX will stand in the market on behalf of Xingang Resources and purchase ACS Shares offered to Xingang Resources at the Offer Price from the Announcement Date of 20 January 2012 until the end of the Offer Period at 4:00 pm (AESST) on 2 March 2012 (unless extended in accordance with the Corporations Act).

If I accept the Offer, when will I be paid? If you accept the Offer, the usual rules for settlement of transactions which occur on-market on ASX will apply. Once you have accepted the Offer and sold your ACS Shares, you will be paid on a T+3 basis (being 3 Trading Days after your acceptance).

What will the tax consequences be? Please refer to Section 7 for further details on the tax implications for ACS Shareholders who accept the Offer.

Do I pay brokerage If your ACS Shares are registered in an Issuer Sponsored

or stamp duty if I accept?

Holding in your name, the relevant Broker you instruct to initiate acceptance on your behalf may charge transactional fees or service charges in connection with acceptance of the Offer.

If your ACS Shares are registered in a CHESS Holding or if you are a beneficial holder and your ACS Shares are registered in the name of a Broker, bank, custodian or other nominee (i.e. your Controlling Participant), the Controlling Participant may charge transactional fees or service charges in connection with acceptance of the Offer.

Accordingly, you should ask your Broker or Controlling Participant (as applicable) in relation to brokerage.

Xingang Resources will bear the cost of its own brokerage (if any) on the transfer of ACS Shares acquired through acceptance of the Offer.

You will not pay stamp duty on the disposal of your ACS shares if you accept the Offer.

When does the Offer close?

The Offer is scheduled to close at 4:00 pm (AESST) on 2 March 2012. You should note that the Offer Period can be extended as permitted by the Corporations Act.

Can the Offer be varied and can the Offer Period be extended?

Yes, the Offer can be varied and the Offer Period can be extended by Xingang Resources in accordance with the Corporations Act. Any variation or extension will be announced to ASX. However, if you have sold your ACS Shares prior to any such announcement you will not receive any benefit from the variation.

What happens if I do not accept?

If you do not accept the Offer, you will remain an ACS Shareholder and will not receive the consideration offered by Xingang Resources.

If Xingang Resources becomes entitled to compulsorily acquire your ACS Shares, it intends to do so. If your ACS Shares are compulsorily acquired by Xingang Resources, you will be paid the Offer consideration for each of your ACS Shares. However, you will receive the money later than the ACS Shareholders who choose to accept the Offer.

Further information on the intentions of Xingang Resources is set out in Section 5.

Are there any conditions to the Offer?

No, the Offer is unconditional.

3. Overview of Xingang Resources and Xinyang Iron & Steel

3.1 Overview of Xingang Resources

Xingang Resources is a company incorporated in Hong Kong. Its registered office is at Room 1505, 15/F Yu Sung Boon Building, 107-111 Des Voeux Road, Central, Hong Kong SAR from which address it conducts its principal business.

Xingang Resources holds a Relevant Interest in 17.58% of ACS Shares on issue as at the date of this Bidder's Statement. Xingang Resources does not have any subsidiaries.

Xingang Resources also holds 3,500,000 unlisted ACS options exercisable at 30¢ per share which expire on 14 September 2012.

3.2 Business of Xingang Resources

Xingang Resources is an investment company. At the time of the Announcement it has cash, is the registered holder of the number of voting shares of ACS and it has a relevant interest in the voting shares of ACS set out in Section 4.7 and cash.

3.3 Shareholders of Xingang Resources

As at the date of the Announcement, Xingang Resources has 10,000,000 ordinary shares on issue. The following Shareholders hold more than 5% of the issued shares of Xingang Resources:

Name	Shares
Xinyang Iron & Steel Company Ltd of Angang Group Minggang Township, Xinyang, Henan Province, China	51%
Mr. Qunying Liang No.5, Building 8, 25 th Nongye Road East, Jinshui District, Zhengzhou Henan Province China	39%
Mr. Tao Wang No. 257 Xinming Road, Minggang Township, Pingqiao District, Xinyang, Henan Province, China	10%

3.4 Directors of Xingang Resources

The directors of Xingang Resources are:

Mr. Dianzhou He
427 Xinming Road
Minggang Township,
Xinyang City,
Henan Province,
China

Mr. Qunying Liang
No.5 Building,
25th Nongye Road East,
Jinshui District, Zhengzhou
Henan Province
China

3.5 Profile of Directors

Dianzhou He

Mr He is Chairman and Chief Executive Officer of Xinyang Iron & Steel which is located in Henan Province, China. Prior to taking that position Mr He worked for 12 years in the Tiaoshan Iron Ore Mine of Xinyang Steel, firstly as an engineer and then as the head of the mine. Mr He worked as a vice-president in charge of operation at Xinyang Iron and Steel for 5 years before he was promoted to his current position.

Mr Dianzhou He has a bachelor's degree from the Baotou University of Iron & Steel and an MBA from Huazhong University of Science and Technology, China. Mr Dianzhou He has extensive experience in the mining and steel industries.

Qunying Liang

Mr Liang is the managing director of Henan Hengchang Trading Company Ltd which owns 9.49% of Xinyang Iron & Steel Co Ltd. He is a university graduate specialising in electronic engineering. Prior to joining Henan Hengchang Trading, he worked for Kaifeng sub-branch of COFCO, one of the largest Chinese conglomerates in the food and beverage business in China.

3.6 Overview of Xinyang Iron & Steel

Xinyang Iron & Steel is a company registered in the Peoples Republic of China under company number 411500000002387 with its registered office at Minggang Township, Xinyang, Henan Province, China from which it conducts its principal place of business.

Xinyang Iron & Steel has registered and paid in capital of RMB210,670,000.

Xinyang Iron & Steel is the holding company of Xingang Resources and is an associate of Xingang Resources for the purposes of Section 12 of the Corporations Act.

3.7 Business of Xinyang Iron & Steel

Xinyang Iron & Steel was established in 1971 as one of the key steel mills in Henan Province. In 1997 Xinyang Iron & Steel became a wholly owned subsidiary of Anyang Iron & Steel Group Company Limited.

In May 2005, it was restructured and corporatized into what is now known as Xinyang Iron & Steel, with Anyang Iron and Steel Group Company Limited as one of its major Shareholders. The Company's main products include pig iron, steel, steel coil, ferro-alloy, coke, and manganese iron. It produces about 3 million tonnes of steel each year and its annual turnover is about RMB13.5 billion. The Company has its own iron ore mine and also imports iron ore from the world's major iron ore producers.

In addition to its steel making business, the company also owns 13.5% of a local commercial bank in Xinyang, Henan Province and 51% of Xingang Resources and it has a substantial investment in property development.

3.8 Shareholders of Xinyang Iron & Steel

The following Shareholders hold more than 5% of the issued shares of Xinyang Iron & Steel:

Name	Shares
Anyang Iron & Steel Group Company Ltd Meixuang Village Yindou District, Anyang City Henan Province China	14.24%
Henan Hengchang Trading Company Ltd Room 2201, Building 1 International Enterprises Centre 72 Nongye Road Zhengzhou City Henan Province China	9.49%
Mr. Dianzhou He 427 Xinming Road Minggang Township, Xinyang City, Henan Province, China	13.96%

3.9 Directors of Xinyang Iron & Steel

The Directors of Xinyang Iron & Steel are:

Mr Dianzhou He, Chairman and Chief Executive Officer
427 Xinming Road
Minggang Township

Xinyang City
Henan Province
China

Mr Shoujun Wang, Director
Meiyuan Village
Yindou District
Anyang City
Henan Province
China

Mr. Junsheng Liang, Director
75/13F Jiangkang Road
Zhenzhou City
Henan Province
China

Mr Chunsheng Li, Director
427 Xinming Road
Minggang Township
Xinyang City
Henan Province
China

Mr Defu Li, Director
427 Xinming Road
Minggang Township
Xinyang City
Henan Province
China

Mr Erzhang Li, Director
427 Xinming Road
Minggang Township
Xinyang City
Henan Province
China

Mr Quanshun Zhao, Director
427 Xinming Road
Minggang Township
Xinyang City
Henan Province
China

Although Mr Junsheng Liang is a director of both Xinyang Iron and Steel and of ACS, Xingang Resources believes that he is not an associate of Xingang Resources nor does he have a relevant interest in ACS voting shares in that capacity.

4. Overview of ACS.

4.1 Disclaimer

The information in this Section 4 concerning ACS has been prepared based on a review of publicly available information (which has not been independently verified). Neither Xingang Resources nor Xinyang Iron & Steel nor any of their directors, officers or advisers, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

The information on ACS in this Bidder's Statement should not be considered comprehensive.

In addition, the Corporations Act requires the ACS Directors to provide a Target's Statement to ACS Shareholders in response to this Bidder's Statement, setting out material information concerning ACS and which will include an Independent Expert's Report on the fairness and reasonableness of the Offer.

4.2 Overview of ACS and its principal activities

Accent Resource NL (ACS) is a junior mineral exploration company focused on developing its 100% owned Magnetite Range project in Western Australia. The project is located in the Mount Gibson Ranges that were discovered in the early 1960s and have been recognized as a significant source of high grade magnetite resource in Australia.

ACS was listed on ASX in 2005 with the aim of concentrating on exploration of its gold and iron ore assets. Since 2009, ACS has focused its efforts and funds on developing its flagship iron ore prospect, Magnetite Range, and also its Katanning Vanadium Project.

In February 2010, following extensive drilling, ACS announced a maiden JORC compliant indicated resource of over 390Mt at Magnetite Range. This followed extensive drilling in 2009. The resource was composed of mainly low-sulphur magnetite iron ore which could be processed onsite to produce a 67% Fe iron ore concentrate.

Magnetite Range is now at the project pre-feasibility study stage with engineering studies expected to be completed early in 2012. This should enhance the economic evaluation of the project. Current indications are that Magnetite Range has sufficient resource to support a 5Mtpa concentrate output operation with a mine life of 20 years.

4.3 Directors and Senior Managers

(a) As at the date of this Bidder's Statement, the ACS Directors are as follows:

Mr Ian Hastings, Executive Chairman

Mr. Ian Richer, Executive Director

Mr Junsheng Liang, Non-executive Director

(b) As at the date of this Bidder's Statement, ACS' senior executive team is as follows:

Mr Ian Hastings, Executive Chairman

Mr Ian Richer, Executive Director

Mr. Ranko Matic, Company Secretary

Mr. Phillip Ash, Exploration Manager

4.4 ACS securities on issue

According to documents provided by ACS to ASX, as at the date immediately before the Announcement Date:

- (a) there were a total of 173,000,233 ordinary ACS Shares on issue;
- (b) there were a total of 14,500,000 unlisted ACS Options on issue; and
- (c) each of the following persons (on behalf of itself and its related bodies corporate) have lodged substantial holding notices showing the following substantial holdings in the issued ordinary share capital of ACS:

ACS Shareholder	ACS Shares	Percent (%)
Grandmaster Fortune Limited	21,563,603	12.46%
Rich Mark Development (Group) Pty Ltd	28,218,366	16.31%
Sino Oriental International Ltd	10,000,000	5.78%
Xingang Resources (HK)Ltd	15,000,000	8.67%

4.5 ACS Options

The Offer extends to any ACS Shares that are issued between 20 January 2012 and the end of the Offer Period as a result of the exercise of ACS Options.

According to information released on ASX, the details of the ACS Options, which are unlisted, are as follows:

Number	Exercise price	Expiry date
3,500,000	A\$0.30	14 September 2012
11,000,000	A\$0.20	1 December 2012

4.6 Publicly available information

ACS is listed on ASX and is obliged to comply with the periodic and continuous disclosure requirements of the Corporations Act and the Listing Rules. For more information concerning the financial position and affairs of ACS, you should refer to the full range of information that has been disclosed by ACS pursuant to those obligations. Further publicly available information about ACS is available on ACS' website at www.acs.com.au or the AXS website at www.asx.com.au.

The following documents have been lodged by ACS with ASX:

- Half-yearly report for the half year ended 31 December 2010 was given to ASX on 15 March 2011.
- Annual report for the year ended 30 June 2011 was lodged with ASIC and given to ASX on 29 November 2011.
- Quarterly activity report and cashflow report for the quarter ended 30 September 2011 was filed with ASX on 30 October 2011.

4.7 Interests of Xingang Resources and Xinyang Iron & Steel in ACS's issued securities and Voting Power in ACS

(a) (Xingang Resources' Relevant Interest in ACS Shares and Voting Power):

Xingang Resources is the holder of 15,000,000 ACS Shares which gives it 8.67% of the total Voting Power in ACS.

Sino Oriental International Limited a Hong Kong incorporated company (*SINO*) is the holder of 10,000,000 ACS Shares which gives it 5.78% of the total Voting Power in ACS.

Xingang Resources and Sino have entered into an agreement pursuant to which SINO has agreed with Xingang Resources that it will not accept the Offer nor will it otherwise dispose of its ACS shares during the Offer Period without the consent of Xingang Resources. Xingang Resources therefore has a relevant interest in the 5.78% voting shares held by SINO.

In addition, Xingang Resources may be an associate of Sino Oriental International Limited by virtue of an off-take agreement which Xingang Resources entered into with Northern Energy Corporation Limited (ABN 90 081 244 395) (*NEC*) on 21st April 2010 whereby NEC agreed that it will supply SINO 65% of its coal production from its Maryborough project for the life of mine.

Bin Cui is the holder of 5,420,153 ACS Shares which gives him 3.13% of the total Voting Power in ACS. Xingang Resources and Bin Cui have entered into an agreement pursuant to which Bin Cui has agreed with Xingang Resources that it will not accept the Offer nor will he otherwise dispose of his ACS shares during the Offer Period without the consent of Xingang Resources. It therefore has a relevant interest in the 5,420,153 voting shares held by Bin Cui.

Therefore, as at the date immediately before the Announcement Date, Xingang Resources had a Relevant Interest in 30,420,153 ACS Shares, giving it 17.58% of the total Voting Power in ACS.

(b) (Xinyang Iron & Steel's Relevant Interest in ACS Shares and Voting Power):

As at the date immediately before the Announcement Date, Xinyang Iron & Steel, by virtue of its 51% shareholding in Xingang Resources had a Relevant Interest in 30,420,153 ACS Shares giving it 17.58% of the total Voting Power in ACS.

(c) (Mr Qunying Liang's Relevant Interest in ACS Shares and Voting Power):

As at the date immediately before the Announcement Date, Mr Qunying Liang by virtue of his 39% shareholding in Xingang Resources had a Relevant Interest in 30,420,153 ACS Shares giving it 17.58% of the total Voting Power in ACS.

(d) (Prices paid for ACS Shares by Xingang Resources and its associates):

Except as set out below, during the 4 months before the date of the Announcement, neither Xingang Resources nor any Associate of Xingang Resources provided, or agreed to provide, consideration for an ACS share under a purchase or any other agreement.

(e) (No Escalation Agreements):

Neither Xingang Resources nor any Associate of Xingang Resources has entered into any escalation agreement that is prohibited by section 622 of the Corporations Act.

(f) (No Collateral Benefits):

During the 4 months before the date of the Announcement, neither Xingang Resources nor any Associate of Xingang Resources gave, or agreed to give, a benefit to another person which was likely to induce the other person, or an Associate of the other person to:

(i) accept the Offer; or

(ii) dispose of ACS Shares,

and which is not offered to all ACS Shareholders under the Offer.

5. Bidder's Intentions

This Section 5 sets out the intentions of Xingang Resources and Xinyang Iron & Steel on the basis of the facts and information concerning ACS and the existing circumstances affecting the business of ACS which are known to Xingang Resources and Xinyang Iron & Steel at the time of preparation of this Bidder's Statement, in relation to the following:

- (a) the continuation of the business of ACS;
- (b) any major changes to be made to the business of ACS, including any redeployment of fixed assets of ACS; and
- (c) the future employment of the present employees of ACS.

Xingang Resources will only reach final decisions in light of material facts and circumstances at the relevant time. Accordingly, the statements set out in this Section 5 are statements of current intentions only which may vary as new information becomes available or circumstances change.

The intentions of Xingang Resources are the same as the intentions of Xinyang Iron & Steel, and both are collectively referred to as "Xingang Resources" in this Section 5.

5.1 Present Intentions

Xingang Resources' main objective is to gain control of ACS so that it can ensure that ACS has sufficient funding to:

- (a) complete its drilling program;
- (b) procure a feasibility study;
- (c) develop the mine;
- (d) make new acquisitions to increase the resources of ACS; and
- (e) build a processing plant to produce high quality saleable concentrate.

Xingang Resources and its advisors have reviewed information that has been publicly released by ACS regarding its current activities and its plans for the future. However, Xingang Resources does not currently have direct knowledge of material information, facts and circumstances that are necessary to fully assess the operational, commercial, taxation and financial implications of its current intentions. Consequently, final decisions on these matters have not been made.

As such, statements set out in this Section 5 are statements of current intention only which may change as new information becomes available or circumstances change. The statements in this Section 5 should be read in this context.

5.2 Intentions if 50% or less of ACS is acquired

Unless otherwise indicated in Section 5, if Xingang Resources acquires 50% or less of ACS Shares, it intends to seek representation on the ACS Board so that the number of Xingang Resources directors will be approximately proportionate to Xingang Resources' holding of ACS Shares. Through this, Xingang Resources hopes to gain a more detailed understanding of the corporate structure, assets, businesses, personnel, financing, capital structure and operations of ACS, Xingang Resources would then be in a better position to evaluate the performance, profitability and prospects of ACS in light of the information then available to Xingang Resources.

5.3 Intentions upon ownership of 50.1% or more of ACS but less than 90%

This Section 5.4 sets out Xingang Resources' current intentions if ACS becomes controlled by Xingang Resources (i.e Xingang Resources and its related entities acquires 50.1% or more of ACS) but Xingang Resources is not entitled to proceed to compulsory acquisition in accordance with Part 6A.1 of the Corporations Act. In that circumstance, Xingang Resources' intentions are as follows:

(a) Directors

Xingang Resources intends to procure the appointment of nominees of Xingang Resources to the ACS Board so that the number of Xingang Resources directors will be approximately proportionate to Xingang Resources' holding of ACS Shares. No decision has been made as to who those nominees would be, and their identity would depend on the relevant circumstances at the time.

(b) Review

Xingang Resources will propose, through its nominees on the ACS Board, that a review of ACS of the type referred to in Section 5.5(d) below be undertaken with the aim of pursuing, to the maximum extent possible and appropriate, the types of strategies and intentions, as described in Section 5.5(d), which might have been pursued if it had acquired 100% of ACS.

(c) Capital structure

Xingang Resources intends that a review of ACS' capital structure would be undertaken as part of the operational review discussed at Section 5.5(d). That review will consider ACS' need to retain sufficient funds to meet its ongoing activities and requirements for additional capital, as well as whether ACS' capital structure is efficient and maximises Shareholder value.

(d) Listing on ASX

Xingang Resources will seek to retain the listing of ACS on ASX, subject to there being a requirement under the Listing Rules to maintain that listing, including there being a sufficient spread of ACS Shareholders. ACS may suspend and ultimately de-list a company which does not meet the spread requirements. Should ASX require ACS to attain the requisite spread of Shareholders, Xingang

Resources will use its best endeavours to achieve this and maintain the listing on ASX.

(e) Further acquisitions of ACS Shares

Depending on the level of acceptance of this Offer and Xingang Resources' holding at the completion of this Offer, Xingang Resources may acquire additional ACS Shares under the "creep" provisions of the Corporations Act. In summary, those provisions would permit Xingang Resources and its Associates to acquire up to 3% of ACS Shares every 6 months. Xingang Resources has not yet decided whether it will acquire further ACS Shares under the "creep" provisions in the future, as that will be dependent upon (among other things) the extent of Voting Power of Xingang Resources and its Associates in ACS and market conditions at the time.

(f) Information protocols

Xingang Resources will seek to gain access to all books and records of ACS to assist it to achieve its corporate objectives. Whether such access is given would be a decision for the independent directors of ACS at the time, after complying with their statutory and fiduciary duties. If access is given, those books and records may contain confidential information concerning the ACS. Xingang Resources contemplates that such access would be given under an appropriate confidentiality agreement.

(g) Limitations on Intentions

The implementation of Xingang Resources' intentions in the event of less than 100% ownership of ACS will be subject to the Corporations Act, the Listing Rules and the ACS constitution, and to the obligations of the ACS Directors to act in the best interests of ACS and all ACS Shareholders.

In particular, if Xingang Resources obtains control (but not 100%) of ACS, the "related party" provisions of Chapter 2E of the Corporations Act (and the Listing Rules) will apply.

Xingang Resources would only make a decision on its courses of action in these circumstances after it receives appropriate legal and financial advice on such matters including in relation to any requirements for ACS Shareholder approval.

5.4 Intentions upon becoming able to compulsorily acquire ACS Shares

This Section sets out Xingang Resources' current intentions if it and its Associates have a Relevant Interest in 90% or more of all ACS Shares and is entitled to proceed to compulsory acquisition of the outstanding ACS shares.

(a) Compulsory acquisition

If it becomes entitled to do so under the Corporations Act, will;

- (i) give notices to compulsorily acquire any outstanding ACS Shares in accordance with section 661B of the Corporations Act (compulsory acquisition power following takeover bid),

including any ACS Shares which are issued as a result of the exercise of ACS Options after the end of the Offer Period and in the 6 weeks after Xingang Resources gives the compulsory acquisition notices; and

- (ii) if necessary, give notices to compulsorily acquire any outstanding ACS Shares in accordance with section 664C of the Corporations Act (general compulsory acquisition power).

If it is required to do so under section 662A and section 663A of the Corporations Act, Xingang Resources intends to give notices to ACS Shareholders offering to acquire their ACS shares, in accordance with section 662B and section 663C of the Corporations Act.

(b) Directors

Xingang Resources intends to reconstitute the ACS Board with nominees of Xingang Resources. These nominees have not yet been identified by Xingang Resources. A final decision on the selection of Xingang Resources' nominees will be made in light of the circumstances at the relevant time.

(c) Listing on ASX

If Xingang Resources acquires ownership of 100% of ACS, Xingang Resources will consider what options are open to it to maintain the quotation of its securities on the official list of ASX.

(d) Operational review

Following the close of the Offer, if Xingang Resources is entitled to acquire 100% control of ACS, Xingang Resources intends to conduct a review of the operations, assets, structure and employees of ACS in light of that information to identify:

- (i) business opportunities and areas of revenue generation which may provide overall strategic operational benefit;
- (ii) areas of costs saving which may provide overall strategic and operational benefit; and
- (iii) any business or businesses which do not fit into the strategic plan for ACS and to evaluate the best and most appropriate way of organising such business or businesses.

Final decisions will only be reached after that review and in light of all material facts and circumstances.

While Xingang Resources does not currently have any specific intentions in relation to this review or its outcomes, its current expectation is that the review will focus on identifying the most effective means of utilising ACS' assets and maximising the investment Xingang Resources has made in ACS.

(e) Employees

Having built ACS to the company it is today, Xingang Resources believes that ACS's management and employees have appropriate skills and experience. Xingang Resources will review the future employment of the present employees of ACS after the close of the Offer, having regard to its plans for ACS and upon completing the review referred to above at Section 5.5(d).

It is the current intention of Xingang Resources that the terms of employment of ACS' employees will not be adversely affected. It expects that the current employees will be retained. In fact, as the result of the attainment of the objectives outlined in Section 5.1 Xingang Resources expects that there will be a considerable increase in the number of people employed by ACS.

5.5 Limitations on intentions

The intentions and statements of future conduct set out in this Section 5 must be read as being subject to:

- the law (including the Corporations Act) and the Listing Rules, including in particular, the requirements of the Corporations Act and the Listing Rules in relation to conflicts of interest and "related party" transactions given that, if Xingang Resources obtains control of ACS but does not acquire all of the ACS Shares, it will be treated as a related party of ACS for these purposes;
- the legal obligation of the ACS Directors at the time, including any nominees of Xingang Resources, to act in good faith in the best interest of ACS and for the proper purposes and to have regard to the interest of ACS Shareholders; and
- the outcome of reviews referred to in Sections 5.2, 5.3, 5.4(b) and 5.5(d).

6. Funding of cash consideration

6.1 Consideration under the Offer

The consideration for the acquisition of ACS shares to which the Offer relates will be satisfied by the payment of cash (in Australian dollars).

Xingang Resources already has a Relevant Interest in 30,420,153 (17.58%) ACS Shares as at the date of the Announcement.

A Shareholder holding 28,218,366 (16.31%) ACS shares has informed Xingang Resources that it does not intend to accept this Offer.

An ACS Option holder who holds 3 million ACS options, has informed Xingang Resources that he does not intend to exercise his options.

Based on the number of ACS shares and ACS Options on issue as at the date of the Announcement and the information contained in the two previous paragraphs, if all other ACS Options were exercised and acceptances were received for all other ACS Shares, the total number of ACS shares to be purchased is 122,361,714. The maximum amount of cash consideration that would be payable by Xingang Resources under the Offer for all of the other shares is just less than \$40.38 million, not including transaction costs.

6.2 Overview of Xingang Resources' funding arrangements

Xingang Resources will fund the \$40.38 million cash consideration payable under the Offer using cash at hand.

As at the commencement of the Offer Period therefore, Xingang Resources holds or will hold unrestricted cash sufficient to meet the maximum amount payable under the Offer. These monies are uncommitted and are available to fund the Offer.

7. Taxation Information

The following is a general description of Australian income and capital gains tax consequences to ACS Shareholders of the acceptance of the Offer and does not take into account the specific circumstances of any particular ACS Shareholder. It does not constitute tax advice and should not be relied upon as such. ACS Shareholders should consult their own tax advisers to provide them with tax advice that suits their individual tax position.

The outline reflects the current provisions of the *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth) and the regulations made under those Acts. The outline does not otherwise take into account or anticipate any changes in the law, whether by way of judicial decision or legislative action, nor does it take into account tax legislation from countries apart from Australia.

The comments below are not exhaustive of all possible Australian income tax considerations that could apply to ACS Shareholders. In particular, the comments are relevant to those ACS Shareholders who are individuals, complying superannuation entities and companies that hold their investments on capital account. The tax treatment for ACS Shareholders, who hold their investments on revenue account, such as banks and other trading entities, has not been addressed. In addition, these comments do not take into account the circumstances of ACS Shareholders who acquired their ACS Shares in respect of their, or an Associate's, employment with ACS or any member of the ACS group. For ACS Shareholders who are non-residents of Australia for tax purposes, it is assumed that the ACS Shares are not held, and never have been held, as an asset of a permanent establishment of that ACS Shareholder in Australia.

This information is not intended to be taxation advice to any particular ACS Shareholder. All investors should seek independent professional advice on the consequences of their disposal of ACS Shares, based on their particular circumstances.

Any references below to the apportionment of market value are not to be taken to be advice in respect of determining the market value of an ACS share.

7.1 Australian resident ACS Shareholders

Upon disposal of an ACS share, an Australian resident ACS Shareholder should make a capital gain if the consideration received on disposal exceeds the cost base of the ACS share. An Australian resident ACS Shareholder should make a capital loss if the consideration received on disposal is less than the cost base of the ACS share.

No CGT rollover applies as Australian resident ACS Shareholders do not acquire any shares under the bid.

In broad terms, the cost base of the securities comprising an ACS share are generally the amount the Australian resident ACS Shareholder paid for them (including incidental costs of acquisition and disposal). In some cases there may be financing costs of ownership that will form part of the cost base of the asset.

The taxable amount of any capital gain may be reduced if the CGT discount applies. If an Australian resident ACS Shareholder is an individual, a complying superannuation entity or a trustee, the amount of the Australian resident ACS Shareholder's capital gain may be reduced by the relevant CGT discount. If an Australian resident ACS Shareholder who is an individual or trustee applies the CGT discount method, the Shareholder's taxable capital gain (after offsetting any current year capital losses or carry forward net capital losses from previous income years) will be reduced by one half (or one third if the Australian resident ACS Shareholder is a complying superannuation entity).

The CGT discount is not available to an Australian resident ACS Shareholder that is an individual, a complying superannuation entity, or a trustee where the disposal occurs in the first 12 months after the acquisition of the ACS Shares. That is, the ACS Shares must have been held for 12 months prior to accepting the Offer for the CGT discount to be available. If the Australian resident ACS Shareholder is a company, the CGT discount is not available at any time.

The above comments do not apply to ACS Shareholders who buy and sell shares in the ordinary course of business, or those who acquired the ACS Shares for resale at a profit. In those cases, any gain will generally be taxed as ordinary income. ACS Shareholders should seek their own advice.

7.2 Non-resident ACS Shareholders

An ACS Shareholder who is not a resident of Australia for tax purposes will generally not have to pay Australian tax on any capital gain made when disposing of ACS Shares.

However, a non-resident ACS Shareholder resident of a country that does not have a Double Tax Agreement with Australia may be required to pay Australian tax if both of the following requirements are satisfied:

- (a) the interest held in ACS is a "non-portfolio" interest; and
- (b) the ACS Shares pass the "principal asset test" at the time of disposal.

If either of these elements is absent, any capital gain made on the disposal of the ACS Shares should not be subject to income tax in Australia.

A non-resident ACS Shareholder will hold a "non-portfolio interest" in ACS if (together with Associates) they own, or owned, throughout a 12 month period during the 2 years preceding the sale of their ACS Shares, 10% or more of all of the shares in ACS.

The ACS Shares would pass the "principal asset test" if the market value of ACS' direct and indirect interests in Australian land (including leases and mining rights) is more than the market value of its other assets at the time a non-resident ACS Shareholder accepts the Offer.

Detailed calculations are required to determine the results of the "principal asset test".

If a non-resident ACS Shareholder is a resident of a country with a Double Tax Agreement, the requirements for being subject to Australian capital gains tax on a disposal of ACS Shares will be different. Each non-resident ACS Shareholder should seek their own advice regarding the Australian capital gains tax consequences from disposing ACS Shares.

If a non-resident ACS Shareholder buys and sells shares in the ordinary course of business, or acquired the ACS Shares for resale at a profit, any gain could be taxed in Australia as ordinary income and not as a capital gain (subject to any relief under a double tax treaty that Australia has concluded with the non-resident ACS Shareholder's country of residence). Again, non-resident ACS Shareholders should seek their own advice.

Non-resident ACS Shareholders should seek advice from their taxation advisor as to the taxation implications of accepting the Offer in their country of residence.

7.3 Stamp duty

No stamp duty will be payable by ACS Shareholders in respect of a transfer of their ACS Shares under the Offer.

7.4 Goods & Services Tax

No GST will be payable by ACS Shareholders in respect of a transfer of their ACS Shares under the Offer other than in respect of any brokerage charged by their brokers engaged to sell their ACS Shares.

8. Other Material Information

8.1 ASIC modifications

Xingang Resources has not obtained from ASIC any modifications to, nor exemptions from, the Corporations Act in relation to the Offer. However, ASIC has published various instruments providing modifications and exemptions that apply generally to all persons, including Xingang Resources, and on which Xingang Resources may rely.

8.2 Date for determining holders of ACS Shares

The date for determining the persons to whom information is to be sent under item 6 of section 635(1) of the Corporations Act is close of business in Melbourne Australia on 20 January 2012, being the date at which Xingang Resources received the extract of shareholders on the register of members from ACS.

8.3 Consents

Each of Xingang Resources and Xinyang Iron & Steel has given and has not, before the date of this Bidder's Statement, withdrawn its written consent:

- (a) to be named in this Bidder's Statement in the form and context in which it is named; and
- (b) to statements made by it in the Bidder's Statement, or statements said in the Bidder's Statement to be based on statements by it, in the form and context in which those statements are included in the Bidder's Statement.

Colin Hiles Associates has given and has not, before the date of this Bidder's Statement, withdrawn its written consent to be named in this Bidder's Statement as legal adviser to the Offer.

Greenard Willing has given and has not, before the date of this Bidder's Statement, withdrawn its written consent to be named in this Bidder's Statement as the company appointed to manage the bid process on behalf of Xingang Resources

D2MX has given and has not, before the date of this Bidder's Statement, withdrawn its written consent to be named in this Bidder's Statement as the company appointed to acquire on behalf of Xingang Resources all shares sold upon acceptance of the Offer.

Each person named in this Section 8.3 as having given its consent to the inclusion of a statement or being named in this Bidder's Statement:

- (a) does not make or purport to make any statement in this Bidder's Statement or any statement on which a statement in this Bidder's Statement is based other than, in the case of a person referred to above as having given their consent to the inclusion of a statement included in this Bidder's Statement with the consent of that person; and

- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Bidder's Statement, other than a reference to its name and, in the case of a person referred to above as having given their consent to the inclusion of a statement, any statement which has been included in this Bidder's Statement with the consent of that party.

This Bidder's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC or given to ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, the inclusion of those statements in this Bidder's Statement.

As required by ASIC Class Order 01/1543, Xingang Resources will make available a copy of these documents (or of relevant extracts from these documents) free of charge to ACS Shareholders who request it during the Offer Period. If you would like to obtain a copy of these documents (or the relevant extracts), please contact your Broker or professional adviser.

In addition, as permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

8.4 Forward-looking statements

In addition to the statements of historical fact in this Bidder's Statement, some of the statements appearing in this Bidder's Statement may be in the nature of forward-looking statements. ACS Shareholders should note that such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Xingang Resources. Actual results, values, performance or achievement may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement.

None of Xingang Resources, Xinyang Iron & Steel, any of their respective officers or any person named in this Bidder's Statement with their consent or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any results, values, performance or achievement expressed or implied in any forward-looking statement, except to the extent required by law.

Any forward-looking statements in this Bidder's Statement only reflect views held as at the date of this Bidder's Statement.

8.5 Announcement of Offer

The text of the Announcement of the Offer, which was announced by ASX on 20 January 2012, is set out in Appendix 2.

8.6 Foreign Investment Review Board

As:

- Xingang Resources is not a related entity to a foreign government;
- ACS is valued at less than \$231 million; and
- ACS is not an urban land corporation

the acquisition of shares pursuant to the Offer is exempt from examination under the *Foreign Acquisitions and Takeovers Act 1975* and the Australian Government's foreign investment policy. The Foreign Investment and Review Board has accordingly advised that there are no objections to the proposed acquisition in terms of the Government's foreign investment policy.

8.7 No other material information

Except as set out in this Bidder's Statement, there is no other information that is material to the making of the decision by a holder of ACS Shares whether or not to accept the Offer which is known to Xingang Resources and has not previously been disclosed to ACS Shareholders.

9. The Offer

9.1 General Terms

- (a) As announced to ASX by D2MX in the Announcement, Xingang Resources is making an Offer under an on-market takeover bid to acquire all ACS Shares which exist (or will exist) and are listed for quotation on ASX at any time during the Offer Period.
- (b) Xingang Resources offers to acquire all of your ACS Shares on the terms and conditions set out in this Bidder's Statement.
- (c) The consideration offered for each of your ACS Shares is 33¢ in cash. In accordance with the Corporations Act, Xingang Resources may vary the Offer Price at any time except during the final 5 Trading Days of the Offer Period.
- (d) From 10:00 am (AESST) on the Announcement Date of 20 January 2012, on behalf of Xingang Resources, D2MX will acquire in the market all ACS Shares offered at the Offer Price. Therefore you can sell your ACS Shares to Xingang Resources before the Offer Period officially commences.
- (e) The Offer is not subject to any conditions.

9.2 Offer Period

Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer, being 10.00 am (AESST) 20 January 2012 and ending at 4:00 pm (AESST) on the later of 2 March 2012 and any date to which the Offer Period is extended in accordance with the Corporations Act. Xingang Resources expressly reserves its rights to extend the Offer Period in accordance with the Corporations Act.

9.3 How to sell your ACS Shares

The Offer is for all of your ACS Shares. You may sell your ACS Shares to Xingang Resources on-market by:

- (a) offering to sell all or some of your ACS Shares on ASX at the Offer Price on and from the Announcement Date of 20 January 2012. D2MX will stand in the market on behalf of Xingang Resources and acquire all ACS Shares offered at the Offer Price during normal trading on ASX on and from the Announcement Date; or
- (b) accepting the Offer during the Offer Period.

Whether selling your ACS Shares to Xingang Resources under paragraphs (a) or (b) above, the process is as follows:

(a) Issuer Sponsored Holding

If your ACS Shares are in an Issuer Sponsored Holding (i.e. your Security Reference Number starts with an “I”), you must instruct any Broker to sell your ACS Shares on-market at the Offer Price.

(b) CHESS Holding

If your ACS Shares are in a CHESS Holding (i.e. your Holder Identification Number starts with an “X”), you must instruct your Broker (your Controlling Participant) to sell your ACS Shares on-market at the Offer Price.

(c) Broker or Participant

If you are a Broker or a Market Participant, to sell your ACS Shares you must initiate acceptance in accordance with the ASX Settlement Operating Rules.

9.4 Payment by Xingang Resources

In accordance with the usual rules for settlement of transactions which occur on-market on ASX, if you sell your ACS Shares in accordance with Section 9.3, you will be paid on a T+3 basis (being 3 Trading Days after your acceptance).

9.5 Certain ACS Shareholders

(a) Approvals for payment of consideration

Xingang Resources is not aware of any ACS Shareholder who requires any approval or clearance in order to be entitled to receive any consideration under the Offer.

(b) Banking (Foreign Exchange) Regulations 1959 (Cth)

The Banking (Foreign Exchange) Regulations 1959 (Cth) may impose restrictions on certain financial transactions and require the consent of the Reserve Bank of Australia for the movement of funds into and out of Australia.

Restrictions currently apply if funds are to be paid to, or received from:

- (i) specified supporters of the former government of the Federal Republic of Yugoslavia;
- (ii) specified ministers and senior officials of the Government of Zimbabwe;
- (iii) certain specified entities associated with the Democratic People’s Republic of Korea (North Korea);
- (iv) specified individuals associated with the Burmese regime;
- (v) certain specified individuals and entities associated with Iran; and

- (vi) certain specified individuals associated with the Qadhafi regime.

(c) Other legislation

The Charter of the United Nations Act 1945 (Cth) prohibits:

- (i) assets from being provided to proscribed persons or entities; and
- (ii) the use or dealing, and facilitation of such use or dealing, of certain assets owned or controlled by proscribed persons or entities,

in each case without the written consent of the Minister for Foreign Affairs.

Persons and entities from various countries have been proscribed under various Regulations, including the Charter of the United Nations (Dealing with Assets) Regulations 1008 (Cth) including in relation to Côte d'Ivoire, Democratic People's Republic of Korea (North Korea), Democratic Republic of Congo, Eritrea, Iran, Iraq, Lebanon, Liberia, Libya, Somalia and Sudan as well as certain proscribed persons and entities related to Al-Qaeda and the Taliban.

9.6 Withdrawal of Offer

Xingang Resources may withdraw the offer in respect of unaccepted Offers at any time;

- (a) with the written consent of ASIC and subject to the conditions (if any) specified in such consent; or
- (b) where ACS experiences an insolvency event such as the appointment of a liquidator or administrator, a court makes an order for ACS to be wound up, ACS executes a deed of company arrangement or a receiver and manager is appointed in relation to ACS' property; or
- (c) in the circumstances permitted under Section 652C(1) of the Corporations Act if at the relevant time Xingang Resources' voting power is at or below 50%.

Notice of withdrawal of the Offer must be given by Xingang Resources to ASX.

9.7 Variation

Xingang Resources may vary this offer in accordance with the Corporations Act. If you have sold your ACS Shares prior to any such announcement you will not receive any benefit from the variation.

9.8 Brokerage, stamp duty and other costs

If your ACS Shares are registered in an Issuer Sponsored Holding in your name, the relevant Broker you instruct to initiate acceptance on your

behalf may charge transactional fees or service charges in connection with acceptance of the Offer.

If your ACS Shares are registered in a CHESS Holding or if you are a beneficial holder and your ACS Shares are registered in the name of a Broker, bank, custodian or other nominee (i.e. the Controlling Participant), the Controlling Participant may charge transactional fees or service charges in connection with acceptance of the Offer.

Accordingly, you should ask your broker or Controlling Participant (as applicable) in relation to brokerage which may be charged in connection with your acceptance of the Offer.

All costs and expenses of the preparation, despatch and circulation of this Offer and all stamp duty payable (if any) on the transfer of your ACS Shares in respect of which the Offer is accepted will be paid by Xingang Resources.

9.9 Notice and return of documents

Subject to the Corporations Act, a notice or other communication given by Xingang Resources to you in connection with the Offer will be deemed to be duly given if it is in writing and is signed or purports to be signed on behalf of Xingang Resources by any director or company secretary of Xingang Resources and:

- (a) is delivered at your address as recorded in the register of ACS Shareholders; or
- (b) is sent by prepaid ordinary post, or in the case of any address outside Australia, by prepaid airmail, to you at your address as recorded in the register of ACS Shareholders.

A notice to be given to Xingang Resources by you in connection with the Offer will be deemed to be duly given to Xingang Resources if it is in writing and is delivered or sent by post to Xingang Resources (or other means provided for in this Bidder's Statement) to the following address:

Xingang Resources (HK) Limited
C/- Greenard Willing Pty Ltd
Level 8
530 Little Collins St
Melbourne VIC 3000

9.10 Governing Law

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in the State of Victoria, Australia.

10. Definitions and Interpretation

10.1 Definitions

In this Bidder's Statement (including its Appendices), the capitalised words and terms in bold text have the meanings assigned to them

ACS	Accent Resources NL (ACN 113 025 808)
ACS Board or ACS Directors	the board of directors of ACS.
ACS Option	an option over an unissued ACS Share.
ACS Share	a fully paid ordinary share in ACS, and all rights attaching to that share.
ACS Shareholder	a holder of ACS shares who is able to accept the Offer.
AESST	Australian Eastern Standard Summer Time
AEST	Australian Eastern Standard Time
Announcement	the announcement of the Offer set out in Appendix 2
Announcement Date	20 January 2012.
ASIC	the Australian Securities and Investments Commission
Associate	has the meaning given in section 9 of the Corporations Act.
ASX	ASX Limited ABN 98 008 624 691.
ASX Settlement	ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Operating Rules	the operating rules of ASX Settlement, as amended from time to time.
Bidder's Statement	this bidder's statement.
Broker or Stockbroker	a person or entity that is an ASX Market Participant
CGT	capital gains tax.
CHESS	Clearing House Electronic Sub-register System which provides for electronic share transfers in Australia.
CHESS Holding	has the meaning given to it in the ASX Settlement Operating Rules
Controlling Participant	the person who is designated as the controlling

	participant for shares in a CHESS Holding in accordance with the ASX Settlement Operating Rules.
Corporations Act	the Corporations Act 2001 (Cth).
D2MX	D2MX Pty Ltd (ABN 98 113 959 596) and the holder of AFS Licence 297950.
Greenard Willing	Greenard Willing Pty Ltd (ABN 43 147 158 334) and the holder of AFS Licence 403562.
GST	the goods and services tax.
Issuer Sponsored Holding	a holding of ACS Shares on ACS' issuer sponsored sub-register.
Listing Rules	the official listing rules of ASX, as amended from time to time.
Market Participant	has the meaning given to it in the ASX Settlement Operating Rules.
Offer	the offer by Xingang Resources to acquire ACS Shares on the terms set out in Section 9 and pursuant to this Bidder's Statement.
Offer Period	the period commencing at 10:00 am on 3 February 2012 and ending at 4:00 pm (AESST) on 2 March 2012, or such later date to which the Offer has been extended.
Offer Price	33¢ per ACS Share.
Participant	has the meaning given to it in the ASX Settlement Operating Rules.
Relevant Interest	has the meaning given to it in section 9 of the Corporations Act.
RMB	Renmimbi, the legal currency of the Peoples Republic of China
Trading Days	has the meaning given to it in the Listing Rules.
Voting Power	has the meaning given to it in section 610 of the Corporations Act.
VWAP	volume weighted average price.
Xingang Resources	Xingang Resources (HK) Limited.
Xinyang Iron & Steel	Xinyang Iron & Steel Company Ltd of Angang Group (Chinese Company No. 411500000002387).

10.2 Interpretation

Words and phrases used in this Bidder's Statement have the same meaning (if any) as given to them by the Corporations Act, the Listing Rules or the ASX Settlement Operating Rules unless that meaning is inconsistent with the context in which the term is used.

In this Bidder's Statement (including the Offer), the following principles of interpretation apply unless the context otherwise requires:

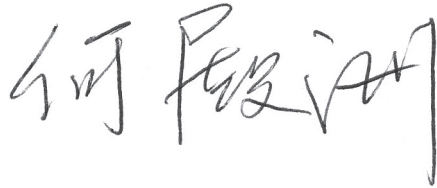
- (a) Words importing one gender include other genders.
- (b) Words (including defined terms) importing the plural include the singular and vice versa.
- (c) A reference to a person includes a reference to a corporation.
- (d) Headings are for convenience only and do not affect the interpretation of this Bidder's Statement.
- (e) Reference to Sections and Appendices are to Sections and Appendices of this Bidder's Statement and Appendices to this Bidder's Statement form part of this Bidder's Statement.
- (f) All references to time in this Bidder's Statement are to AESST or AESST (whichever is applicable) unless expressly specified otherwise.
- (g) Reference to "dollar", "dollars", "\$", "cents" or "¢" is a reference to the currency of the Commonwealth of Australia unless expressly specified otherwise.

11. Approval of Bidder's Statement

The copy of this Bidder's Statement to be lodged with ASIC has been approved by a resolution of the directors of Xingang Resources (HK) Limited passed on 18 January 2012.

Dated: 20 January 2012

Signed for and on behalf of Xingang Resources (HK) Limited

A handwritten signature in black ink, appearing to read '何殿洲' (He Dianzhou), written in a cursive style.

.....
Dianzhou He
Chairman and Director

Corporate Directory

Xingang Resources (HK) Limited
Room1505, 15/F
Yu Sung Boon Building
107-111 Des Voeux Road
Central
Hong Kong SAR

Directors

Mr Dianzhou He
Mr Qunying Liang

Company Secretary

Mr. Albert Zhou

Company's Representative for the Offer

Greenard Willing Pty Ltd
Level 8, 530 Little Collins Street
Melbourne VIC 3000

ASX Market Participant

D2MX Pty Ltd
Level 37, Rialto Tower South
525 Collins Street
Melbourne VIC 3000

Legal Adviser

Colin Hiles Associates
133 Somerset Drive
Mount Martha VIC 3934

Appendix 1

Premium / Discount

The premium/discount of the Offer compared to the volume weighted average price (VWAP) of ACS Shares over the previous 12 months to 12 January 2012 (Five Trading Days before the date of this Bidder's Statement) is as follows:

- a 1.5% discount to the VWAP of 32.5¢ for the 365 days;
- a 5.76% discount to the VWAP of 34.9¢ for the 180 days;
- a 6.06% discount to the VWAP of 35¢ for the 90 days;
- a 8.79% discount to the VWAP of 35.9¢ for the 60 days;
- a 8.79% premium to the VWAP of 30.1¢ for the 30 days;
- a 9.09% premium to the VWAP of 30¢ on 12 January 2012.



D2MX Pty Ltd
AFS Licence No. 297950
ABN 98 113 959 956

Takeover Announcement

20 January 2012

Company Announcements Office
ASX Limited

For immediate release to the market

On market takeover bid by Xingang Resources (HK) Ltd (Xingang), a subsidiary of Xinyang Iron & Steel Co Ltd of Angang Group, for ordinary shares in the capital of Accent Resources N.L. (ACN 113 025 808 (ACS)).

D2MX Pty Ltd (ABN 98 113 959 596) an ASX Market Participant announces that Xingang pursuant to section 635 of the *Corporations Act* 2001 (***Corporations Act***), offers to acquire on market at a price of 33¢ per share (**Offer Price**), all of the fully paid ordinary shares (**ACS shares**) in the capital of ACS which are listed for quotation on the official list of the Australian Securities Exchange Limited (**ASX**) that exist or will exist (including as a result of the exercise of existing options) at any time during the Offer Period (as defined below), which Xingang does not already own or in which it does not have a relevant interest (**Offer**).

From the date and time of this announcement and ending at close of trading on ASX on 2 March 2012, (on behalf of Xingang) D2MX will accept at the Offer Price every ACS Share offered to Xingang on market all the ACS Shares in which Xingang does not have a relevant interest) together with any additional ACS Shares which are issued pursuant to the exercise of any Options before the end of the Offer Period.

Terms of the Offer

Given the Offer is an on-market bid, it is unconditional and the consideration will be paid by way of cash.

The key features of the Offer are:

- It is an on-market, unconditional offer of 33¢ per ACS Share;

- Xingang will accept ACS Shares offered to it on-market from today at the Offer Price until the conclusion of the Offer Period; and
- The Offer Period may be extended and the Offer Price may be increased in accordance with the Corporations Act.

Acquisition from Announcement

Xingang has appointed D2MX to purchase all ACS Shares that exist or will exist from today until the conclusion of the Offer Period which are not already owned by Xingang on its behalf on market during the official trading days (**Trading Days**) of ASX. D2MX has been instructed to purchase, at the Offer Price, every ACS share offered for sale during the Trading Days in the period from the date of this announcement until the end of the Offer Period, subject to the Corporations Act.

Settlement and Brokerage

Payment for ACS Shares sold to Xingang under the Offer will be made on a T+3 settlement basis in accordance with the usual ASX Settlement Operating Rules for ASX trading.

The Offer will only be capable of acceptance by holders of ACS shares (Shareholders) selling through brokers which are participating organisations of ASX. All ACS shares to be purchased by Xingang under the Offer will be purchased on-market only during Trading Days.

Any brokerage charged by brokers acting for Shareholders wishing to sell their ACS Shares will be the sole responsibility of those Shareholders.

Acquisitions before Offer Period

D2MX will stand in the market on behalf of Xingang from the date of this announcement until commencement of the Offer Period and accept all ACS shares offered to it at the Offer Price..

Offer Period

The Offer will be made during the period commencing 3 February 2012 (being the first trading day after the end of 14 days after the date of this announcement) and ending on 2 March 2012, unless extended by Xingang pursuant to the Corporations Act (**Offer Period**). During the Offer Period, D2MX will stand in the market on behalf of Xingang and accept all ACS Shares offered to it at the Offer Price.

Xingang may withdraw unaccepted Offers in the circumstances permitted by, and in accordance with, Part 6.7 and Section 652C of the Corporations Act, at any time before the end of the Offer Period.

Bidder's Statement

In accordance with section 635 of the Corporations Act, a Bidder's Statement will be served on ACS and lodged with each of ASX and the Australian Securities and Investments Commission today. A copy of the Bidder's Statement will also be sent to Shareholders before commencement of the Offer Period.

The ACS Shares

The ACS Shares which are the subject of the Offer are all fully paid ordinary shares in the capital of Accent Resources Limited (**ACS Shares**) that Xingang does not already own, which are on issue at the date of the Bidder's Statement and such other Shares which are issued before the end of the Offer Period. Immediately before the making of this announcement:

- insofar as Xingang is aware, there are 173,000,233 ACS Shares on issue, all of which are quoted on ASX; and
- Xingang has a relevant interest in 30,420,153 voting shares, which represents 17.58% of all voting shares on issue in the capital of ACS

The information in this announcement is based on information supplied by Xingang

Signed for and on behalf of D2MX Pty Ltd



.....
Director

Level 37 Rialto South Tower, 525 Collins Street, Melbourne, Victoria 3000, Australia
1300 340 545 | www.d2mx.com.au

This page has been left blank intentionally

