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3 February 2012

The Manager
Company Announcements Office
ASX Limited
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

**Accent Resources NL (ASX:ACS) – takeover bid by Xingang Resources (HK) Limited
Target's Statement**

We **attach**, by way of service pursuant to item 10 of subsection 635(1) of the *Corporations Act 2001* (Cth), a copy of the target's statement of Accent Resources NL (**Accent**) in response to the on-market takeover bid by Xingang Resources (HK) Limited (**Xingang**) for all the ordinary shares in Accent that Xingang and its associates do not already own, and accompanying Independent Expert Report and Technical Expert Report.

A copy of the target's statement and accompanying reports have been given to each of ASIC and Xingang today, and will be sent to Accent shareholders shortly.

Yours sincerely

Ranko Matic
Company Secretary





Target's Statement

This Target's Statement has been issued in response to the on-market takeover bid made by Xingang Resources (HK) Limited, for all the ordinary shares in Accent Resources NL, which it and its Associates does not already own.

STEINEPREIS PAGANIN
Lawyers & Consultants



Legal Advisor



Hartleys

Corporate Advisor

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

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KEY DATES

First date on which Accent Shareholders are able to sell Accent Shares to Xingang	Friday, 20 January 2012
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The Offer Period officially opens (although as noted above, Xingang is still able to acquire your Accent Shares on-market for the Offer Price from 20 January 2012)	10:00 am (AESST) on Friday, 3 February 2012
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Date of this Target's Statement	Friday, 3 February 2012
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Close of Offer Period (unless extended or withdrawn)	4:00 pm (AESST) on Friday, 2 March 2012
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ACCENT SHAREHOLDER INFORMATION

Accent has established an Offer Information Line which Accent Shareholders may call if they have any queries in relation to Xingang's Offer. The telephone number for the Offer Information Line is +61 8 9389 8033 between 8.30am and 5.00pm (WST) on Business Days. Calls to the Offer Information Line may be recorded.

Further information relating to Xingang's Offer can be obtained from Accent's website at www.accentresources.com.au.

IMPORTANT NOTICES

Nature of this document

This document is a Target's Statement issued by Accent Resources NL (ACN 113 025 808) under Part 6.5 Division 3 of the Corporations Act in response to the on-market takeover bid made by Xingang Resources (HK) Limited for all the ordinary shares in Accent.

This Target's Statement is dated 3 February 2012 and was lodged with the ASIC and given to ASX on that date. Neither ASIC nor ASX nor any of their respective Officers take no responsibility for the contents of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in section 10 of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in this Target's Statement and defined in the Corporations Act have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. The Independent Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which Accent operates as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement.

None of Accent, Accent's Officers, any persons named in this Target's Statement with their consent or any person involved in the preparation of this Target'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 events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to information

The information on Xingang and the Xingang Group contained in this Target's Statement has been prepared by Accent using publicly available information. The information in the Target's Statement concerning Xingang and the Xingang Group, has not been independently verified by Accent. Accordingly Accent does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations.

This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with the laws and regulations outside of Australia.

Maps and diagrams

Any diagrams, charts, maps, graphs and tables appearing in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in diagrams, charts, maps, graphs and tables is based on information available at the date of this Target's Statement.

Privacy

Accent has collected your information from the Accent register of Accent Shareholders and Accent Optionholders for the purpose of providing you with this Target's Statement. The type of information Accent has collected about you includes your name, contact details and information on your shareholding or option holding (as applicable) in Accent. Without this information, Accent would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of shareholders and Accent Optionholders to be held in a public register. Your information may be disclosed on a confidential basis to Accent's related bodies corporate and external service providers (such as the share registry of Accent and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by Accent, please contact the Offer Information Line. Calls to the Offer Information Line may be recorded.

3 February 2012

Dear Shareholder

XINGANG'S OFFER

On 20 January 2012, Xingang Resources (HK) Limited announced an on-market takeover offer for Accent.

Xingang is offering to acquire the fully paid ordinary shares in Accent it does not already own for \$0.33 cash per share (the **Offer**). The formal Offer was made in Xingang Bidder's Statement dated 20 January 2012.

Accent has taken steps to ensure the independence of Accent's response and has formed an Independent Board Committee to consider and assess the Offer. The Independent Board Committee comprises of all of the directors of Accent other than Junsheng Liang, a director of Accent who is also associated with Xingang. In addition, Accent has appointed Hartleys Limited as Corporate Adviser.

The Independent Directors have carefully considered the Offer. The Independent Directors recommend that Accent Shareholders accept the Offer in the absence of a superior proposal but consider that Accent Shareholders should also be aware of the following factors in making their decision in relation to the Offer:

- (a) Xingang's Offer is opportunistic and represents only a modest premium to the levels that Accent's Shares traded prior to the announcement of the Offer;
- (b) you will no longer have exposure to Accent's assets and operations if you accept Xingang's Offer;
- (c) there are taxation consequences of accepting the Xingang Offer;
- (d) if you have accepted Xingang's Offer, you will not subsequently be able to sell your Accent Shares or accept a superior proposal for your Accent Shares; and
- (e) there is a possibility that a superior proposal may emerge for your Accent Shares.

The principal reasons for the Independent Director's recommendation that Accent Shareholders accept the Offer in the absence of a superior proposal are:

- (a) the Independent Expert has concluded the Offer is fair and reasonable to Accent Shareholders not associated with Xingang;
- (b) the Offer is an unconditional 100 per cent cash offer;
- (c) there may be adverse consequences associated with not accepting the Offer;
- (d) no superior proposal for Accent has emerged; and

- (e) the Offer is likely to have a greater premium to Accent's recently traded share price had "friendly takeover discussions" not been disclosed to the market in May 2011.

Further details are set out in section 2 of this Target's Statement.

Accepting the Offer and next steps

In considering whether to accept the Offer, the Independent Directors encourage you to:

- read the whole of this Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- carefully consider sections 4.8 and 4.10 of this Target's Statement;
- consider the choices available to you as outlined in section 5 of this Target's Statement; and
- obtain personal advice from your broker, financial adviser, accountant, lawyer or other professional adviser on the effect of accepting the Offer.

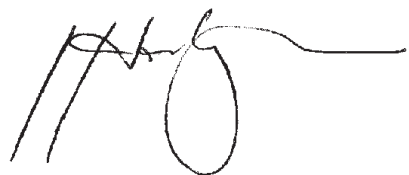
Further information

The Independent Directors will be closely monitoring the progress of the Xingang Offer. The Independent Directors will keep Accent Shareholders informed of any material developments in relation to the Offer through releases to the ASX (which will also be published on Accent's website).

The Independent Directors have been and will continue to engage in discussions with Xingang with a view to securing a higher Offer Price for Accent Shareholders prior to the end of the Offer Period.

I encourage you to read this document carefully. If you need any more information, I recommend that you seek professional advice or call Accent's Offer Information Line between 8.30am and 5.00pm (WST) on Business Days.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Ian Hastings', with a long horizontal flourish extending to the right.

Mr Ian Hastings
Executive Chairman
For and on behalf of
Accent Resources NL

1. FREQUENTLY ASKED QUESTIONS

This section answers some commonly asked questions about the Xingang Offer. It is not intended to address all relevant issues for Accent Shareholders. This section should be read together with all other parts of this Target's Statement.

Question	Answer
What is Xingang offering for my Accent Shares?	Xingang has made an on-market takeover offer of \$0.33 for each Accent Share.
What choices do I have as an Accent Shareholder?	As an Accent Shareholder, you have the following choices: (a) accept Xingang's Offer (by selling your Accent Shares on-market); or (b) reject Xingang's Offer, in which case you do not need to take any action; or (c) otherwise sell some or all of your Accent Shares on market at any time (that is, other than by way of accepting Xingang's Offer). On the last practical date prior to the date of this Target's Statement, being 31 January 2012, the Offer Price represents a 0.5 cent or 1.49% discount the closing price of Accent Shares on the ASX. The latest market price for Accent Shares may be obtained from your broker or the ASX website www.asx.com.au.
What do the Independent Directors of Accent recommend that I do?	The Independent Directors unanimously recommend that you accept the Offer in the absence of a superior proposal. The key reasons why the Independent Directors unanimously recommend that you accept the Offer in the absence of superior proposal are set out in section 2 of the Target's Statement. However, the Independent Directors recommend that Accent Shareholders take into account the factors set out in section 4.10 of the Target's Statement in making their decision in relation to the Offer. Junsheng Liang (also known as Jun Sheng (Jerry) Liang) does not believe that it is

appropriate to make a recommendation in relation to the Offer due to his relationship with Xingang.

What do the Independent Directors intend to do with their Accent Shares?	Each Independent Director currently intends to accept Xingang's Offer in relation to those Accent Shares owned or controlled by him, in the absence of a superior proposal.
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What is the Independent Expert's opinion?	The Independent Expert has concluded that Xingang's Offer is fair and reasonable to Accent Shareholders that are not associated with Xingang. A copy of the Independent Expert's Report is provided as Attachment 1 of this Target's Statement.
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What are the consequences of rejecting the Offer?	If you reject the Offer, you should be aware that: (a) if you choose not to accept the Offer and Xingang acquires at least 90% of the Accent Shares, Xingang may become entitled to compulsorily acquire the balance of the Accent Shares on issue, and it has said that it intends to exercise those rights (see section 6.10 of this Target's Statement for further details); (b) if you choose not to accept the Offer and Xingang acquires more than 50% but less than 90% of the Accent Shares on issue, you will be exposed to the risks associated with being a minority shareholder in Accent (see section 4.12 of this Target's Statement for further details); (c) you will continue to receive benefits as an Accent Shareholder; and (d) as a holder of Accent Shares, you will continue to be subject to the risks set out in section 4.10 of this Target's Statement.
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What are the risks associated with rejecting the Offer and remaining an Accent Shareholder?	As a holder of Accent Shares, you will continue to be subject to the risks set out in section 4.11 of this Target's Statement. The risks associated with rejecting the Offer and remaining an Accent Shareholder include: (a) the Accent Share price may fall if the Offer is unsuccessful; (b) commodity price and exchange rate fluctuations; (c) exploration and development risks, native title risks, and risks relating to the status and renewal of Accent's mineral tenements; and (d) risks relating to fluctuations in economic and business conditions and the ability for Accent to raise funds when required.
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When can I accept Xingang's Offer or sell my Accent Shares to Xingang?	You can sell your Accent Shares on-market at the Offer Price immediately from 20 January 2012 until the Xingang Offer closes at 4:00 pm (AESST) on 2 March 2012.
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When will I be sent payment for my Accent Shares if I accept Xingang's Offer?	If you accept Xingang's 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 Accent Shares, you will receive payment within 3 Trading Days of selling your Accent Shares.
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Will I receive further advice from the Independent Directors during the Offer Period?	The Independent Directors have been and will continue to engage in discussions with Xingang with a view to securing a higher Offer Price for Accent Shareholders prior to the end of the Offer Period. The Independent Directors will be closely monitoring the progress of the Xingang Offer. If circumstances change, or if matters arise which should be drawn to the attention of Accent Shareholders or which cause any change or variation to the advice of your Independent Directors contained in this
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Target's Statement, the Independent Directors will ensure that Accent Shareholders are promptly and appropriately advised.

What is the Independent Board Committee?

A committee of the Accent Board formed to consider and assess the Offer. It comprises of all of the directors of Accent other than Junsheng Liang. Mr Liang is not a member of the Independent Board Committee as he is a director of Xingang Iron and Steel, which owns 51% of the issued shares in Xingang and which may be considered to be an Associate of Xingang.

What are the tax consequences of Xingang's Offer?

Accepting Xingang's Offer may have significant tax consequences. See section 7 of the Bidder's Statement for further details.

Will I be forced to sell my Accent Shares?

You cannot be forced to sell your Accent Shares unless Xingang proceeds to compulsory acquisition of your Accent Shares. During or at the end of the Offer Period, Xingang and its Associates must have Relevant Interests in at least 90% (by number) of the Accent Shares in order to exercise compulsory acquisition rights. If you do not accept Xingang's Offer and your Accent Shares are compulsorily acquired, you will face delay in receiving the consideration for your Accent Shares compared with those Accent Shareholders who have accepted Xingang's Offer.

Accent notes that three Accent Shareholders, being Sino, Bin Cui and Rich Mark, have agreed or advised that they will not accept the Offer. Together, these Accent Shareholders hold Relevant Interests in more than 10% of Accent Shares on issue. Accordingly, Accent understands that Xingang will not be entitled to exercise any compulsory acquisition rights following the end of the Offer Period.

What happens if the Offer

If Xingang's Offer is increased or a superior

Price is increased or a superior proposal is made by a third party or the price of Accent Shares on the ASX increases?

proposal is made by a third party, the Independent Directors will consider the change in circumstances and advise you of their position.

You will not benefit if the Offer Price is increased after you have accepted the Offer, nor will you benefit if a superior proposal is made by a third party or the price of Accent Shares on the ASX increases after you have accepted the Offer.

What are the consequences of accepting the Offer now?

If you accept the Offer you will not be able to accept a superior proposal from Xingang or any other bidder if such an offer is made, or benefit from any higher price in the market.

Are there any conditions to the Offer?

No, the Offer is unconditional.

If I accept the Offer now, can I withdraw my acceptance?

No, once you have accepted the Offer, you will be legally bound to sell those Accent Shares and you cannot later withdraw your acceptance.

Can Xingang vary the Offer?

Yes. Xingang can vary the Offer by extending the Offer Period or increasing the Offer Price (although any increase in the Offer Price will not apply to you if you have previously accepted the Offer).

Details of the circumstances in which the Offer Period may be extended are set out in section 6.4 of this Target's Statement.

Xingang cannot increase the Offer Price during the last five Trading Days of the Offer Period.

Can Xingang withdraw the Offer?

The Corporations Act permits the withdrawal of unaccepted offers only in exceptional circumstances.

If Xingang's voting power in Accent is at or below 50%, Xingang may withdraw unaccepted Offers if Accent issues shares

or grants an option over its shares, makes certain other changes to its share capital, disposes of or changes the whole or a substantial part of its business or property or resolves to be wound up.

Xingang may also withdraw unaccepted Offers if certain insolvency events occur during the bid period, regardless of Xingang's voting power at that time.

Will there be any costs associated with accepting the Offer?

As the Offer is an on-market offer, Accent Shareholders may only accept the Offer through brokers who are members of ASX. If you decide to accept the Offer, any brokerage charged by the broker will be your sole responsibility.

When does the Offer close?

The Offer is presently scheduled to close at 4:00 pm (AESST) on Friday, 2 March 2012, but the Offer Period can be extended in certain circumstances. See section 6.4 of this Target's Statement for details of the circumstances in which the Offer Period can be extended.

In addition, there will be an automatic extension of the Offer Period if, within the last seven days of the Offer Period, Xingang's voting power in Accent increases to more than 50%. If this occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

Is there a number that I can call if I have further queries in relation to the Offer?

If you have any further queries in relation to the Offer, you can call the Offer Information Line on +61 8 9389 8033. Calls to this number may be recorded.

2. REASONS FOR YOUR INDEPENDENT DIRECTORS' RECOMMENDATION

2.1 Introduction

The Independent Directors have carefully considered the Offer. The reasons for the Independent Directors' recommendation are set out below.

The Independent Directors recommend that Accent Shareholders accept the Offer in the absence of a superior proposal but consider that Accent Shareholders should also be aware of the following factors in making their decision in relation to the Offer:

(a) **Xingang's Offer is opportunistic and represents only a modest premium to the levels that Accent's Shares traded prior to the announcement of the Offer**

The Independent Directors consider Xingang's Offer to be opportunistic and made at a time of financial market uncertainty, difficult economic conditions and share price volatility.

The cash consideration to be received by Accent Shareholders who accept the Offer represents only a modest premium to the levels that Accent's Shares traded prior to the announcement of the Offer.

The premium / discount to the volume weighted average price (**VWAP**) of Accent Shares over the previous 12 months to 19 January 2012 (the day prior to the Offer being announced) is as follows:

- (i) a 1.34% discount to the 365 day VWAP of 33.4 cents;
- (ii) a 5.75% discount to the 180 day VWAP of 34.9 cents;
- (iii) a 5.51% discount to the 90 day VWAP of 34.82 cents; and
- (iv) a 1.54% premium to the closing price on the day prior to the Offer being announced.

Accent notes however that the trading price of Accent Shares prior to the Offer was likely influenced by previous announcements by Accent in relation to the intention of Xingang to provide a takeover offer to Accent Shareholders.

(b) **You will no longer have exposure to Accent's assets and operations if you accept Xingang's Offer**

If you accept the Offer, you will no longer be an Accent Shareholder. This will mean that you will not participate in any potential upside that may result from Accent remaining a standalone entity, including any increase in the Accent Share price. You will also cease to have a right to influence the future direction of Accent through your voting rights as an Accent Shareholder. By accepting the Offer for all of your Accent Shares, you will no longer have any economic exposure to Accent's future operations, results and performance. There is a possibility that economic conditions will improve in the future. Any such improvement may have a positive impact on the future value of Accent.

(c) **There are taxation consequences of accepting the Xingang Offer**

Accepting the Xingang Offer may trigger taxation consequences for you. See section 4.9 of this Target's Statement for further information.

- (d) **If you have accepted Xingang's Offer, you will not subsequently be able to sell your Accent Shares or accept a superior proposal for your Accent Shares**

If you accept the Offer, you will no longer be able to trade your Accent Shares on market. There is a possibility that the Accent Share price may exceed the Offer Price. You may consider that you will have the opportunity to dispose of your Accent Shares at a price in excess of A\$0.33 per Accent Share in the future.

- (e) **There is a possibility that a superior proposal may emerge for your Accent Shares**

Once you accept the Xingang Offer you will not be able to accept your Accent Shares into any superior proposal that may emerge as you will have entered a binding contract for the sale of your Accent Shares.

2.2 Independent Directors' recommendation

The reasons for the Independent Directors' recommendation that Accent Shareholders accept the Offer in the absence of a superior proposal are set out below.

- (a) **The Independent Expert has concluded the Offer is fair and reasonable to Accent Shareholders not associated with Xingang**

A copy of a report by DMR Corporate Pty Ltd, the Independent Expert appointed by Accent, is included as Attachment 1 to this Target's Statement. The Independent Expert's Report states that, in the Independent Expert's opinion, the unconditional, on-market Offer of A\$0.33 cash for each Accent Share is fair and reasonable to Accent Shareholders not associated with Xingang, and gives reasons for that opinion.

The Independent Expert has also assessed the value of an Accent Share as being in the range of A\$0.20 to A\$0.38, with a mid point value of A\$0.29. The Offer of A\$0.33 per Accent Share thus exceeds the mid point value per Accent Share assessed by the Independent Expert.

The Independent Director's recommend that you read the Independent Expert's Report in full.

- (b) **The Offer is an unconditional 100 per cent cash offer**

The Offer is an unconditional 100 per cent cash offer. Xingang has stated in its Bidder's Statement that the consideration payable will be satisfied from its own cash reserves. The Offer provides immediate and certain value for your Accent Shares with settlement occurring three Trading Days after your acceptance (T + 3), in accordance with usual rules for settlement of on-market transactions on ASX.

- (c) **There may be adverse consequences associated with not accepting the Offer**

If you do not accept the Offer and Xingang gains effective control of Accent but is not entitled to proceed to compulsory acquisition of the outstanding Accent Shares, then you might remain a minority shareholder in Accent. If Accent remains listed, the Independent Directors consider it is unlikely that the Accent share price would sustain the current share price and, accordingly, would likely fall below the Offer Price. In particular, if only a limited number of minority shareholders remain, it is also possible that the market for your Accent Shares may become less liquid, making it more difficult to sell your Accent Shares in the future. Historically, Accent Shares have experienced relatively low trading volumes.

There is also a risk that, if there is insufficient spread of Accent Shareholders, Accent may be de-listed from the ASX, which could have an adverse effect on the price and marketability of your Accent Shares.

(d) **No superior proposal for Accent has emerged**

Your Independent Directors consider the Offer to be the best proposal available to Accent Shareholders and unanimously recommend that Accent Shareholders accept the Offer, in the absence of a superior proposal.

Over the previous 12 months, Accent has engaged in discussions with various parties regarding the possible sale of Accent's Magnetite Range Iron Ore Project and the possible sale of the Company, with a view to maximising shareholder value. As at the last Business Day prior to the date of this Target's Statement, no competing proposal or superior proposal had been received by the Independent Directors.

(e) **The Offer is likely to have represented a greater premium to Accent's recently traded share price had "friendly takeover discussions" not been disclosed to the market in May 2011**

On 27 May 2011, Accent announced that it was in advanced discussions in relation to the sale of its Magnetite Range Iron Ore Project. This announcement had a positive impact on the Accent Share price and is likely to have resulted in stronger share price performance by Accent in the period leading up to the announcement of Xingang's Offer.

3. DIRECTORS' RECOMMENDATION AND INTENTIONS

3.1 Independent Board Committee

Accent has taken steps to ensure the independence of Accent's response to the Offer. A committee of the Accent Board (the **Independent Board Committee**) was formed to consider and assess the Offer. It comprises of all of the directors of Accent other than Junsheng Liang. Mr Liang is not a member of the Independent Board Committee as he is a director Xinyang Iron & Steel, which is a substantial holder of shares in Xingang and accordingly, the Independent Board Committee has decided he is a participating insider for the purposes of Guidance Note 19 (Insider Participation in Control Transactions) issued by the Australian Takeovers Panel.

The Independent Board Committee has adopted various protocols and processes to manage Accent's consideration of the Offer. Among other things, Mr Liang was not allowed to participate in or vote on any consideration by the Accent Board of the Offer. Further details regarding the processes are set out in section 3.3 of the Target's Statement.

3.2 Relationship between Junsheng Liang, Xingang and Xinyang Iron & Steel

Xingang Iron & Steel owns 51% of the issued capital of Xingang and is an Associate of Xingang for the purposes of section 12 of the Corporations Act. Further details regarding the directors of Xinyang Iron and Steel and Xingang, and the shareholders of Xingang Iron & Steel and Xingang with an interest in the issued capital of those companies of 5% or more is set out in section 3 of the Bidder's Statement and section 4.2 of this Target's Statement.

Although Mr Junsheng Liang is a director of both Xinyang Iron and Steel and of Accent, it is stated in section 3.9 of the Bidder's Statement that Xingang believes that he is not an Associate of Xingang nor does he have a Relevant Interest in Accent voting shares in that capacity.

The Bidder's Statement does not refer to any incentive, participation and fees offered to Mr Junsheng Liang by Xingang. Section 4.7 of the Bidder's Statement sets out the fees and benefits given by Xingang.

3.3 Processes and protocols

The Company has established an Independent Board Committee and implemented protocols and processes to manage the Company's consideration of the Offer and any competing proposal pursuant to an Independent Board Committee Charter. The processes and protocols adapted by the Independent Board Committee include the following:

- (a) the Independent Board Committee will authorise and regulate participating insiders' and management's participation in the Offer (including limited waiver/release of confidentiality and other obligations in service agreements) where required;
- (b) the Independent Board Committee will participate in and vote on any consideration by the Board of the Offer or any competing bid. Participating insiders are excluded from such processes; and
- (c) the Independent Board Committee will limit or restrict a participating insider from:

- (i) accessing documents and information held by or prepared by the Company or the Independent Board Committee in connection with the Offer or a competing proposal, or any documents or information that may be material to the Offer or competing proposal;
- (ii) accessing the Company's premises or part of the premises where the person may have access to the documents and information referred to in paragraph 3.4(c)(i) above; and
- (iii) accessing the information systems of the Company where the person may have access to the documents and information referred to in paragraph 3.4(c)(i) above.

To give effect to these processes and protocols Mr Junsheng Liang and his alternative, Mr Jie You, have entered into a confidentiality agreement with the Company.

3.4 Directors' recommendations

(a) Independent Directors

The Directors are listed in section 7.2 of this Target's Statement.

After taking into account each of the matters in this Target's Statement and in the Bidder's Statement, each of the Independent Directors recommends that you accept the Offer in the absence of a superior proposal.

The Independent Directors' reasons for their above recommendation are set out in section 2 of this Target's statement.

In considering whether to accept the Offer, the Independent Directors encourage you to:

- (i) read the whole of this Target's Statement and the Bidder's Statement;
- (ii) have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances;
- (iii) carefully consider sections 4.8 and 4.10 of this Target's Statement;
- (iv) consider the choices available to you as outlined in section 5 of this Target's Statement; and
- (v) obtain personal advice from your broker, financial adviser, accountant, lawyer or other professional adviser on the effect of accepting the Offer.

(b) Other Director(s)

Junsheng Liang does not make any recommendation as to whether Accent Shareholders should accept the Offer.

Mr Liang does not believe it is appropriate to make a recommendation in relation to the Offer due to his relationship with Xingang and Xingang's interest in the Offer.

3.5 Intentions of the Accent Directors in relation to the Offer

Details of the direct and indirect holdings of each Accent Director in Accent Shares are set out in section 8.1 of this Target's Statement.

(a) Independent Directors

Each of the Independent Directors intends to accept the Offer in respect of the Accent Shares they own or control in the absence of a superior proposal.

(b) Other Director(s)

Mr Junsheng Liang and his Associates have a Relevant Interest in 28,218,366 Accent Shares held by Rich Mark.

Junsheng Liang is Managing Director and principal of Rich Mark. Rich Mark has advised the Company that it does not intend to accept the Offer.

4. IMPORTANT MATTERS FOR ACCENT SHAREHOLDERS TO CONSIDER

4.1 Xingang's Offer

Xingang announced its on-market takeover bid for Accent on 20 January 2011. The key features of the Offer are summarised in section 6 of this Target's Statement.

4.2 Information about Xingang and Xinyang Iron & Steel

Xingang is a Hong Kong incorporated investment company. Its only assets as the time of the announcement of the Offer on 20 January 2011 were cash and its interest in Accent Options and Accent Shares.

Specifically, Xingang held a Relevant Interest in 17.58% of Accent Shares on issue as at the date of the Bidder's Statement. On the last practical date prior to the date of this Target's Statement, being 31 January 2012, according to substantial holding notices lodged with ASX, Xingang held a Relevant Interest in 20.68% of Accent Shares on issue (or 35,778,875 Accent Shares). However, in respect of 15,420,153 Accent Shares (or 8.91% of Accent Shares on issue), Xingang's Relevant Interest arises by virtue of having entered into agreements with Sino and Bin Cui providing that they will not accept the Offer nor otherwise dispose of their Accent Shares during the Offer Period without Xingang's consent. See section 9.4 of this Target's Statement for further details. Xingang also holds 3,500,000 unlisted Accent Options exercisable at \$0.30 per Accent Share which expire on 14 September 2012.

Xingang does not have any subsidiaries. As at the date of the announcement of the Offer on 20 January 2012, its shareholders who held more than 5% of the issued shares of Xingang as stated in section 3.3 of the Bidder's Statement were:

Name	Percentage holding
Xinyang Iron & Steel Company Ltd	51%
Mr. Qunying Liang	39%
Mr. Tao Wang	10%

Xinyang Iron & Steel is the major shareholder of Xingang. Xinyang Iron & Steel's main products include pig iron, steel, steel coil, ferro-alloy, coke and manganese iron. In addition to its steel making business, it also owns 13.5% of a local commercial bank in Xinyang, Henan Province, China, 51% of the issued shares of Xingang, and it has a substantial investment in property developments.

Section 3 of the Bidder's Statement contains further information regarding Xingang and Xinyang Iron & Steel.

4.3 Holders of relevant class of voting shares or interests

The shareholders who hold more than 5% of the issued shares of Xingang are Xinyang Iron & Steel which holds 51%, Mr. Qunying Liang who holds 39% and Mr. Tao Wang who holds 10%.

The shareholders who hold more than 5% of the issued shares of Xinyang Iron & Steel are Anyang Iron & Steel Group Company Ltd which holds 14.24%, Henan

Hengchang Trading Company Ltd which holds 9.49%, and Mr. Dianzhou He who holds 13.96%.

Mr Dianzhou He is a director of both Xingang and Xinyang Iron & Steel. Mr Qunying Liang is a director of Xingang.

Further information of the interests of Xingang, Xinyang Iron & Steel and Mr Qunying Liang in Accent Shares and their voting power in Accent is set out in section 4.7 of the Bidder's Statement.

4.4 Independent Expert's Report

This Target's Statement includes, as Attachment 1, a copy of a report by DMR Corporate Pty Ltd (an independent expert not associated with Accent or Xingang), stating whether, in its opinion, the Offer is fair and reasonable to Accent Shareholders not associated with Xingang, and giving reasons for forming that opinion.

The Independent Expert has concluded that the Offer is fair and reasonable to Accent Shareholders not associated with Xingang.

The Independent Directors recommend that you read the Independent Expert's Report in full.

4.5 Sources of consideration

Information relating to the sources of consideration for the Offer is set out in section 6 of the Bidder's Statement.

4.6 Dividend issues for Accent Shareholders

Accent has never paid a dividend and the Accent Board does not expect this to change in the short to medium term

4.7 Changes to the Offer

The Independent Directors have been and will continue to engage in discussions with Xingang with a view to securing a higher Offer Price for Accent Shareholders prior to the end of the Offer Period.

If matters arise which should be drawn to the attention of Accent Shareholders or which cause any change or variation to the advice of your Independent Directors contained in this Target's Statement, the Independent Directors will ensure that Accent Shareholders are promptly and appropriately advised. The Independent Directors reserve the right to change or vary their recommendation to Accent Shareholders during the Offer Period.

4.8 Other alternatives to the Offer

The Independent Directors are not aware of any alternatives to the Offer in order to maximise value for Accent Shareholders. These include the potential for rival takeover bids for Accent.

The Independent Directors have been and will continue to engage in discussions with Xingang with a view to securing a higher Offer Price for Accent Shareholders prior to the end of the Offer Period.

At this stage, the Independent Directors are not in a position to provide Accent Shareholders with information in relation to the probability of an alternative transaction arising, but will keep Accent Shareholders informed of any material developments.

4.9 Taxation consequences

Accepting the Xingang Offer may trigger taxation consequences for you. The taxation consequences of accepting the Offer depend on a number of factors and will vary depending on your particular circumstances. A general outline of the Australian taxation considerations of accepting the Offer are set out in section 7 of the Bidder's Statement.

You should carefully read section 7 of the Bidder's Statement and consider the taxation consequences of accepting the Offer. The outline provided in the Bidder's Statement is of a general nature only and you should seek your own specific professional advice as to the taxation implications applicable to your circumstances.

4.10 Risks associated with accepting the Xingang Offer

(a) You will no longer have exposure to Accent's assets and operations

If you accept the Offer, you will no longer be an Accent Shareholder. This will mean that you will not participate in any potential upside that may result from Accent remaining a standalone entity, including any increase in the Accent Share price. You will also cease to have a right to influence the future direction of Accent through your voting rights as an Accent Shareholder. By accepting the Offer for all of your Accent Shares, you will no longer have any economic exposure to Accent's future operations, results and performance. There is a possibility that economic conditions will materially improve in the future. Any such improvement may have a positive impact on the future value of Accent.

(b) The taxation consequences of accepting the Xingang Offer

Accepting the Xingang Offer may trigger taxation consequences for you. See section 4.9 above of the Target Statement for further information.

(c) If you have accepted Xingang's Offer, you will not subsequently be able to sell your Accent Shares or accept a superior proposal for your Accent Shares

If you accept the Offer, you will no longer be able to trade your Accent Shares on market. There is a possibility that the Accent Share price may exceed the Offer Price. You may consider that you may have the opportunity to dispose of your Accent Shares at a price in excess of A\$0.33 per Accent Share in the future.

(d) Possibility of a superior proposal

Once you accept the Xingang Offer you will not be able to accept your Accent Shares into any superior proposal that may emerge as you will have entered a binding contract for the sale of your Xingang Shares.

4.11 Risks of remaining an Accent Shareholder

(a) Introduction

In considering this Target's Statement and the Offer, Accent Shareholders should be aware that there are a number of risks, general and specific, which may affect the future operating and financial performance of Accent and the value of Accent Shares. Many of these risks are relevant to Accent Shareholders today and will be relevant to Accent Shareholders who remain as Accent Shareholders following the completion of the Takeover Bid.

Many of these risks are outside the control of Accent and the Accent Board. There can be no certainty that Accent will achieve its stated objectives or that any forward looking statements will eventuate.

Additional risks and uncertainties not currently known to Accent may have a material adverse effect on Accent's business and the information set out below does not purport to be, nor should it be construed as representing, an exhaustive list of the risks that may affect Accent.

Accent Shareholders should read this Target's Statement in its entirety and carefully consider the following risk factors in deciding whether to accept the Offer.

(b) Share price

There is a risk that the Accent Share price may fall if the Offer is unsuccessful.

(c) Exploration and production risks

The future viability and profitability of Accent as an exploration company will be dependent on a number of factors, including, but not limited to, the following:

- (i) Commodity prices fluctuations, which the demand for, and price of, is highly dependent on a variety of factors, including world demand for particular commodities, forward selling by producers and the levels of production costs in major commodity producing regions. Commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, a commodity.
- (ii) Exchange rate fluctuations, in particular \$A, may have a material effect on the cash flow and earnings which Accent will realise from its operations. Accent may not be able to hedge its exchange rate exposure successfully and may not be able to hedge such expense, at a satisfactory cost.
- (iii) Exploration, by its nature, contains elements of significant risk. Ultimate success depends on the discovery and delineation of economically recoverable mineral resources, establishment of an efficient exploratory operation and obtaining necessary government, statutory and other approvals. The exploration activities of Accent may be affected by a number of factors

including, but not limited to, geological conditions, seasonal weather patterns, technical difficulties and failures, availability of the necessary technical equipment and appropriately skilled and experienced technicians, adverse changes in government policy or legislation and access to the required level of funding.

There can be no assurance that Accent's exploration activities, or any other projects, tenements or databases that Accent may acquire in the future, will result in the discovery of a significant mineral resources. Even if a significant mineral resource is identified, there can be no guarantee that it can be economically exploited.

- (iv) Possible future development of a mining operation at any of Accent's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable ore bodies, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, unexpected shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risks with third parties providing essential services.

In the event that Accent commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions and fires, explosions and other accidents. No assurance can be given that the Company will achieve commercial viability through the development and/or mining of its projects.

- (v) Resource estimates, including those contained in the Technical Expert's Report, are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available. There are risks associated with such estimates, including that resources mined may be of a different quality, tonnage or strip ratio from the estimates. Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Furthermore, resource estimates may change overtime as new information becomes available. Should Accent encounter mineralisation or geological formations different to those predicted by past drilling, sampling and interpretation, resource estimates may need to be altered in a way that could adversely affect Accent's operations.

- (vi) The value of Accent's securities are likely to fluctuate depending on various factors such as general economic conditions (including interest rates, inflation and growth),

political conditions (including legislative change), metals and mining industry conditions and stock market conditions in Australia and elsewhere.

- (vii) Accent will be competing with other companies in the resource sector many of which will have access to greater resources than Accent and may be in a better position to compete for future business opportunities. There can be no assurance that Accent can compete effectively with these companies;
- (viii) Native title recognises the title rights of indigenous Australians over areas where those rights have not been lawfully extinguished. The Native Title Act 1993 (Cth), state native title legislation, subsequent legislative amendments (including Native Title Amendment Act 1998 (Cth)) and aboriginal land right and heritage legislation may affect the granting or renewal of, and access to, mineral tenements over land where a native title claim has been registered or aboriginal site recognised. In proceeding with a tenement application, the applicant must observe the provisions of the native title legislation, a process that could take a number of years and involve significant expense.

In relation to any mineral tenement in which Accent has an interest or potential interest, there may be areas over which legitimate native title rights of indigenous Australians exist. In such cases, the nature of the native title may be that consent to grant of a mineral tenement is required to be given by the native title holders but is withheld or only granted on conditions unacceptable to Accent.

At this time, it is difficult to quantify the financial or other impact (if any) that these matters may have on Accent's operations, financial position and performance.

- (ix) There is no guarantee that current or future applications, conversions or renewals of the mineral tenements in which Accent has an interest or potential interest will be approved. Tenement applications may result in a requirement for Accent to commence negotiations with the relevant landholders and/or indigenous representative bodies to gain access to the underlying land. There is no guarantee that such negotiations will be successful.

Tenements are subject to a number of state specific legislative conditions including payment of rent and meeting minimum annual expenditure commitments. The renewal of the term of a granted tenement is also subject to the discretion of the relevant Minister and may trigger native title negotiation rights. The inability to meet these conditions or the triggering of native title negotiation procedures on any of the tenements comprising Accent's projects could affect the standing of a tenement or restrict its ability to be renewed, adversely affecting the operations, financial position or performance of Accent.

- (x) Changes in relevant taxes, legal, regulatory and administrative regimes, accounting practice and government policies may adversely affect the financial performance of Accent.
- (xi) As part of its business strategy, Accent may make acquisitions of or significant investments in complementary companies or prospects, although no such acquisitions or investments are currently planned. Any such transactions would be accompanied by risks commonly encountered in making such acquisitions.
- (xii) In the event of the successful development of its mineral deposits, the marketing of Accent's prospective production of minerals from such deposits will be dependent on market fluctuations and the availability of processing, storage and transportation infrastructure, including access to transportation infrastructure, which Accent may have limited or no control over. The right to export minerals may depend on obtaining licences, the granting of which may be at the discretion of the relevant regulatory authorities. There may be delays in obtaining such licences leading to the income receivable by Accent being adversely affected, and it is possible that from time to time export licences may be refused;
- (xiii) Retention of key employees and key technical personnel to continue to develop and manage Accent's projects. The loss of senior management, Directors and key technical personnel could have a material adverse effect on the business of Accent.
- (xiv) Environmental regulation of mining activities at both a state and federal level imposes a significant obligation on mining companies, and creates management issues with which Accent may be required to comply from time to time changes in the laws and regulations may adversely affect Accent's operations, including profitability of the operations.
- (xv) Integrating companies such as Accent and Xingang may produce some risks, including risks relating to management information systems and work practices. Greater than expected integration costs may have a material adverse effect on the merged group.

(d) **General risks**

The future viability and profitability of Accent is also dependent on a number of other factors affecting performance of all industries and not just the exploration and mining industries, including, but not limited to, the following:

- (i) the strength of the equity and debt markets in Australia and throughout the world;
- (ii) risks associated with the current global economic environment;
- (iii) general economic conditions in Australia and its major trading partners and, in particular, inflation rates, interest rates,

commodity supply and demand factors and industrial disruptions;

- (iv) the need to obtain additional fundraising on terms acceptable to Accent. Any additional equity financing may be dilutive to Accent Shareholders and any debt financing, if available, may involve restrictive covenants, which may limit Accent's operations and business strategy;
- (v) financial failure or default by a participant in contractual relationship to which Accent is, or may become, a party;
- (vi) insolvency or other managerial failure by any of the contractors or service providers used by Accent in its activities; and
- (vii) industrial or other disputes in Australia and elsewhere in the world.

(e) **Risk relating to effect of Offer on Accent's material agreements**

To the best of Accent's knowledge, none of the material contracts to which Accent is a party contain change of control provisions which may be triggered as a result of, or as a result of acceptances of, the Offer and which may have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses and prospects of Accent.

4.12 Minority ownership consequences

Xingang may acquire more than 50% but less than 90% of Accent Shares pursuant to the Offer. Accent Shareholders who do not accept the Offer may become minority shareholders in Accent. This has a number of possible implications, including:

- (a) Xingang will be in a position to cast the majority of votes at a general meeting of Accent. This will enable it to control the composition of Accent's Board and senior management, determine Accent's dividend policy and control the strategic direction of the businesses of Accent and its subsidiaries. In its Bidder's Statement, Xingang provides that it intends to procure the appointment of nominees of Xingang to Accent's Board so that the number of Xingang directors sitting on Accent's Board will be approximately proportionate to Xingang's holding of Accent Shares;
- (b) the liquidity of Accent Shares may be lower than at present;
- (c) the Accent Share price may fall immediately following the end of the Offer Period;
- (d) there may be limited institutional support for Accent Shares;
- (e) if the number of Accent Shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing then the ASX may suspend and/or de-list Accent. If this occurs, any remaining Accent Shareholders will not be able to sell their Accent Shares on market;

- (f) if Xingang acquires 75% or more of the Accent Shares, Xingang will be able to pass a special resolution of Accent. This will enable Xingang to, among other things, change Accent's constitution;
- (g) if the number of Accent Shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing then Xingang may seek to have Accent removed from the official list of the ASX. If this occurs, Accent Shares will not be able to be bought or sold on the ASX; and
- (h) if Xingang acquires a majority of the Accent Shares on issue, the Independent Directors believe that it is unlikely that a subsequent takeover bid for Accent will emerge at a later date from a third party.

5. YOUR CHOICES AS AN ACCENT SHAREHOLDER

You have three choices as an Accent Shareholder in responding to the Offer.

(a) **Accept the Offer**

To accept the Offer, you can sell your Accent Shares ASX. You should contact your broker for information on how to affect that sale. As the Offer is an on-market takeover offer there is no way to accept the Offer other than by selling your Accent Shares on ASX. Further details on how to accept the Offer are set out in section 9.3 of the Bidder's Statement.

You should be aware that if you choose to accept the Offer:

- (i) you will not be able to accept a superior proposal from Xingang or any other bidder if such an offer is made, or benefit from any higher price in the market;
- (ii) you will lose the opportunity to receive future benefits as an Accent Shareholder;
- (iii) you may incur a tax liability as a result of the sale; and
- (iv) you may incur a brokerage charge.

(b) **Reject the Offer**

To reject the Offer, simply do nothing with the documentation sent to you by Xingang.

You should be aware that:

- (i) if you choose not to accept the Offer and Xingang acquires at least 90% of the Accent Shares, Xingang may become entitled to compulsorily acquire the balance of the Accent Shares on issue, and it has said that it intends to exercise those rights (see section 6.10 of this Target's Statement for further details);
- (ii) if you choose not to accept the Offer and Xingang acquires more than 50% but less than 90% of the Accent Shares on issue, you will be exposed to the risks associated with being a minority shareholder in Accent (see section 4.12 of this Target's Statement for further details);
- (iii) you will continue to receive benefits as an Accent Shareholder; and
- (iv) as a holder of Accent Shares, you will continue to be subject to the risks set out in section 4.10 of this Target's Statement.

Historically, Accent Shares have experienced relatively low trading volume. Accent Shareholder's should consider the illiquidity of Accent's Shares when considering how to respond to the Offer.

(c) **Sell your Accent Shares on market**

During a takeover bid, shareholders of a target company who have not already accepted the bidder's offer can still sell their shares on market for cash.

On the last practical date prior to the date of this Target's Statement, being 31 January 2012, the Offer Price represents a 0.5 cent or 1.49% discount the closing price of Accent Shares on the ASX. The latest market price for Accent Shares may be obtained from your broker or the ASX website www.asx.com.au.

You should be aware that if you choose to otherwise sell your Accent Shares during the currency of the Offer (that is, other than by way of accepting the Offer):

- (i) you will not be able to accept a superior proposal from Xingang or any other bidder if such an offer is made, or benefit from any higher price in the market;
- (ii) you will lose the opportunity to receive future benefits as an Accent Shareholder;
- (iii) you may incur a tax liability as a result of the sale; and
- (iv) you may incur a brokerage charge.

6. KEY FEATURES OF THE XINGANG OFFER

6.1 Consideration payable to Shareholders who accept the Offer

The consideration being offered by Xingang under the Offer is \$0.33 cash for each Accent Share.

6.2 Conditions to the Offer

There are no conditions to the Xingang Offer.

6.3 Offer Period

Unless the Xingang Offer is extended or withdrawn, it is open for acceptance from 10:00 am (AESST) on Friday, 3 February 2012.

In addition, Xingang has stated in the Xingang Bidder's Statement that from Friday, 20 January 2012, Greenard Willing Pty Ltd will, on its behalf, stand in the market and purchase Accent Shares offered for sale at A\$0.33.

The circumstances in which Xingang may extend or withdraw its Offer are set out in section 6.4 and section 6.5 respectively of this Target's Statement.

6.4 Extension of the Offer Period

Xingang may extend the Offer Period in accordance with the Corporations Act. Generally speaking, Xingang may extend the Offer Period by announcing the extension on ASX at least 5 Trading Days before the end of the Offer Period.

In limited circumstances (such as where another person announces a takeover bid or improves a takeover bid), Xingang may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period, Xingang's voting power in Accent increases to more than 50%. In that case, the Offer Period is automatically extended so that it ends 14 days after that date.

6.5 Withdrawal of Xingang Offer

The Corporations Act permits the withdrawal of unaccepted offers only in exceptional circumstances.

If Xingang's voting power in Accent is at or below 50%, Xingang may withdraw unaccepted Offers if Accent issues shares or grants an option over its shares, makes certain other changes to its share capital, disposes of or charges the whole or a substantial part of its business or property or resolves to be wound up.

Xingang may also withdraw unaccepted Offers if certain insolvency events occur during the bid period, regardless of Xingang's voting power at that time.

6.6 Effect of acceptance

Accent Shareholders should understand that by accepting the Offer they will have entered into a binding contract to sell their Accent Shares to Xingang, and this will have an effect on their ability to exercise the rights attaching to their Accent Shares. If Accent Shareholders accept the Offer they will not be able to

accept a superior proposal from Xingang or any other bidder if such an offer is made, or benefit from any higher price in the market.

6.7 Your ability to withdraw your acceptance

If you accept the Xingang Offer, you are not able to withdraw your acceptance. Once you have sold your Accent Shares on ASX in order to accept the Xingang Offer, you are obliged to complete the sale.

6.8 When you will receive payment for your Accent Shares if you accept the Xingang Offer

If you accept the Xingang Offer, the usual rules for settlement of transactions which occur on market on ASX will apply. Once you have accepted the Xingang Offer and sold your Accent Shares, you will receive payment within 3 Trading Days of selling your Accent Shares.

6.9 Effect of an improvement in consideration on Accent Shareholders who have already accepted the Xingang Offer

If Xingang improves the consideration offered under the Offer, only Accent Shareholders who have not yet accepted the Offer before that improvement in consideration will be entitled to the benefit of that improved consideration.

Once you sell your Accent Shares, you will not be able to accept any higher offer from Xingang (or anyone else) if such an offer is made after you sell, or benefit from any future higher price in the market.

6.10 Compulsory acquisition

(a) Introduction

Xingang has indicated in section 5.4 of its Bidder's Statement that, if it satisfies the required thresholds, it intends to compulsorily acquire any outstanding Accent Shares in accordance with the Corporations Act. Accordingly, Accent Shareholders should assume that, if Xingang becomes entitled to exercise its right to compulsorily acquire any outstanding Accent Shares, Xingang will exercise that right.

Accent notes that three Accent Shareholders, being Sino, Bin Cui and Rich Mark, have agreed or advised that they will not accept the Offer. Together, these Accent Shareholders hold Relevant Interests in more than 10% of Accent Shares on issue. Accordingly, Accent understands that Xingang will not be entitled to exercise any compulsory acquisition rights following the end of the Offer Period.

(b) Compulsory acquisition within one month after the end of the Offer Period

Xingang will be entitled to compulsorily acquire any Accent Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period:

- (i) Xingang and its Associates have Relevant Interests in at least 90% (by number) of the Accent Shares; and

- (ii) Xingang and its Associates have acquired at least 75% (by number) of the Accent Shares that Xingang offered to acquire under the Takeover Bid.

If these thresholds are met and Xingang wishes to exercise its right to compulsorily acquire any outstanding Accent Shares, Xingang will have one month after the end of the Offer Period within which to give compulsory acquisition notices to Accent Shareholders who have not accepted the Offer. Accent Shareholders have certain rights under the Corporations Act to challenge a compulsory acquisition pursuant to the procedure outlined in the Corporations Act, but a successful challenge will require the relevant Accent Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their Accent Shares. If compulsory acquisition occurs, Accent Shareholders who have their Accent Shares compulsorily acquired are likely to be sent their consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

(c) **Alternative compulsory acquisition regime**

It is also possible that Xingang will, at some time after the end of the Offer Period, either alone or with a Related Body Corporate, hold full beneficial interests in at least 90% (by number) of all the Accent Shares. Xingang would then have rights to compulsorily acquire all of the Accent Shares that it does not own within six months of becoming the holder of 90% (by number) of all the Accent Shares. The price which Xingang would have to pay to compulsorily acquire all of the remaining Accent Shares under this alternative compulsory acquisition regime would have to be considered in a report of an independent expert.

Accent Shareholders would have certain rights under the Corporations Act to challenge a compulsory acquisition pursuant to the procedures outlined in the Corporations Act, but a challenge would require people who hold at least 10% of the Accent Shares that are proposed to be the subject of the compulsory acquisition to object to the compulsory acquisition. If people holding such number of Accent Shares object to the compulsory acquisition, and Xingang still wishes to proceed with the compulsory acquisition, Xingang would be required to establish to the satisfaction of a court that the terms of the compulsory acquisition represent 'fair value' for the Accent Shares. In the absence of a challenge by people holding the requisite number of Accent Shares, Accent Shareholders who have their Accent Shares compulsorily acquired under this procedure are likely to be sent their consideration approximately five to six weeks after the compulsory acquisition notices are dispatched to them.

7. INFORMATION REGARDING ACCENT

7.1 Background information on Accent

Accent is an Australian no-liability public company which was incorporated in February 2005 and listed on the ASX in August 2005. Accent is focused on mineral exploration and evaluation of iron ore and gold resources.

Accent's strategy is to explore its portfolio of tenements and define iron ore and gold resources that can be economically extracted by suitable mining or metallurgical processes. As part of its strategy, Accent has the objective of growing its portfolio of mineral resources and prospective tenement areas by entering into joint venture opportunities, investigating mergers of interests beneficial to Accent, and investigating investment opportunities related to its areas of interest.

Accent has a 100% interest in the Magnetite Range Iron Ore Project, Norseman Gold Project and Arcadia Gold Project, and a 90% interest in the Katanning Vanadium Project, each located in Western Australia:

(a) Magnetite Range Iron Ore Project

The Magnetite Range Iron Ore Project is located approximately 300 km northeast of Perth, Western Australia and 250 km of the town of Geraldton in the Yalgoo Mineral Field. The project is prospective for magnetite iron ore. The project consists of one granted mining lease, one granted exploration licence, and three exploration licence applications. Accent has also been granted a miscellaneous licence which allows for groundwater exploration subject to the approval of two Western Australian government departments.

(b) Norseman Gold Project

The Norseman Gold Project is located approximately 200 km south of Kalgoorlie, Western Australia and 5 km south of the town of Norseman. The project area is within a strongly mineralised portion of the Norseman-Wiluna greenstone belt of the Yilgarn Craton. The area is prospective for gold mineralisation. The project comprises 5 mining leases and 6 prospecting licences. Accent has reached an agreement with the Ngadju People, who have lodged a native title claim application within the area overlapping the project. The agreement facilitates dealing between Accent and the Ngadju People in connection with the project.

(c) Arcadia Gold Project

The Arcadia Gold Project is located approximately 45 km south west of the town of Meekatharra, Western Australia in the Murchison Mineral Field. The project is prospective for gold mineralisation and comprises one exploration licence.

(d) Katanning Vanadium Project

The Katanning Vanadium Project is located approximately 280 km south west of Perth, Western Australia. The project contains several areas of interest for vanadium-titanium-magnetite mineralisation. The project comprises 5 exploration licences and 7 prospective licences.

For further details regarding Accent's projects, Accent Shareholders should refer to the Independent Technical Report.

7.2 Directors of Accent

As at the date of this Target's Statement, the directors of Accent are:

Name	Position
Ian Hastings	Executive Chairman
Ian Richer	Executive Director
Junsheng Liang	Non-Executive Director
Jie You	Alternate Director to Junsheng Liang

7.3 Publicly available information about Accent

Accent is a listed disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations. Specifically, as a listed company, Accent is subject to the ASX Listing Rules which require continuous disclosure of any information Accent has that a reasonable person would expect to have a material effect on the price or value of its securities.

Copies of ASX announcements made by Accent are available on ASX's website.

7.4 Financial information and related matters

Accent's last published audited financial statements are for the financial year ended 30 June 2011 and were lodged with ASX on 31 October 2011 (**2011 Annual Report**).

Details of Accent's operational, financial and exploration activities for the intervening periods are provided in Accent's half year reports and quarterly reports, the last quarterly report of which was lodged with the ASX on 30 January 2012 for the quarter ending 31 December 2012.

Copies of these reports may be obtained from Accent's website at www.accentresources.com.au

As at 31 December 2011, Accent held \$6,226,000 in cash.

So far as the Independent Directors are aware:

- (a) the financial position of Accent has not materially changed since the date of the quarterly report for the quarter ending 31 December 2011, other than a reduced cash position in the normal course of operating its business; and
- (b) there has not been any matters or circumstances, other than those referred to in the quarterly report for the quarter ending 31 December 2011 and this Target's Statement that has significantly affected, or may significantly affect the operations or the financial position of Accent, the results of operations of the Accent, or the state of affairs of the Accent in future financial years.

Accent Shareholders should consider section 9.1 of this Target's Statement in connection with the potential effect of the Offer on Accent's material agreements.

7.5 Forecast financial information for Accent

Accent has given careful consideration as to whether a reasonable basis exists to produce reliable and meaningful forecast financial information. The Independent Directors have concluded that, as at the date of this Target's Statement, it would be misleading to provide forecast financial information for Accent, as a reasonable basis does not exist for providing forecasts that would be sufficiently meaningful and reliable as required by applicable law, policy and market practice.

The financial performance of Accent in any period will be influenced by various factors that are outside the control of the Directors and that cannot, at this time, be predicted with a high level of confidence. In particular, the financial performance of Accent will be materially affected by costs related to exploration, development and operating activities.

8. INFORMATION RELATING TO THE ACCENT DIRECTORS

8.1 Interests and dealings in Accent securities

(a) Interests in Accent securities

As at the date of this Target's Statement, the Accent Directors had the following Relevant Interests in Accent Shares and Accent Options:

Director	Accent Shares	Accent Options – exercisable at \$0.20 each on or before 1 December 2012
Ian Hastings	2,225,000 ¹	3,000,000
Ian Richer	660,000 ²	Nil
Junsheng Liang	28,218,366 ³	3,000,000
Jie You ⁴	Nil	Nil

Notes:

1. Mr Ian Hastings and his Associates have the following Relevant Interests in Accent Shares:

(a) 225,000 Accent Shares are held by Tomik Nominees Pty Ltd; and

(b) 2,000,000 Accent Shares are held by Ascot Nominees Pty Ltd.

2. Mr Ian Richer and his Associates have the following Relevant Interests in Accent Shares:

(a) 660,000 Accent Shares are held by Anycall Pty Ltd.

3. Mr Junsheng Liang and his Associates have the following Relevant Interests in Accent Shares:

(a) 28,218,366 Accent Shares are held by Rich Mark.

4. Jie You is an alternate director to Mr Junsheng Liang.

(b) Dealings in Accent Shares and Options

No Accent Director has acquired or disposed of a Relevant Interest in any Accent Shares or Accent Options in the 4 month period ending on the date immediately before the date of this Target's Statement.

However, Accent notes Mr Junsheng Liang's relationship with Xingang and related entities set out in sections 3.1 and 3.2 of this Target's Statement.

8.2 Interests and dealings in Xingang securities

(a) Interests in Xingang Group securities

As at the date immediately before the date of this Target's Statement, no Accent Director had a Relevant Interest in any Xingang Group securities.

However, Accent notes Mr Junsheng Liang's relationship with Xingang and related entities set out in sections 3.1 and 3.2 of this Target's Statement.

(b) **Dealings in Xingang Group securities**

No Accent Director has acquired or disposed of a Relevant Interest in any Xingang Group securities in the 4 month period ending on the date immediately before the date of this Target's.

However, Accent notes Mr Junsheng Liang's relationship with Xingang and related entities set out in sections 3.1 and 3.2 of this Target's Statement.

8.3 Benefits and agreements

(a) **Benefits in connection with retirement from office**

As a result of the Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Accent or Related Body Corporate of Accent.

(b) **Agreements connected with or conditional on the Offer**

There are no agreements made between any Accent Director and any other person in connection with, or conditional upon, the outcome of the Offer other than in their capacity as a holder of Accent Shares or Accent Options.

(c) **Benefits from Xingang Group**

None of the Accent Directors have agreed to receive, or are entitled to receive, any benefit from any member of the Xingang Group which is conditional on, or is related to, the Offer, other than in their capacity as a holder of Accent Shares or Accent Options.

However, Accent notes Mr Junsheng Liang's relationship with Xingang and related entities set out in sections 3.1 and 3.2 of this Target's Statement.

(d) **Interests of Directors in contracts with Xingang**

None of the Accent Directors have any interest in any contract entered into by any member of the Xingang Group. However, Junsheng Liang is a director of Xinyang Iron & Steel which holds 51% of the issued capital of Xingang.

However, Accent notes Mr Junsheng Liang's relationship with Xingang and related entities set out in sections 3.1 and 3.2 of this Target's Statement.

9. ADDITIONAL INFORMATION

9.1 Effect of the Offer on Accent's material agreements

To the best of Accent's knowledge, none of the material contracts to which Accent is a party contain change of control provisions which may be triggered as a result of, or as a result of acceptances of, the Offer and which may have a material adverse effect on the assets and liabilities, financial position and performance, profits and losses and prospects of Accent.

9.2 Material litigation

Accent does not believe it is involved in litigation which is material in the context of Accent and its Related Bodies Corporate taken as a whole.

9.3 Accent's issued securities

As at the date of this Target's Statement, Accent's issued equity securities consisted of:

- (a) 173,000,223 Accent Shares on issue;
- (b) the following 14,500,000 Accent Options on issue being:

Expiry Date	Number of Option	Exercise Price
14 September 2012	3,500,000	30 cents
1 December 2012	11,000,000	20 cents
Total	14,500,000	

There are no other shares or other securities (including equity securities, debt securities or convertible securities) or options or performance rights or other instruments which are convertible into securities in Accent nor has Accent offered or agreed to issue any such shares, securities, options or performance rights or other instruments to any third party.

9.4 Substantial holders

Based on the substantial holding notices provided to Accent, as at the date of this Target's Statement, the substantial holders of Accent are:

	Name of substantial holder	Number of Accent Shares in which substantial holders have Relevant Interests	% of total Accent Shares in which substantial holders have Relevant Interests
1.	Xingang Resources (HK) Limited ^{1, 2 and 3}	35,778,875	20.68%
2.	Rich Mark Development (Group) Pty	28,218,366	16.31%

	Ltd ⁴		
3.	Grandmaster Fortune Limited	21,563,603	12.46%
4.	Sino Oriental International Limited	10,000,000	5.78%

Notes

1. On 16 January 2012, Xingang and Sino have entered into an agreement pursuant to which Sino has agreed with Xingang that it will not accept the Offer nor will it otherwise dispose of its Accent Shares during the Offer Period without the consent of Xingang. Xingang therefore has a relevant interest in the 5.78% voting shares held by Sino.

In addition, Xingang may be an Associate of Sino by virtue of an off-take agreement which Xingang entered into with Northern Energy on 21 April 2010 whereby Northern Energy agreed that it will supply Sino with 65% of its coal production from its Maryborough Project for the life of mine.

2. Bin Cui is the holder of 5,420,153 Accent Shares which gives him 3.13% of the total voting power in Accent. On 16 January 2012 Xingang and Bin Cui 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 Accent Shares during the Offer Period without the consent of Xingang. Xingang therefore has a relevant interest in the 5,420,153 Accent Shares held by Bin Cui.

3. In section 6.1 of the Bidder's Statement, Xingang advises that:

- (a) an Accent Shareholder holding 28,218,366 Accent Shares, being a percentage interest in Accent Shares of 16.31% has informed Xingang that it does not intend to accept the Offer; and
- (b) an Accent Optionholder who holds 3,000 000 Accent Options, has informed Xingang that it does not intend to exercise its Accent Options.

4. Mr Junsheng Liang is Managing Director and principal of Rich Mark. Mr Junsheng Liang and his Associates have a Relevant Interest in 28,218,366 Accent Shares held by Rich Mark.

9.5 Shareholders who will not accept the Offer

Accent notes that three Accent Shareholders, being Sino, Bin Cui and Rich Mark, have agreed or advised that they will not accept the Offer. Together, these Accent Shareholders hold Relevant Interests in more than 10% of Accent Shares on issue. Accordingly, Accent understands that Xingang will not be entitled to exercise any compulsory acquisition rights following the end of the Offer Period.

Refer to section 9.4 of this Target's Statement for further details.

9.6 Effect of Offer on Accent Options

The Offer extends to any new Accent Shares that are issued during the Offer Period as a result of the exercise of Accent Options. Accordingly, Accent Optionholders may elect to exercise their Accent Options before the expiry date of their Accent Options, pay the relevant exercise price to Accent and accept the Offer in respect of the Accent Shares issued following the exercise of their Accent Options.

9.7 Continuous disclosure

Accent is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require Accent to notify the ASX of information about specified matter and events as they occur for the purpose of making that information available to the market. In particular, Accent has an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Accent Shares.

Copies of the documents filed with the ASX may be obtained from the ASX website at asx.com.au.

In addition Accent will make copies of the following documents available for inspection at Accent's offices which are located at Level 1, 12 Kings Park Road, West Perth, WA, 6005 (between 9.00am and 5.00pm on Business Days):

- (a) 2011 Annual Report, lodged with the ASX on 31 October 2011;
- (b) Accent's quarterly report lodged with ASX on 30 January 2011, for the quarter ending 31 December 2011;
- (c) Accent's constitution, lodged with the ASX on 25 August 2005; and
- (d) any continuous disclosure documents lodged by Accent with ASX between the lodgement of the 2011 Annual Report and the date of this Target's Statement.

9.8 Consents

Steinepreis Paganin has given, and has not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in the Target's Statement as Accent's Australian legal advisers in the form and context in which it is so named. Steinepreis Paganin has not advised on the laws of any foreign jurisdiction, and has not provided tax advice in relation to any jurisdiction. Steinepreis Paganin has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, and takes no responsibility for any part of this Target's Statement other than any reference to its name.

Hartleys Limited has given, and has not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in the Target's Statement as Accent's corporate advisers in the form and context in which it is so named. Hartleys Limited has not caused or authorised the issue of this Target's Statement, does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, and takes no responsibility for any part of this Target's Statement other than any reference to its name.

DMR Corporate Pty Ltd has given, and has not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in the Target's Statement and to the inclusion of the Independent Expert's Report in this Target's Statement and any statement said in this Target's Statement to be based on a statement by DMR Corporate Pty Ltd, in the form and context in which it is included.

DMR Corporate Pty Ltd:

- (a) has not caused or authorised the issue of this Target's Statement;
- (b) does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, other than as included in the Independent Expert's Report and statements in this Target's Statement based on its Independent Expert's Report; and
- (c) takes no responsibility for any part of this Target's Statement other than the Independent Expert's Report and statements in this Target's Statement based on the Independent Expert's Report and any reference to its name.

Global Resources & Infrastructure Pty Ltd has given, and has not withdrawn before the lodgement of this Target's Statement with ASIC, its written consent to be named in the Target's Statement and to the inclusion of the Technical Expert's Report in this Target's Statement and any statement said in this Target's Statement to be based on a statement by Ian Buckingham, in the form and context in which they are included.

Global Resources & Infrastructure Pty Ltd:

- (a) has not caused or authorised the issue of this Target's Statement;
- (b) does not make or purport to make any statement in this Target's Statement or any statement on which a statement in this Target's Statement is based, other than as included in the Technical Expert's Report and statements in this Target's Statement based on its Technical Expert's Report; and
- (c) takes no responsibility for any part of this Target's Statement other than the Technical Expert's Report and statements in this Target's Statement based on the Technical Expert's Report and any reference to its name.

This Target's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the 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, inclusion of those statements in this Target's Statement. If you would like to receive a copy of any of these documents, or the relevant parts of the documents containing the statements (free of charge), during the Offer Period, please contact the Offer Information Line. Calls to the Offer Information Line may be recorded.

As permitted by ASIC Class Order 03/635, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
- (b) from a public official document or a published book, journal or comparable publication.

9.9 Regulatory and other approval, consent or waiver requirements

Accent has not been granted any modifications or exemptions by ASIC from the Corporations Act in connection with the Takeover Bid. Nor has Accent been granted any waivers from ASX in relation to the Takeover Bid.

9.10 No other material information

This Target's Statement is required to include all the information that Accent Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer, but:

- (a) only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any director of Accent.

The Accent Directors are of the opinion that the information that Accent Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the Offer is:

- (a) the information contained in the Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- (c) the information contained in Accent's releases to the ASX, and in the documents lodged by Accent with ASIC before the date of this Target's Statement; and
- (d) the information contained in this Target's Statement.

The Accent Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Accent Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Accent Directors have had regard to:

- (a) the nature of the Accent Shares;
- (e) the matters that shareholders may reasonably be expected to know;
- (f) the fact that certain matters may reasonably be expected to be known to shareholders' professional advisers; and
- (g) the time available to Accent to prepare this Target's Statement.

10. GLOSSARY AND INTERPRETATION

10.1 Glossary

Where the following terms are used in this Target's Statement they have the following meanings:

A\$ or \$ means an Australian dollar.

Accent means Accent Resources NL (ACN 113 025 808) of Level 1, 12 Kings Park Road, West Perth, Western Australia.

Accent Board means the board of directors of Accent.

Accent Director or **Director** means a director of Accent.

Accent Option means an option to subscribe for an Accent Share.

Accent Optionholder means a person who holds one or more Accent Options.

Accent Shares means fully paid ordinary share in the issued capital of Accent.

Accent Shareholder means a person who is recorded in Accent's register of members as the holder of one or more Accent Shares.

AESST means Australian Eastern Standard Summer Time.

2011 Annual Report means Accent's audited financial statements for the financial year end 30 June 2011, which were lodged with ASX on 31 October 2011.

ASIC means Australian Securities & Investments Commission.

Associate has the meaning given in the Corporations Act.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it, as the context requires.

ASX Listing Rules or **Listing Rules** means the official listing rules of ASX.

Bidder's Statement or **Xingang Bidder's Statement** means the statement of Xingang under Part 6.5 of Division 2 of the Corporations Act issued in relation to the Offer.

Business Day means a day on which banks are open for business in Perth, Australia, excluding a Saturday, Sunday or public holiday.

Corporations Act means the *Corporations Act 2001* (Cth).

Independent Board Committee means a committee of the Accent Board formed to consider and assess the Offer comprising of all of the directors of Accent other than Junsheng Liang.

Independent Directors means Ian Hastings and Ian Richer.

Independent Expert means DMR Corporate Pty Ltd (ACN 063 564 045) trading as "DMR Corporate".

Independent Expert's Report means the report of the Independent Expert which is included as Attachment 1 to this Target's Statement.

km means kilometres.

Northern Energy means Northern Energy Corporation Limited (ABN 90 081 244 395).

Offer or **Xingang's Offer** means the offer to acquire Accent Shares to be made by Xingang in connection with the Takeover Bid.

Offer Period means the period during which the Offer will remain open for acceptance, in accordance with section 9.2 of the Bidder's Statement.

Offer Price means A\$0.33 for each Accent Share.

Offer Information Line means the information line in relation to the Offer available during the Offer Period on +61 8 9389 8033, between 8.30am and 5.00pm (WST) on Business Days.

Officer means, in relation to an entity, its directors, officers and employees.

Related Body Corporate has the meaning given to that term in the Corporations Act.

Relevant Interest has the meaning given in section 608 and section 609 of the Corporations Act.

Rich Mark means Rich Mark Development (Group) Pty Ltd (ACN 091 877 780).

Sino means Sino Oriental International Limited a Hong Kong incorporated company.

Target's Statement means this document (including the attachments and annexures), being the statement of Accent under Part 6.5 Division 3 of the Corporations Act issued in relation to the Offer.

Technical Expert means Global Resources & Infrastructure Pty Ltd (ACN 132 038 861).

Technical Expert's Report means the report of the Technical Expert attached to the Independent Expert's Report.

Trading Day has the meaning given in the Listing Rules.

WST means western standard time as observed in Perth, Western Australia.

Xingang means Xingang Resources (HK) Limited.

Xingang Group means Xingang and its Related Bodies Corporate.

Xinyang Iron & Steel means Xinyang Iron & Steel Company Ltd of Angang Group (Chinese Company No. 411500000002387).

10.2 Interpretation

In this Target's Statement:

- (a) other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- (b) words of any gender include all genders.
- (c) words indicating the singular include the plural and vice versa.
- (d) an expression indicating a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- (e) a reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Target's Statement as relevant.
- (f) a reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- (g) headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- (h) a reference to time is a reference to WST, unless otherwise indicated.
- (i) a reference to dollars, \$, A\$, AUD, cents, ¢ and currency is a reference to the lawful currency of the Commonwealth of Australia unless otherwise stated.

11. AUTHORISATION

This Target's Statement has been approved by a resolution passed by the directors of Accent.

Signed for and on behalf of Accent:

A handwritten signature in black ink, consisting of a stylized 'H' followed by a large 'O' and a horizontal line extending to the right.

**Mr Ian Hastings
Executive Chairman
For and on behalf of
Accent Resources NL
3 February 2012**

DMR CORPORATE



DMR Corporate Pty Ltd		A.C.N. 063 564 045
470 Collins Street		
Melbourne	Telephone	(03) 9629 4277
Victoria 3000	Facsimile	(03) 9629 4598
Australia	Web	www.dmrporate.com.au

30 January 2012

The Directors
Accent Resources N.L.
Level 1, 12 King Park Road
West Perth WA 6005

Dear Sirs

1. Introduction

You have requested DMR Corporate Pty Ltd (“DMR Corporate”) to prepare an independent expert's report in respect of an offer by Xingang Resources (HK) Limited (“Xingang”) to acquire all of the shares in Accent Resources N.L. (“Accent” or “the Company”) at \$0.33 cash per share.

Xingang is a company incorporated in Hong Kong. Xingang's largest shareholder is Xinyang Iron & Steel Company Ltd, (a company incorporated in the Peoples Republic of China), holding 51% of the issued shares.

The directors of Accent are to issue a Target's Statement, in response to the Bidder's Statement from Xingang, which will include their recommendation as to whether the Accent shareholders should accept the offer.

Our report has been commissioned by the Accent directors to assist the Accent shareholders in forming an opinion as to whether they should accept or reject the Xingang offer. The report is to be included as an Appendix to the Target's Statement to be issued to shareholders by Accent.

2. Terms of the Xingang Takeover Offer

2.1 Terms of the Offer

On 20 January 2012 Xingang lodged a Bidder's Statement setting out details of an on-market offer for all of the fully paid ordinary shares in the capital of Accent which it does not have a relevant interest in, at a price of \$0.33 per share the (“the Offer”).

2.2 Condition of the Offer

The Offer is an on-market offer and is free of all conditions. The Offer is scheduled to close at the end of trading on 2 March 2012.

3. Summary Opinion

In our opinion, **the Offer made to the Accent shareholders is fair and reasonable to Accent shareholders not associated with Xingang**, in the absence of a superior offer.

Our principal reason for reaching the above opinion is that we have valued the Accent shares in the range of \$0.20 to \$0.38 and the Xingang offer of \$0.33 per share is toward the upper end of our valuation range.

4. Structure of this Report

This report is divided into the following sections:

<u>Section</u>	<u>Page</u>
5 Purpose of the Report	2
6 Accent - Key Information	3
7 Valuation of Accent Shares	5
8 Control Premium	11
9 Assessment as to Fairness and Reasonableness	12
10 Financial Services Guide	14
 <u>Appendix</u>	
A-1 Accent – Statements of Comprehensive Income	17
A-2 Accent – Statements of Financial Position	18
A-3 Accent - Statements of Cash Flows	19
B Sources of Information	20
C Declarations, Qualifications and Consent	21

Attachment

I	Report by Global Resources & Infrastructure Pty Ltd
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5. Purpose of the Report

Section 640 of the Corporations Act 2001 (“the Act”) states that a Target’s Statement made in response to a takeover offer must be accompanied by an independent expert’s report if:

- the bidder’s voting power in the target is 30% or more; or
- a director of the bidder is also a director of the target company.

The Bidder’s Statement discloses that Xingang holds a relevant interest in 17.58% of Accent’s voting power. As this does not exceed the 30% limit and as there are no common directors, there is no legal requirement for an independent expert’s report to be included in the Target’s Statement. Nevertheless the Directors of Accent have determined that an independent expert’s report should be prepared and included in the Target’s Statement to assist the Accent shareholders in understanding and assessing the implications of the takeover offer.

The DMR Corporate report is a general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual Accent shareholders. Because of that, before acting in relation to their investment, shareholders should consider the appropriateness of the advice in relation to their own objectives, financial situation or needs. Shareholders should read the Bidder's Statement issued by Xingang and the Target's Statement issued by Accent in relation to the Xingang Offer.

Australian Securities and Investments Commission ("ASIC") Regulatory Guide 111 ("RG111") defines the words "fair" and "reasonable" as:

Fair	-	"an offer is 'fair' if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer. This comparison should be made assuming 100% ownership of the 'target' and irrespective of whether the consideration is scrip or cash. The expert should not consider the percentage holding of the 'bidder' or its associates in the target when making this comparison."
Reasonable	-	"an offer is 'reasonable' if it is fair. It may also be 'reasonable' if, despite not being 'fair' but after considering other significant factors, shareholders should accept the offer in the absence of any higher bid before the close of the offer."

In determining whether the Offer is fair, we have:

- valued the Accent shares that are to be acquired by Xingang on a control basis; and
- compared the value of an Accent share with the Offer price of \$0.33 per share that has been offered by Xingang for the Accent shares.

In determining whether the Offer is reasonable, we have analysed the advantages and disadvantages of accepting the Offer and not accepting the Offer.

6. Accent - Key Information

6.1 Background

Accent was incorporated in February 2005 as a no liability company and its shares were listed on the ASX in August 2005.

The Company's initial focus was exploration for iron ore and gold. This focus has not changed, though Accent now also has an interest in a Vanadium project.

Accent's major asset is the Magnetite Range Iron Ore project.

6.2 Share Capital

As at the date of this report Accent had 173,000,233 fully paid ordinary shares on issue and the 20 largest shareholders of Accent as at 16 December 2011 are presented in the following table:

Shareholder Name	Number of Shares Held	Percentage Interest
Grandmaster Fortune Limited	21,563,603	12.5%
Rich Mark Development (Group) Pty Ltd	21,308,589	12.3%
Xingang Resources (HK) Limited	15,000,000	8.7%
Sino Oriental International Limited	10,000,000	5.8%
Rich Mark Development (Group) Pty Ltd	6,332,000	3.7%
Cascade Holdings Pty Ltd <Farrah Family Superfund A/C>	5,850,000	3.4%
Mr Bin Cui	5,420,153	3.1%
ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/C>	4,253,341	2.5%
Academic Growth Institute Fund Pty Ltd	2,875,000	1.7%
Mr Kevin Weeks <Weeks Super Fund A/C>	2,145,000	1.2%
Mrs Li Li Zhao	2,102,500	1.2%
Ascot Nominees Pty Ltd	2,000,000	1.2%
Mr Yong Peng & Ms Yi Liu <Pal Super Fund A/C>	1,950,000	1.1%
Mr Vincenzo Alac	1,700,000	1.0%
H&Y Holdings Pty Ltd <Liu Family A/C>	1,633,013	0.9%
Crandell Pty Ltd <Berpaidd Pty Ltd S/F A/C>	1,625,000	0.9%
Mr Yong Peng & Ms Yi Liu	1,300,000	0.8%
Moore Park Investments Pty Ltd <Chivers Retirement Fund A/C>	1,210,000	0.7%
N D Birchmore Pty Ltd	1,166,667	0.7%
Crandell Pty Ltd <Berpaidd Pty Ltd S/F No 2 A/C>	1,100,000	0.6%
Total shares held by 20 largest holders	110,534,866	63.9%

Accent also has the following options on issue:

Option Holder	Number of Options	Exercise Price	Expiry Date
Xingang Resources (HK) Limited	3,500,000	\$0.30	14-Sep-12
Mr Jun Sheng Liang	3,000,000	\$0.20	1-Dec-12
Li Kit Chi Fiona	3,000,000	\$0.20	1-Dec-12
Tomin Nominees Pty Ltd	3,000,000	\$0.20	1-Dec-12
Bentleys (WA) Pty Ltd	2,000,000	\$0.20	1-Dec-12
Total	14,500,000		

6.3 Operating Performance

Accent's audited Statements of Comprehensive Income for the financial years ended 30 June 2009, 2010 and 2011 and Accent's unaudited Statement of Comprehensive Income for the six month period to 31 December 2011 are set out in Appendix A-1.

6.4 Statement of Financial Position

Accent's audited Statements of Financial Position as at 30 June 2009, 2010 and 2011 and Accent's unaudited Statement of Financial Position as at 31 December 2011 are set out in Appendix A-2.

6.5 Cash Flow Statement

Accent's audited Statements of Cash Flows for the financial years ended 30 June 2009, 2010 and 2011 are set out in Appendix A-3.

7. Valuation of Accent Shares

7.1 Value Definition

DMR Corporate's valuation of Accent has been made on the basis of fair market value, defined as the price that could be realized in an open market over a reasonable period of time given the current market conditions and currently available information, assuming that potential buyers have full information in a transaction between a willing but not anxious seller and a willing but not anxious buyer acting at arm's length.

7.2 Valuation Methodologies

In selecting appropriate valuation methodologies, we considered the applicability of a range of generally accepted valuation methodologies. These included:

- share price history;
- asset based methods;
- alternate acquirer;
- comparable market transactions;
- capitalisation of future maintainable earnings; and
- net present value of future cash flows.

7.3 Share Price History

The share price history valuation methodology values a company based on the past trading in its shares. We normally analyze the share prices up to a date immediately prior to the date when a takeover, merger or other significant transaction is announced to remove any price speculation or price escalations that may have occurred subsequent to the announcement of the proposed transaction.

Accent shares were suspended from trading on the ASX on 29 November 2011, ahead of the announcement of the proposed takeover by Xingang. For this reason we have analysed the trading in Accent's shares up to that date.

Announcements to the ASX made since 1 January 2011 that may have had an impact on the market price and trading volumes of the Accent shares include:

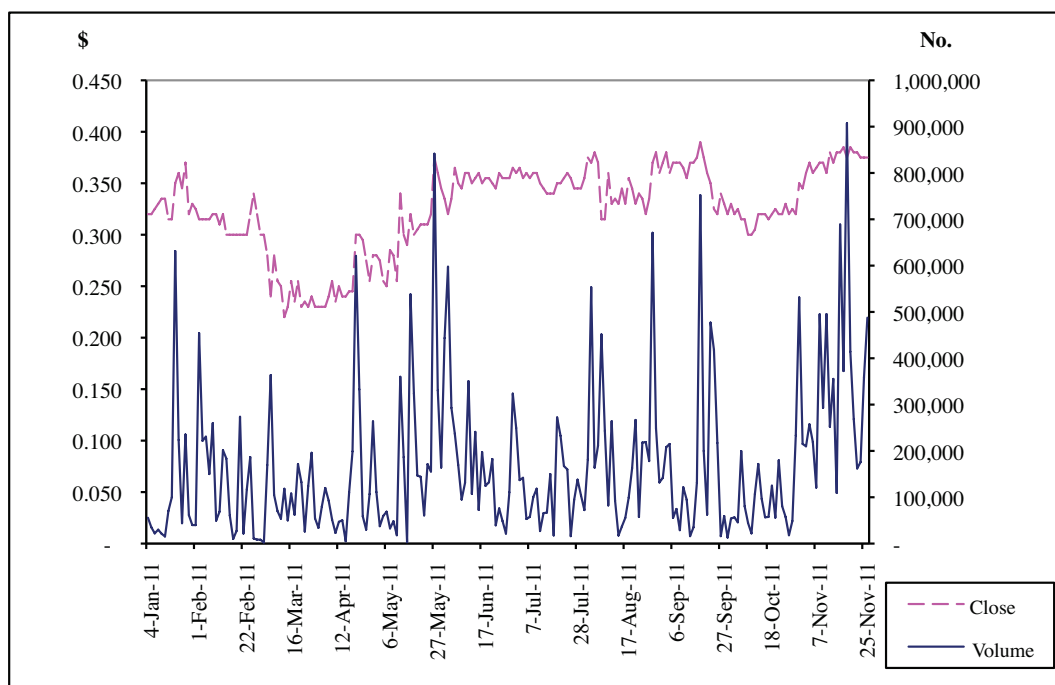
27 January 2011	Quarterly activities report.
24 March 2011	Investor update on sale of Magnetite Range.
19 April 2011	Response to ASX price query.
27 April 2011	Quarterly cash flow and activities report.
27 May 2011	Friendly takeover discussions.

28 July 2011	Quarterly cash flow and activities report.
31 October 2011	Investor update on takeover proposal and release of Quarterly cash flow and activities report.
29 November 2011	Accent announced receipt of Xingang's offer.

A table of the volume and value of the Accent shares traded in the period from 1 January 2011 to 28 November 2011 is as follows:

Month	Share Price			Volume	Value \$
	High \$	Low \$	Average \$		
2011					
January	0.395	0.350	0.346	1,585,894	548,758
February	0.340	0.270	0.312	2,568,824	802,577
March	0.320	0.205	0.245	2,058,918	503,484
April	0.320	0.235	0.278	1,992,016	554,431
May	0.380	0.250	0.329	3,803,032	1,252,453
June	0.365	0.320	0.347	3,995,367	1,386,836
July	0.375	0.335	0.353	2,369,509	835,750
August	0.385	0.270	0.349	4,679,983	1,634,758
September	0.405	0.320	0.361	3,392,791	1,224,439
October	0.365	0.300	0.326	2,270,058	739,066
November 1-28	0.400	0.335	0.373	6,858,582	2,558,709
				<u>35,574,974</u>	<u>12,041,261</u>

The following graph sets out the daily trading volumes and closing prices:



As can be seen from the above table, 35,574,974 shares were traded in what is effectively an eleven-month period. The shares traded represent 20.6% of the shares on issue. The average monthly trade volumes between 1 January 2011 and 30 October 2011 were approximately 2.9 million, however approximately 6.9 million shares were traded between 1 November 2011 and 28 November 2011.

After reviewing the trading volumes, we consider the market for Accent shares to be only moderately liquid.

During the period depicted in the above table the shares traded in a range of \$0.205 to \$0.405 per share.

On 31 October 2011 Accent released its 2011 annual report, its quarterly activities and cash flow report as well as an update on the takeover proposal. The update did not include any information as to the expected bid price. In the period between the release of this information and the announcement of the bid on 29 November 2011 the volume of Accent shares traded was 6,858,582. During this period the Accent shares traded in a range of \$0.335 to \$0.380 per share. The VWAP¹ during this period was \$0.373 per share.

The VWAP for the sixty-day period to 28 November 2011 was \$0.361 per share and the VWAP for the seven-day period to 28 November 2011 was \$0.376 per share.

Accent has not raised any fresh equity since September 2010.

Based on the above analysis we consider that the Accent shares are valued in a range of \$0.360 to \$0.375, say \$0.36 to \$0.38.

7.4 Asset Based Methods

This methodology is based on the realisable value of a company's identifiable net assets. Asset based valuation methodologies include:

(a) **Net Assets**

The net asset valuation methodology involves deriving the value of a company or business by reference to the value of its assets. This methodology is likely to be appropriate for a business whose value derives mainly from the underlying value of its assets rather than its earnings, such as property holding companies and investment businesses that periodically revalue their assets to market. The net assets on a going concern basis method estimates the market values of the net assets of a company but does not take account of realization costs.

(b) **Orderly Realisation of Assets**

The orderly realisation of assets method estimates the fair market value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner.

(c) **Liquidation of Assets**

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a short time frame.

Net Assets

As at 31 December 2011, per the unaudited financial statements, Accent had net assets of \$21,480,734 – Appendix A-2. Accent's net assets at 31 December 2011 include deferred exploration and evaluation costs of \$15,337,829.

¹ VWAP – volume weighted average price of shares based on daily volumes and daily closing prices.

As Accent has 173,000,233 shares on issue, the net assets per share are approximately \$0.13 on an undiluted basis. The net assets on a diluted basis (based on the assumption that all options with an exercise price of \$0.20 per share are exercised) are \$0.12 per share.

As Accent's net assets reflect the capitalized cost of past exploration and not the market value of the individual tenements, we engaged Global Resources & Infrastructure Pty Ltd ("GRI") (a firm specialising in the provision of management consulting and advisory services to the resources sector), to act as a technical specialist, to review Accent's mineral projects and to provide us with their opinion of the value of these projects. Mr. Ian Buckingham was the lead consultant in the preparation of GRI's report. Mr. Buckingham is a qualified and experienced geologist.

GRI has assessed the value of Accent's projects to lie in the range of \$27.62 million to \$53.65 million. GRI has valued the individual projects as follows:

Project	Region	Minerals	Interest	Value	
				Low	High
Magnetite Range	Midwest	Magnetite	100%	\$22.0m	\$47.0m
Katanning	Western Yilgarn	Vanadium	90%	\$2.2m	\$2.6m
Norseman Gold	Norseman-Wiluna	Gold	100%	\$2.8m	\$3.3m
Arcadia Gold	Murchison	Gold	100%	\$0.6m	\$0.8m
TOTAL				<u>\$27.6m</u>	<u>\$53.7m</u>

A copy of GRI's report, which provides a description of each of the projects, describes the valuation methodologies adopted and sets out the valuation rationale, is set out in Attachment I to this report. We reviewed GRI's report and discussed its contents in detail with the author. Our review included an assessment of the methodologies and assumptions adopted by GRI.

We reviewed Accent's 31 December 2011 balance sheet and assessed the values of its net assets on a going concern basis. The assessment includes the value of the mineral assets as determined by GRI. Our assessment of the values of Accent's net assets is set out below:

	Unaudited 31-Dec 2011 \$	Estimated Values Low \$	High \$
CURRENT ASSETS			
Cash and cash equivalents	6,226,017	6,226,017	6,226,017
Trade and other receivables	15,481	15,481	15,481
Other current assets	-	-	-
TOTAL CURRENT ASSETS	6,241,498	6,241,498	6,241,498
NON CURRENT ASSETS			
Plant and equipment	83,127	83,127	92,682
Deferred exploration and evaluation costs	15,337,829	27,600,000	53,700,000
TOTAL NON CURRENT ASSETS	15,420,956	27,683,127	53,792,682
TOTAL ASSETS	21,662,454	33,924,625	60,034,180
CURRENT LIABILITIES			
Trade and other payables	181,720	181,720	181,720
TOTAL CURRENT LIABILITIES	181,720	181,720	181,720
TOTAL LIABILITIES	181,720	181,720	181,720
NET ASSETS	<u>21,480,734</u>	33,742,905	59,852,460
Option proceeds (Note 1)		2,200,000	2,200,000
ADJUSTED NET ASSETS		35,942,905	62,052,460
Say:		35,940,000	62,050,000

Note 1 As can be seen from Section 6.2 above, Accent has 11,000,000 options on issue exercisable at \$0.20 per share. As Xingang is bidding \$0.33 per share for Accent shares, we have assumed that these options will be exercised and we have increased Accent's net assets by the expected proceeds from exercise of the options. It should be noted that Accent has a further 3,500,000 options on issue. As these options are held by the bidder, we have assumed that these options will not be exercised.

As can be seen from the above table, we assessed the values of Accent's net assets (including the expected option proceeds) on a going concern basis to be in a range of \$35,940,000 to \$62,050,000.

Accent has 173,000,233 shares on issue and 11,000,000 options that are in the money at the bid price of \$0.33 per share (refer Note 1 above). As such on a diluted basis Accent's share capital would comprise of 184,000,233 shares.

We have therefore assessed the value of Accent's shares by reference to the value of its underlying net assets as follows:

	Estimated Values	
	Low	High
Adjusted Net Assets	\$35,940,000	\$62,050,000
Number of shares on a diluted basis	184,000,233	184,000,233
Value per share	<u>\$0.20</u>	<u>\$0.34</u>

Based on this valuation methodology, we consider that the Accent shares are valued in a range of \$0.20 to \$0.34.

Given that the orderly realization of assets and the liquidation of assets methodologies take into account the cost of realization and Accent has recently received a bid for all of its shares, we have concluded that these methodologies would understate the value of Accent's shares.

7.5 Alternate Acquirer

The value that an alternative bidder may be prepared to pay to acquire Accent is a relevant valuation methodology to be considered.

As at the date of this report, we are not aware of any alternative bids for the Accent shares.

7.6 Capitalisation of Future Maintainable Earnings

This method involves capitalising the future maintainable earnings of a business at a multiple which reflects the risks of the business and its ability to earn future profits.

There are different definitions of earnings to which a multiple can be applied. The traditional method is to use net profit after tax. Another common method is to use Earnings Before Interest and Tax, or EBIT. One advantage of using EBIT is that it enables a valuation to be determined which is independent of the financing and tax structure of the business. Different owners of the same business may have different funding strategies and these strategies should not alter the fundamental value of the business.

Other variations to EBIT include 'Earnings Before Interest, Tax, Depreciation and Amortization' – EBITDA and 'Earnings Before Interest, Tax, and Amortization' – EBITA.

As Accent has no operating businesses that generate earnings, we therefore consider that this valuation methodology is not an applicable methodology to value the Accent shares.

7.7 Net Present Value of Future Cash Flows

An analysis of the net present value of the future cash flows of a business (or discounted cash flow technique) is based on the premise that the value of the business is the net present value of its future cash flows. This methodology requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value of the business remaining at the end of the forecast period.

As Accent does not have any projects with committed and approved mining plans, we have concluded that the net present value of projected cash flows methodology cannot be applied in valuing the Accent shares.

7.8 Comparable Market Transactions

Theoretically this is a sound valuation methodology as it is based on tangible evidence of other similar transactions (this is the methodology generally adopted in valuing real estate). We consider that this methodology is not an appropriate methodology to value the Accent shares as Accent holds a unique portfolio of mineral projects, however this methodology was utilised by GRI in assessing the value of individual mineral projects held by Accent.

7.9 Summary

The valuation methodologies that we have considered are summarised as:

VALUATION METHODOLOGY	Section	Low Per Share	High Per Share
Share price history	7.3	\$0.36	\$0.38
Net assets	7.4	\$0.20	\$0.34

The share price history methodology is based on prices at which small parcels of shares were traded on the ASX and it is generally regarded as resulting a minority share value. On the other hand the net asset valuation methodology assumes a control of the underlying assets and it therefore produces a value on a control basis. In Section 8 below we consider the impact of any control premium on the share price value before concluding on the value of an Accent share on a control basis in Section 9.

8. Control Premium

A control premium represents the difference between the price that would have to be paid for a share to which a controlling interest attaches and the price at which a share which does not carry with it control of the company could be acquired. Control premiums are normally in a range of 20% to 30% above the value of a minority share². The actual control premium paid is transaction specific and depends on a range of factors, such as the level of synergies available to the purchaser, the level of competition for the assets and the strategic importance of the assets.

In the present circumstances Accent advised the market as far back as 20 August 2010 that it was in discussions about the possible sale of the Magnetite Range iron project, which is the Company's most valuable asset. Whilst there was no indication that any proceeds would be distributed to shareholders, as from the date of this announcement trading in Accent shares may have included some portion of the control premium.

On 24 March 2011 Accent further updated the market that it had received expressions of interest and that technical due diligence was undertaken on the Magnetite Range project by several parties.

² Control premiums are normally in a range of 20% to 30% above the value of a minority share – RSM Bird Cameron Control Premium Study – September 2010.

On 27 May 2011 Accent advised the market that it was in friendly takeover discussions with a party that it had been in advanced sale discussions in respect of the Magnetite Range project. In a further update on 31 October 2011 Accent released a letter from Xingang stating that it was intending to make a bid for Accent by the end of November, subject to certain market and regulatory conditions.

Whilst none of the disclosures made by Accent included any price information, the market was aware for a considerable period of time that Accent was “in play” i.e. that a control transaction may emerge. In these circumstances we believe that the minority prices at which the Accent shares have been trading on the ASX include, at least to some extent a control premium.

In other words we believe that if no bid had emerged, the minority share price of Accent would have declined as the built-in control premium would have been eliminated.

In view of the circumstances outlined above, we have concluded that no further control premium should be added to the share values determined by using the share price history methodology (\$0.36 to \$0.38) as determined in Section 7.3 above.

9. Assessment as to Fairness and Reasonableness

9.1 Assessment as to Fairness

In Section 7.9 above we summarised the results of the applicable valuation methodologies as follows:

VALUATION METHODOLOGY	Section	Low Per Share	High Per Share
Share price history	7.3	\$0.36	\$0.38
Net assets	7.4	\$0.20	\$0.34

After considering the issue of a premium for control, we have concluded that the share price history methodology already incorporates a level of control premium expected by the market.

In view of the above comments, in our opinion the value of Accent shares lies in a range of \$0.20 to \$0.38 per share. We recognise that there is a significant gap between the low and high share values and generally we would look to narrow this range. In the present circumstances of Accent, as explained in the GRI report set out at Attachment I, there is considerable uncertainty as to the value of its key asset, the Magnetite Range project. This uncertainty is due to the uncertain timing of development of infrastructure without which the Magnetite Range project cannot be economically developed at this point in time. In view of this issue we are unable to provide a narrower valuation range for the benefit of shareholders.

In our opinion, the value of an Accent share on a control basis lies in a range of \$0.20 to \$0.38 per share, a mid point of \$0.29 per share.

Xingang’s Offer is \$0.33 cash for each Accent share.

As the Xingang Offer of \$0.33 per share is within our valuation range of \$0.20 to \$0.38 per share and is above the mid point of that range, we consider that the **Offer made to the Accent shareholders not associated with Xingang is fair.**

9.2 Assessment as to Reasonableness

In Section 9.1 above we concluded that the Offer is fair to the Accent shareholders other than Xingang. RG111 states that an offer is reasonable if it is fair.

In order to assist shareholders in deciding whether or not to accept the Offer we draw the following significant matters to the attention of shareholders:

9.2.1 Advantages of Accepting the Offer

- Accent shares are a moderately liquid investment. The Offer provides an opportunity for shareholders to dispose of their investment on market for a cash consideration of \$0.33 per share, payable three trading days after instructing their broker to sell the shares. Shareholders will incur a brokerage fee on disposal of their shares.
- Immediately prior to the release of the ASX announcement that Accent was in friendly takeover discussions on 27 May 2011 the Accent shares were trading at a 30 day VWAP of \$0.30 per share. At that point in time the ASX All Ordinaries index was at approximately 4,800. The ASX All Ordinaries index is currently at approximately 4,300 and we believe that following the expiry of Xingang's Offer, there is a strong likelihood that the Accent shares will trade at a significant discount to the offer price of \$0.33 per share.
- There is a possibility that at the expiry of the Offer, Xingang will hold sufficient shares to control Accent but may not be in a position to compulsorily acquire the remaining shares. In these circumstances the Accent shares are likely to become thinly traded and their market price may decline significantly.
- Accent does not have sufficient funds to meet the development costs of the Magnetite Range project. We expect that Accent will be required to raise additional capital in order to develop this project. Shareholders who accept the Offer will avoid the need to participate in any future capital raising and/or avoid a dilution of their proportional interest in Accent.

9.2.2 Disadvantages of Accepting the Offer

- If shareholders sell their shares they will no longer have exposure to Accent's mineral properties, including the Magnetite Range iron ore project. Future development of the Oakajee port and rail facilities (refer Annexure I for further details) may significantly increase the value to the Magnetite Range iron ore project and the shareholders that accept Xingang's offer will not participate in this potential upside.
- A new and higher offer may be made to shareholders.

- Xingang has a right to vary the terms of the Offer, including increasing the Offer price at any stage prior to the conclusion of the Offer period. Whilst there is at present no reason to expect that Xingang will increase its Offer, any shareholders who accept Xingang's Offer prior to the Offer being varied will not benefit from an increase in the Offer price.
- Acceptance of the Offer may create adverse tax consequences for shareholders that have acquired their Accent shares for less than the Offer price of \$0.33 per share. Shareholders should seek independent tax advice prior to deciding whether to accept or not accept the Offer.

9.2.3 Conclusion as to Reasonableness

In our opinion the **Offer is reasonable** as the advantages of accepting the Offer outweigh the disadvantages of accepting the Offer.

9.3 Conclusion as to Fairness and Reasonableness

We have concluded that the **Offer made to the Accent shareholders is fair and reasonable to the Accent shareholders other than Xingang**, in the absence of a superior offer.

10. Financial Services Guide

10.1 Financial Services Guide

This Financial Services Guide provides information to assist retail and wholesale investors in making a decision as to their use of the general financial product advice included in the above report.

10.2 DMR Corporate

DMR Corporate holds Australian Financial Services Licence No. 222050, authorizing it to provide general financial product advice in respect of securities to retail and wholesale investors.

10.3 Financial Services Offered by DMR Corporate

DMR Corporate prepares reports commissioned by a company or other entity ("Entity"). The reports prepared by DMR Corporate are provided by the Entity to its members.

All reports prepared by DMR Corporate include a description of the circumstances of the engagement and of DMR Corporate's independence of the Entity commissioning the report and other parties to the transactions.

DMR Corporate does not accept instructions from retail investors. DMR Corporate provides no financial services directly to retail investors and receives no remuneration from retail investors for financial services. DMR Corporate does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice to retail investors.

10.4 General Financial Product Advice

In the reports, DMR Corporate provides general financial product advice. This advice does not take into account the personal objectives, financial situation or needs of individual retail investors.

Investors should consider the appropriateness of a report having regard to their own objectives, financial situation and needs before acting on the advice in a report. Where the advice relates to the acquisition or possible acquisition of a financial product, an investor should also obtain a product disclosure statement relating to the financial product and consider that statement before making any decision about whether to acquire the financial product.

10.5 Independence

At the date of this report, none of DMR Corporate, Derek M Ryan nor Mr Paul Lom has any interest in the outcome of the Proposed Transaction, nor any relationship with Accent, Xingang or any of their directors or associates.

Drafts of this report were provided to and discussed with a Director of Accent. There were no alterations to the methodologies that were adopted by DMR Corporate.

DMR Corporate had no part in the formulation of the Proposed Transaction. Its only role has been the preparation of this report.

DMR Corporate considers itself to be independent in terms of Regulatory Guide 112 issued by ASIC on 30 March 2011.

10.6 Remuneration

DMR Corporate is entitled to receive a fee of \$28,000 plus GST for the preparation of this report, plus out of pocket expenses. With the exception of the above, DMR Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Except for the fees referred to above, neither DMR Corporate, nor any of its directors, employees or associated entities receive any fees or other benefits, directly or indirectly, for or in connection with the provision of any report.

10.7 Compensation Arrangements and Complaints Process

As the holder of an Australian Financial Services Licence, DMR Corporate is required to have suitable compensation arrangements in place. In order to satisfy this requirement DMR Corporate holds a professional indemnity insurance policy that is compliant with the requirements of Section 912B of the Act.

DMR Corporate is also required to have a system for handling complaints from persons to whom DMR Corporate provides financial services. All complaints must be in writing and sent to DMR Corporate at the above address.

DMR Corporate will make every effort to resolve a complaint within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service Limited – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

DMR Corporate Pty Ltd



Paul Lom
Director



Derek Ryan
Director

Accent Resources N.L.

Statements of Comprehensive Income

	Audited Year Ended 30-Jun 2009 \$	Audited Year Ended 30-Jun 2010 \$	Audited Year Ended 30-Jun 2011 \$	Unaudited Six Months Ended 31-Dec 2011 \$
Revenues				
Interest income	433,307	185,660	262,003	246,412
Profit on sale of assets	-	48,000	-	-
Other income	-	45,517	-	7,154
Total revenues	433,307	279,177	262,003	253,566
Expenses				
Exploration costs expensed	(145,473)	(8,123)	-	-
Write off of exploration costs	(797,542)	(10,030)	-	-
Management and marketing costs	(539,016)	(417,431)	(772,036)	(254,900)
Depreciation	(43,500)	(21,588)	(38,939)	(14,253)
Insurances, listing, compliance and auditors fees	(80,915)	(106,913)	(103,656)	(292,751)
Occupancy expenses	(102,754)	(63,532)	(68,034)	(37,716)
Share based payments	(19,200)	(836,100)	-	-
Other expenses	(185,228)	(179,322)	(196,629)	(118,529)
Total expenses	(1,913,628)	(1,643,039)	(1,179,294)	(718,149)
Profit/(loss) before income tax	(1,480,321)	(1,363,862)	(917,291)	(464,583)
Income tax (expense)/benefit	-	-	-	-
Profit/(Loss) for the year	(1,480,321)	(1,363,862)	(917,291)	(464,583)

Source: Accent Annual Reports – 30 June 2010 and 30 June 2011 and Accent's unaudited Statement of Comprehensive Income for the six month period to 31 December 2011

Accent Resources N.L.

Statements of Financial Position

	Audited 30-Jun 2009 \$	Audited 30-Jun 2010 \$	Audited 30-Jun 2011 \$	Unaudited 31-Dec 2011 \$
CURRENT ASSETS				
Cash and cash equivalents	3,893,736	3,136,301	6,396,000	6,226,017
Trade and other receivables	106,190	236,001	52,581	15,481
Other current assets	-	-	560,116	-
TOTAL CURRENT ASSETS	3,999,926	3,372,302	7,008,697	6,241,498
NON CURRENT ASSETS				
Plant and equipment	133,549	131,185	92,682	83,127
Deferred exploration and evaluation costs	8,019,567	13,612,015	15,036,988	15,337,829
TOTAL NON CURRENT ASSETS	8,153,116	13,743,200	15,129,670	15,420,956
TOTAL ASSETS	12,153,042	17,115,502	22,138,367	21,662,454
CURRENT LIABILITIES				
Trade and other payables	228,309	522,258	193,050	181,720
TOTAL CURRENT LIABILITIES	228,309	522,258	193,050	181,720
TOTAL LIABILITIES	228,309	522,258	193,050	181,720
NET ASSETS	11,924,733	16,593,244	21,945,317	21,480,734
EQUITY / (DEFICIT)				
Contributed equity	14,451,809	19,893,154	26,857,655	26,857,655
Reserves	881,509	1,472,537	777,400	777,400
Retained losses	(3,408,585)	(4,772,447)	(5,689,738)	-6,154,321
TOTAL EQUITY/ (DEFICIT)	11,924,733	16,593,244	21,945,317	21,480,734

Source: Accent Annual Reports – 30 June 2010 and 30 June 2011 and Accent's unaudited Statement of Financial Position as at 31 December 2011

Accent Resources N.L.

Statements of Cash Flows

	Audited Year Ended 30 June 2009 \$	Audited Year Ended 30 June 2010 \$	Audited Year Ended 30 June 2011 \$
Cash Flows from Operating Activities			
Payments to suppliers and employees	(1,015,813)	(587,227)	(978,082)
Payments for exploration and evaluation	(2,996,254)	(5,312,478)	(2,293,150)
Interest received	433,307	185,660	262,003
Other income from operating activities	-	45,517	-
Net Cash From/(Used in) Operating Activities	<u>(3,578,760)</u>	<u>(5,668,528)</u>	<u>(3,009,229)</u>
Cash Flows from Investing Activities			
Payments for exploration tenements	(10,000)	(50,000)	-
Payments for plant and equipment	(89,315)	(43,180)	(436)
Proceeds from sale of exploration assets	-	48,000	-
Net Cash From/(Used in) Investing Activities	<u>(99,315)</u>	<u>(45,180)</u>	<u>(436)</u>
Cash Flows from Financing Activities			
Proceeds from issue of shares and options	-	5,148,460	6,499,989
Transaction costs relating to issue of shares	(194,500)	(192,187)	(230,625)
Net Cash From/(Used in) Financing Activities	<u>(194,500)</u>	<u>4,956,273</u>	<u>6,269,364</u>
Net Increase/(Decrease) in Cash Held	<u>(3,872,575)</u>	<u>(757,435)</u>	<u>3,259,699</u>
Cash and cash equivalents at the beginning of the financial year	7,766,311	3,893,736	3,136,301
Cash at the end of the financial year	<u><u>3,893,736</u></u>	<u><u>3,136,301</u></u>	<u><u>6,396,000</u></u>

Source: Accent Annual Reports – 30 June 2010 and 2011

Sources of Information

The following sources of information have been utilised and relied upon in the course of preparing this report.

- Accent's audited financial statements for the years ended 30 June 2010 and 2011;
- Accent's unaudited Statement of Comprehensive Income and Statement of Financial Position for the six months period to 31 December 2011;
- Accent's share register as at 16 December 2011;
- Accent's share price and volume history sourced from Commonwealth Securities;
- Report prepared by GRI dated 25 January 2012;
- ASX announcements by Accent since 1 January 2010;
- Accent's draft Target's Statement; and
- Xingang's Bidder's Statement dated 20 January 2012.

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Directors of Accent pursuant to Section 640 of the Act to accompany Accent's Target's Statement. It is not intended that this report should serve any purpose other than as an expression of our opinion as to whether or not the Xingang Offer is fair and reasonable.

The recipients of this report should be aware that this report has been prepared without taking account of their individual objectives, financial situation or needs. Accordingly, each recipient should consider these factors before acting on the Offer.

This report has also been prepared in accordance with the Accounting Professional and Ethical Standards Board professional standard APES 225 – Valuation Services.

The procedures that we performed and the enquiries that we made in the course of the preparation of this report do not include verification work nor constitute an audit in accordance with Australian Auditing Standards.

2. Qualifications

Mr Derek M Ryan and Mr Paul Lom, directors of DMR Corporate prepared this report. They have been responsible for the preparation of many expert reports and are involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Ryan has had over 40 years experience in the accounting profession and he is a Fellow of the Institute of Chartered Accountants in Australia. He has been responsible for the preparation of many expert reports and is involved in the provision of advice in respect of valuations, takeovers and capital reconstructions and reporting on all aspects thereof.

Mr Lom is a Chartered Accountant and a Registered Company Auditor with more than 35 years experience in the accounting profession. He was a partner of KPMG and Touche Ross between 1989 and 1996, specialising in audit. He has extensive experience in business acquisitions, business valuations and privatisations in Australia and Europe.

3. Consent

DMR Corporate consents to the inclusion of this report in the form and context in which it is included in Accent's Target's Statement.

Review and Valuation of the Mineral Assets
of
Accent Resources NL

Prepared for
DMR Corporate Pty Ltd
by
Global Resources & Infrastructure Pty Ltd

This report has been prepared at the request of DMR Corporate Pty Ltd (“DMR Corporate”). The purpose of this report is to provide information to DMR Corporate to assist it in providing an analysis and view to the Directors, management and ordinary shareholders of Accent Resources NL (“Accent”) relating to that Company’s response to the bidders statement received from Xingang Resources (HK) Limited (“Xingang”) in relation to Xingang’s on market takeover bid for all the fully paid ordinary shares in the capital of Accent which it does not have a relevant interest in, at a price of \$0.33 per share.

The report, prepared by Global Resources & Infrastructure Pty Ltd (“GRI”), has determined a valuation range for the mineral assets of Accent. These valuations are based on information supplied by management, directors and staff of, and consultants to, Accent; consultants reports based on investigations into various assets belonging to Accent; publicly available information and reviews of data collected, collated and assessed by consultants to Accent.

This report may accompany commentary provided by DMR Corporate on their opinions with regard to the transaction.

The report has been completed in accordance with the terms and conditions described herein and set forth in our agreement with DMR Corporate.

25 January 2012

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1. INTRODUCTION

Accent Resources NL (“Accent” or the “Company”) is a public company incorporated on 18 February 2005 and listed on the Australian Securities Exchange (“ASX”) on 24 August 2005. Accent has a 100% share in the Magnetite Range Iron Ore project, the Norseman gold project and the Arcadia (Meekatharra) gold project as well as 90% of the Katanning Vanadium project. All of these projects are located in Western Australia.

Accent reported a maiden JORC compliant Indicated Resource estimate for the Magnetite Range Iron Ore project of 288.2Mt @ 30.4%Fe and a JORC compliant Inferred Resource of 102.8Mt @ 28.9%Fe for a total of 391Mt @ 30%Fe in February 2010. Following the release of this Resource estimate Accent embarked upon a pre-feasibility study to map out the development path for its Magnetite Range Iron Ore project. Concurrently, Accent undertook a campaign in China to raise awareness of the project and to investigate funding options to develop the Magnetite Range Iron Ore project. That campaign generated significant interest in purchasing the project and/or the Company, which led Accent to suspend its feasibility studies so as to develop the interests in the acquisition of the project.

On 29 November 2011, Accent announced that it had received written advice from Xingang Resources (HK) Limited (“Xingang”) that Xingang has decided to make an on-market takeover bid for all of the fully paid ordinary shares in the capital of Accent which it does not have a relevant interest in, at a price of \$0.33 per share. With some 187.5 million shares (fully diluted), the offer values the Company at approximately \$61.9 million.

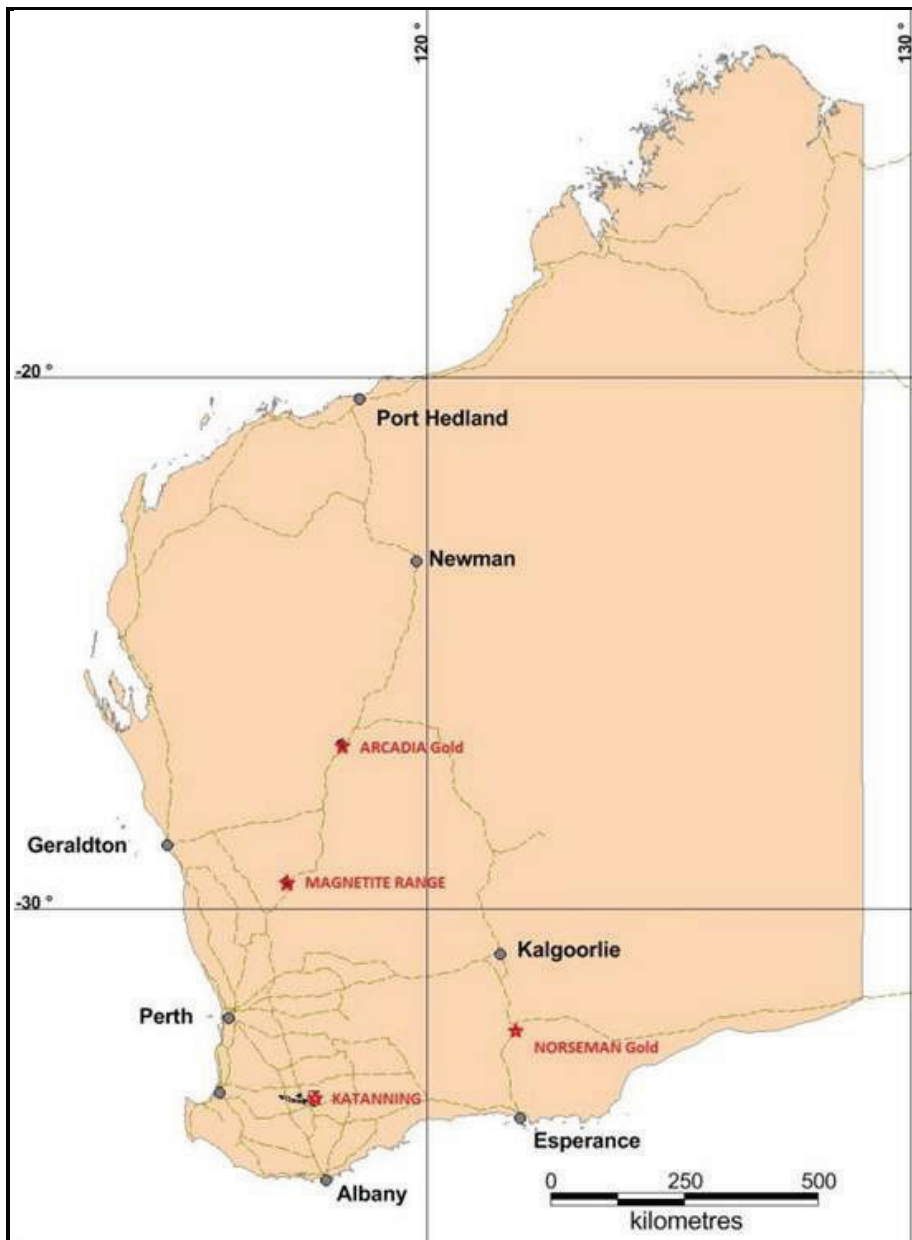


Figure 1: Location Map (Source: Accent)

2. SUMMARY AND VALUATION

2.1. EXECUTIVE SUMMARY

- All of the assets owned by Accent are considered to be exploration or early stage development projects that still require significantly more exploration and evaluation work to be undertaken before a decision may be made to commit to full-scale development.
- All four of its projects are located in Western Australia with the Magnetite Range Iron Ore Project located in the Mid-West Region, the Katanning Vanadium Project lies within the south western Yilgarn, the Norseman Gold Project within the southern Norseman-Wiluna greenstone belt and the Arcadia (Meekatharra) Gold Project is found within the Murchison mineral field.
- The estimated value of Accent's minerals projects lies in the range \$27.6 million to \$53.7 million.

2.2 VALUATION

We have undertaken an assessment of the minerals projects owned by Accent and estimated a value for these, which is the aggregate of the estimated fair market value of the Company's mineral assets, as at the date of this report. We have estimated that their value lies in the range \$27.6 million to \$53.7 million with a mid-point value of \$40.6 million.

Table 1 provides our valuation estimates and the valuation method for the exploration assets of Accent. Each of the valuation methods used in this report is discussed in detail in Section 3.2.

Table 1: Summary - Valuation of Accents Minerals Projects

Project	Region	Minerals	Interest	Valuation Method	Value	
					Low	High
Magnetite Range Iron Ore	Midwest	Magnetite	100%	CT	\$22.0m	\$47.0m
Katanning	Western Yilgarn	Vanadium	90%	EEM	\$2.2m	\$2.6m
Norseman Gold	Norseman-Wiluna	Gold	100%	EEM	\$2.8m	\$3.3m
Arcadia Gold	Murchison	Gold	100%	EEM	\$0.6m	\$0.8m
TOTAL					\$27.6m	\$53.7m

3. METHODOLOGY AND APPROACH

3.1. INTRODUCTION

The purpose of this report is to provide a technical assessment and valuation of Accent's assets. In providing our valuations of the tenements we have adhered to the requirements of the Valmin Code (2005) of the Australasian Institute of Mining and Metallurgy ("The AusIMM").

In general, a valuation is derived by considering a technical value, reflecting the assessed future net economic benefit of the project, which can be adjusted by way of a premium or discount for given market and other conditions presently applicable to determine a fair market value. With this in mind, the application of standard valuation methodologies, while possible, may not indicate a realisable value, as the ability of a potential purchaser to use the asset for commercial advantage or otherwise gain from its ownership, may not be achievable.

In particular, in reviewing the Magnetite Range Iron Ore tenements located in the Midwest region of Western Australia, we recognise that the "value or fair market value" as defined in the Valmin Code is difficult to determine as the potential values of these assets are totally dependent on the development of sufficient infrastructure that will enable the transportation of iron ore to export facilities. Accordingly, while it is feasible to apply valuation methods that are generally used for similar projects, it is important to recognise that those methods do not, nor are they intended to, identify the potential commerciality of a development of that asset.

GRI has not been engaged to provide independent verification of the endowment resources figures provided by Accent that are mentioned in this report. GRI has not used any of these resource endowment figures relating to the tenements of Accent directly in assessing our valuation estimations but has made use of these figures for the Magnetite Range Iron Ore project in order to compare the project with transactions relating to other similar projects in assessing our estimate of the value of the Magnetite Range Iron Ore project. Where GRI has quoted resources figures relating to other projects we have obtained these numbers from the public domain and we have credited the sources of our information.

All references to dollars within this report are to Australian Dollars except where otherwise identified.

3.2. VALUATION METHODS

3.2.1. SUMMARY

The commonly used valuation methods for mineral assets that we have considered, and/or adopted where appropriate, to determine the value of the minerals projects include:

- The Net Present Value Of Future Cash Flows Method
- The Multiple Of Exploration Expenditure Method
- Joint Venture Terms
- In Situ Values Method
- Comparable Transactions Method
- The Alternative Acquirer Method

3.2.2. NET PRESENT VALUE OF FUTURE CASH FLOWS METHOD - (NPV)

The Net Present Value method is based on the premise that the value of a business is the net present value of its future discounted cash flows. In the mining business, this method requires assessment of:

- mineral reserves and resources;
- the appropriate mining, processing and transportation methods to exploit and bring to market those reserves; and
- analyses of future production, production costs, market prices, cash flows, capital requirements and capital costs for the life of the potential reserves and timing estimations.

This technique is particularly appropriate for a minerals investment with defined reserves and resources and is the most common approach to valuation in the minerals industry. GRI did not use this method as Accents' assets have either not been matured to a sufficient degree where a NPV calculation is possible or the infrastructure requirements to market the projects' product is inadequate such that the costs of developing the project is not sufficiently certain so as to enable a NPV calculation.

3.2.3. EXPLORATION EXPENDITURE MULTIPLES METHOD - (EEM)

We have used the Exploration Expenditure Multiples ("EEM") method to estimate the realisable (market) value for all of the tenements that comprise Accent's four defined projects. This method is commonly used to assess value for "grass-roots" through to maturing exploration tenements where no JORC classifiable resource has been identified or where a JORC resource may be available but insufficient information relating to development processes and timing are available. The method requires that the total historical costs of acquiring and exploring the tenement(s) up to the present, plus committed and approved future exploration expenditure due to be expended during the following year is taken as the base. To this is applied an "Exploration Effectiveness Multiplier", a measure of the usefulness of the expenditure to the development of future exploration programmes and the effective equity interest.

It is our opinion that all of Accent's tenements, excluding those forming the Magnetite Range Iron Ore project, have been explored to the extent that they could be regarded as being more advanced than "grass-roots" in status but not yet reached mature exploration or development status. The Magnetite Range Iron Ore project group of tenements, where the Company has identified through drilling, JORC compliant indicated and inferred resources but has not yet undertaken a scoping study, where initial development planning, engineering, metallurgical considerations and marketing information has been identified, should be considered to be at mature exploration to early development stage.

We have used this method to assess value for each of Accent's projects which comprise its mineral assets.

3.2.4 JOINT VENTURE TERMS - (JVT)

The terms of a joint venture agreement or proposed agreement indicate the value placed on a permit by a (usually) knowledgeable incoming partner who is prepared to invest in the property to earn an interest. This method has to take into consideration the full details of the agreement, particularly the terms under which the incoming partner can withdraw. We have not used this method in our assessment of value as the offer for Accent is for the whole of the Company and not on an individual Project or tenement basis.

3.2.5 IN SITU VALUES METHOD – (ISV)

Where some data on tonnage and grade is available, a discounted subjective profit margin per unit of production is sometimes used based on the valuer's experience and judgement. This works best for simple situations such as gold deposits. With deposits such as iron ore, which may have several process options and for which there is likely to be a very heavy capital influence to project economics GRI has determined that this method is inappropriate and was not used for this report.

3.2.6 COMPARABLE TRANSACTIONS METHOD – (CT)

Comparable transactions relate to the values of reasonably recent transactions for other properties that are judged to be mineralogically similar and / or preferably located in the same region as the property in question. As such transactions are often of a joint-venture nature, it is necessary to discount the apparent value for time and for the probability of the earning expenditure being completed or adjust them for other payments such as royalties to be triggered by successful exploration.

GRI has identified two recent transactions involving emerging magnetite iron ore projects in the Midwest region of Western Australia, GRI has used this method to provide a value for the Magnetite Range Iron Ore project.

3.3 MATERIAL ISSUES

The following material issues have been considered by GRI during the valuation process.

3.3.1 NATIVE TITLE

Accent has advised that it is not aware of any issues relating to any of its minerals projects tenements. Its relationships with the relevant Cultural Heritage parties are in excellent condition. Accordingly, we do not see that exploration and mining activities within any of the tenements should present any difficulties for the Company although the Company advises that the issue of environmental approval in the Midwest region is difficult to predict.

3.3.2 OTHER MATTERS

This report has been prepared in accordance with the requirements of ASIC Regulatory Guide 111 “Content of expert’s reports”. It also conforms to the requirements of the Australasian Institute of Mining and Metallurgy’s VALMIN Code, 2005.

4. TENEMENTS

4.1 TENEMENTS HELD BY ACCENT

Accent is a public company incorporated on 18 February 2005 and listed on the Australian Securities Exchange ("ASX") on 24 August 2005. Accent has a 100% share in the Magnetite Range Iron Ore project, the Norseman gold project and the Arcadia (Meekatharra) gold project as well as 90% of the Katanning Vanadium project.

Table 2: Schedule of tenements held by Accent as at 31 December 2011

Project	Tenement	Status/Grant Date	Interest
Meekatharra	E51/1209	26/06/08	100%
Mt Gibson	E59/875	22/03/06	100%
	M59/166	05/10/89	100%
	L59/106	Pending	100%
	E59/1732	Pending	100%
	P59/1952	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%
	M63/369	01/07/11	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	50%
	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%*
	E70/3585	31/08/11	90%

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

Source: Accent

5 MAGNETITE RANGE IRON ORE PROJECT (ACCENT 100%)

5.1 INTRODUCTION

The Magnetite Range Iron Ore project is located 300km NE of Perth and 250km ESE of Geraldton in the Shire of Yalgoo. The project area covers portions of the White Wells and Ninghan pastoral stations immediately west of the Great Northern Highway between Wubin and Payne's Find.

The terrain of the project area is mostly low relief. There are several banded iron formation (BIF) ridges which form low topographic highs, the highest being up to 30m in the south. The main BIF unit occurs as either low relief surface outcrop or is buried beneath thin cover. Vegetation is predominantly mulga low woodland on plains, reduced to scrub on hills, and tree steppe on sand plains.

The magnetite mineralisation at the Magnetite Range Iron Ore project is contained within NW and WNW striking BIF units extending for over 14km of strike. The majority of the project area is characterised by two BIF units with an additional thinner unit occurring at the Hematite Hill prospect area in the south. The BIF package in the Hematite Hill area is up 400m true thickness. The BIF units have a sub-vertical to steep east dip between Hematite Hill and Retaliation but this can shallow to approximately 50° NE dip at Julia. Drilling completed indicates that the BIF units remain open at depth.

To date the Company has completed resource drilling (12,218m of diamond drilling and 9,626m of Reverse Circulation (RC) drilling, totalling 21,844m), magnetite ore characterization, metallurgical test work, process selection and engineering studies, and preliminary winter fauna and flora surveys at Magnetite Range Iron Ore project. The project now requires investment and engineering expertise for development.

The Company reported a maiden JORC compliant Indicated Resource estimate for the Magnetite Range Iron Ore project of 288.2Mt @ 30.4%Fe and a JORC compliant Inferred Resource of 102.8Mt @ 28.9%Fe for a total of 391Mt @ 30%Fe in February 2010. The ASX announcement of the Resource and Accent's 2011 Annual Report state that: More than 70% of the Resource is in the Indicated category; the majority of this resource is a high quality, low sulphur magnetite iron ore; significant amounts of metallurgical testwork and process engineering studies have demonstrated that a clean, saleable magnetite concentrate can be produced with relatively low energy requirements and good mass recoveries; the total Inferred and Indicated resource is considered sufficient for a conceptual mine life of 20 years at 5Mtpa concentrate output.

Metallurgical test work continues to assess the processing characteristics of the higher sulphur and moderate silica material in the Hematite Hill prospect area. Metallurgical test work has indicated that silica specification of <5% SiO₂ can be achieved with finer grinding to <25 micron and use of reverse flotation which is similar to other magnetite deposits.

Subsequent to the announcement of the maiden Resource estimate the Company embarked upon a pre-feasibility study to map out the development path for its Magnetite Range Iron Ore project and also undertook a campaign in China to raise awareness and to investigate the funding options available to do so. That campaign generated significant interest including interest in purchasing the project and also acquiring the Company, which led the Company to suspend its feasibility studies and much of 2011 was spent following up and developing those interests.

During financial 2010/11 mineral processing and engineering design consultants, Mineral Engineering Technical Services Pty Ltd (METS), continued with process selection, engineering and infrastructure studies. Detailed metallurgical test work was undertaken on dedicated diamond drill core to characterize the ore types at the Hematite Hill prospect area in the southern project area. The southern project area contains moderate Davis Tube Recovery concentrate Silica values in the range 5-10% which can be reduced to <5% Silica by finer grinding to 25 microns and the use of reverse flotation.

During financial 2010/11 a Miscellaneous Licence L59/106 (Groundwater Search) was approved for granting after an objection. The tenement allows for groundwater exploration subject to Department of Mines and Petroleum (DMP) and Department of Water (DOW) approvals.

The project is well situated in the southeast of the developing Midwest iron ore region and proximal to the Extension Hill and Karara magnetite iron mines that are currently under construction.

- The project area is located immediately adjacent, and along strike of the Extension Hill (also known as Mt Gibson) iron ore project that has a dual ownership structure between Mount Gibson Iron Ltd (ASX:MGX) and unlisted company Asia Iron Holdings Limited (Figure 2). Infrastructure development for mining of the upper hematite DSO deposit by Mt Gibson commenced in Q1-2010, stockpiling of ore in early 2011. The first DSO ore shipment of some 61,000 tonnes through Geraldton port was announced on 21 December 2010 by Mount Gibson. The deeper magnetite iron rights are owned by Asia Iron Holdings, a joint venture between Chongqing Chonggang Minerals Development Investment – CCMD (60%) and SINOM Investments (40%). Regulatory approvals, funding and advanced planning for the development of a Stage 1 – 10Mtpa magnetite iron production are complete. Asia Iron magnetite production was anticipated to commence in early 2013 however delays to the Oakajee Port and rail facilities development have resulted in delays that at this stage are still to be determined.
- Stage One of the Karara Project, which is a 50:50 Joint Venture between Gindalbie Metals Ltd and Chinese Steel producer AnSteel, involves production of 2 Mtpa hematite (in production from April 2011) and the production of 8 Mtpa magnetite concentrate from mid-2012.

The Midwest region is, after the Pilbara region, the second fastest growing iron ore producing region in Australia. With proposed development of a number of DSO and magnetite iron deposits and significant infrastructure upgrades either planned or underway the Midwest could be transformed into the second most significant iron ore producing province in Australia. Future projections are for exports of some 60 - 90Mtpa of iron ore products by 2020 and up 150Mtpa in the future, including a significant proportion of value-added products such as concentrate/pellets.

The Oakajee Port and rail facilities development is centre to unlocking the potential of the Midwest region. The difficulties recently experienced to finalise commercial arrangements for the Oakajee Port and rail facilities project are discussed in Section 5.2 below.

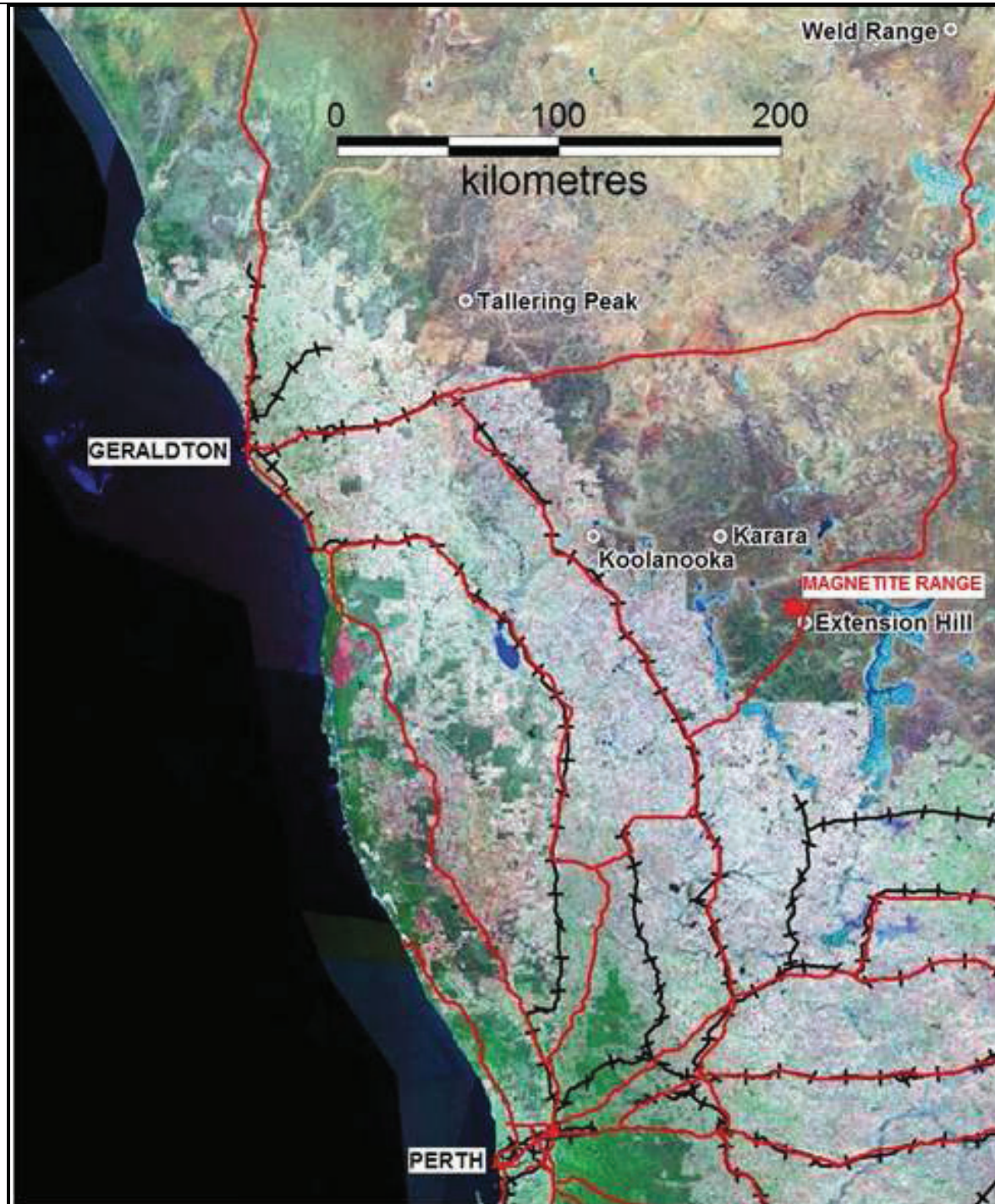


Figure 2: Magnetite Range Project - Locality Map (Source Accent)

5.2 OAKAJEE PORT AND RAIL FACILITIES PROJECT

Geraldton port is currently the major gateway to the Midwest region for both exports and imports with the harbour basin and channel deepened in the early 2000s to take Panamax ships. The port is operating at capacity and handles significant amounts of grain and minerals exports. An additional port facility is necessary for the export of bulk commodities such as iron ore from the projects that are being developed in the Midwest. Oakajee Port and Rail Pty Ltd ("OPR") was established in September 2007 as a joint venture between Murchison Metals Ltd ("Murchison"), Mitsubishi Development Pty Ltd ("Mitsubishi") and Crosslands Resources Ltd ("Crosslands"). OPR was established to design, develop, construct and operate new rail and deepwater port infrastructure ("the OPR Project") to facilitate the export of expanded production from mines in the mid-west region. It is expected that the Geraldton Port will complement the operations of the planned Oakajee Port.

Oakajee is about 20 kilometres north of Geraldton. Initially two Capesize berths and a 570km open access railway are planned to service mining tenements at Weld Range and Jack Hills in the Midwest region.

The OPR Project is central to the development of mid-west port and rail infrastructure. Transporting bulk commodities above 1 million tonnes per annum over long distances cannot be cost effectively achieved using road haulage over the public road network. At this volume, road transport suffers from high costs of labour as well as significant wear and tear on road pavements. Even with modern multi-unit trucks, the labour costs remain high when compared with rail. Crosslands, which is equally owned by Murchison and Mitsubishi, is the owner of the Jack Hills project and has been transporting DSO ore by road from the Jack Hills mine to the Port of Geraldton, a distance of 640km. Although Crosslands had planned to continue transporting ore by road until the rail and port facilities had been completed, Crosslands announced in November 2011 the closure of stage one of the Jack Hills project.

The State and Federal Governments have committed \$678m (\$339m each) for the construction of Common Use Infrastructure at the new port. The State Government has also announced approval for the route of the Oakajee Port and rail facilities project's proposed rail corridor. Special Act legislation will now be drafted, requiring the approval of the Parliament of Western Australia.

In March 2009, the State Government signed a State Development Agreement ("SDA") with OPR for the development of the port and rail infrastructure.

The key terms of the SDA were:

- The appointment of OPR on an exclusive basis, as the infrastructure provider to design and construct an open access port and railway linking the port with mining tenements at Weld Range and Jack Hills in the mid-west region of WA.
- The provision of State and/or Federal Government funding for common-use infrastructure at the Oakajee port including the channel and breakwater.
- Agreement by OPR to use reasonable endeavours to secure the involvement of private or state-owned Chinese companies in the project through the provision of rail cars, fabricated structural steel, engineering and construction services and debt financing.

OPR's foundation customers were Murchison and Mitsubishi's jointly owned Crosslands project for the Jack Hills expansion, Gindalbie Metal Limited's Karara project and Sinosteel Corporation's Weld Range project.

In June 2011 Sinosteel Corporation announced that it was shelving its planned \$2bn iron ore mine in protest against the mounting costs and delays in building the infrastructure project. Sinosteel Corporation stopped all major work at its Weld Range project and laid off 43 workers and closed its office in Geraldton.

In October 2011 Murchison said in a 'Market Update' announcement that it believed that restructuring the ownership of OPR represents the best means of achieving a commercial outcome that meets the needs of all parties and would enable the projects to proceed. Shortly thereafter on 24 November 2011, Murchison announced the sale of its 50% share of the Crosslands and OPR interests to Mitsubishi Development Pty Ltd for A\$325 million.

Subsequently, on 28 December 2011, Murchison announced that the SDA for the OPR Project will remain in force beyond 31 December 2011, however the State will also have the ability to consider negotiating with any other proponent, opening the way for the Western Australian government to explore options to build the \$5.96 billion project with other parties.

To date, agreement on these commercial arrangements has not been achieved and the project development schedule remains uncertain.



Figure 3: Midwest Region (Source Department of Land Information, MID WEST Development Commission)

5.3 VALUATION

For the Magnetite Range Iron Ore project, which comprises one granted exploration licence (E59/875), one granted mining lease (M59/166) and three pending applications for exploration (E59/1732), prospecting (P59/1952) and water search (L59/106), we reviewed a number of valuation methods used in the mining industry to determine their applicability to these particular minerals assets. As we determined that the Magnetite Range Iron Ore project's tenements must be described as mature exploration to early development stage the number of valuation methods available was limited.

5.3.1 EXPLORATION EXPENDITURE MULTIPLES

Accent acquired these tenements prior to listing and has spent significant monies exploring the tenements. We have used the exploration expenditures information to determine values using this method.

We have been provided with information on costs incurred for all of the pre-2012 exploration work. These costs amount to \$9.9 million and include purchase fees, office and field exploration geological, geophysical and geochemical studies, project management, legal fees and investor information programmes. It is our opinion that it could be reasonably argued that Accent would have placed considerable reliance on the exploration work and associated results in order to make its decisions regarding further resources drilling campaigns and in continuing to meet its financial obligations on the tenements.

We have applied an exploration effectiveness multiplier of 100% to these activities to derive an estimate of the effective exploration costs. We have then applied a Prospectivity Enhancement Multiplier ("PEM") of between 2.2 and 2.7 based on our estimation of the potential for success in developing sufficient resources to justify the development of a mine. We have estimated this range on the basis that within the permit Accent has identified significant magnetite iron ore resources from its exploration activities to believe that there is sufficient commercial upside to continue to explore and develop the project.

Table 3: Historic Exploration Expenditures and Effectiveness.

	Estimated Cost	Effectiveness	Effective Value
Estimation of effective exploration expenditure	\$9.9m	100%	\$9.9m
Prospectivity Enhancement Multiplier	2.2		\$21.8m
Prospectivity Enhancement Multiplier	2.7		\$26.7m

The valuation range for the Magnetite Range Iron Ore project using the EEM method is from \$21.8 million to \$26.7 million.

5.3.2 COMPARABLE TRANSACTIONS

We have also identified two comparable transactions involving the sale of magnetite iron ore properties in the Midwest region of Western Australia. We have used the information gained from these transactions to determine potential value ranges for these tenements and compared them with those obtained using the EEM method.

The first of these projects is the Mt Gibson Iron Limited Extension Hill project, which is located immediately adjacent to and along strike from the Magnetite Range Iron Ore project. Sixty percent (60%) of the magnetite iron ore rights for this project were purchased by Chongqing Chonggang Minerals Development Investment from Sinom Investments for \$280 million in September 2010.

In assessing the Extension Hill transaction we note that at the time of the transaction there was an expectation that the Oakajee Port and Rail facilities would become available at about the same time as production was expected to commence from Extension Hill. As discussed in Section 5.2, while OPR has made significant progress as regards the design of the rail route the “go-ahead” for the project is in abeyance while the appropriate levels of funding for the project are determined, (expected to cost \$6 billion or more) and financing facilitated. Given the current financial situation in Europe and the attendant worldwide uncertainty regarding the global economy, it is unclear when appropriate funding for the OPR Project could be expected to be arranged. To exacerbate the situation, Sinosteel Corporation, one of the foundation customers of OPR, has indicated that it has suspended the development of its Weld Range project in protest against the mounting costs and delays in building the OPR Project.

The actual physical development of the port facilities is yet to commence, as is the development of the rail corridor and even if this were to happen in the near future we believe that it will take several years to complete and be ready to accept product. The shortage of manpower and construction resources in Western Australia reinforces our concerns regarding the timing of any activities for the OPR. While the project planning may be advanced, details remain uncertain and it is impossible to forecast at this time when financial commitment for the OPR Project will be approved and when it is expected to be completed.

Extension Hill project is reported to have Inferred Resources of 1.78 billion tonnes @ 25.84%Fe to yield 68% magnetite concentrate. A project of this size is regarded as being big enough to absorb the capital expenditure required to establish a mine and supporting infrastructure and more importantly the processing plant required to upgrade the relatively low grade magnetite ore to a magnetite ore concentrate with a grade acceptable by the market for export. Magnetite Range Iron Ore project, by comparison, is not large enough to justify developing a standalone mining and treatment operation and is reliant on neighbouring projects to share the infrastructure costs associated with the mining and treatment of its ore for export. No firm arrangements have yet been made, nor have any agreements been finalised with suitable partners to share the necessary mining and treatment infrastructure. It is unclear when such arrangements will be able to be put in place. In the absence of a cooperation or sharing agreement being reached with a neighbouring project; GRI regards the development costs for the Magnetite Range Iron Ore project, measured in dollar cost for contained iron (\$/t Fe), would be significantly greater than those of the Extension Hill project.

For these reasons we have discounted the project values for the Magnetite Range Iron Ore project as determined from the Extension Hill project transaction by 30%, to take account of the uncertainty regarding the funding and timetable of the OPR Project. We have applied a further 30% (i.e. 60% in total) reduction to take account of the dynamics associated with developing a comparatively smaller project, to arrive at what we regard as a realistic value for the Magnetite Range Iron Ore project.

The more recent Ferrowest Yogi Mine transaction better reflects the current situation as regards rail and port access, but to the extent that 33% of the magnetite produced will be treated locally to produce pig iron, the transaction may slightly undervalue the Magnetite Range Iron Ore project. The Yogi Mine project transaction, nonetheless, provides a low end value indicator for the Magnetite Range Iron Ore project.

In estimating these values for the Magnetite Range Iron Ore project it must be understood that they are applicable at the date of this valuation and in consideration of all of the relevant issues applicable to the project at that date. Should circumstances change and a definitive decision be made regarding the OPR development then we would expect that the value of the project would also change in line with these circumstances.

Table 4: Comparable Transactions

Transaction	A\$/t	A\$/t Fe ⁽¹⁾
Extension Hill Project: On 17 September 2010, Chongqing Chonggang Minerals Development Limited purchased 60% of Asia Iron Holdings from parent Sinom Holdings for A\$280 million. The Extension Hill Project is adjacent to the Magnetite Range Iron Ore project and has a reported Inferred Resource of 1.78 billion tonnes @ 25.84%Fe to yield 68% magnetite concentrate. Comparing the above values with those defined at the Magnetite Range Iron Ore project provides the following indicative values for Magnetite Range Iron Ore project: As explained above in Section 5.3.2, the Extension Hill transaction was done at a time when there was an expectation that the OPR Project would come on stream at around 2013/2014, which was in line with the expected timing for production to commence from the Extension Hill project. Following the recent withdrawal of key foundation customers from the OPR Project, the funding and timeline details for this crucial infrastructure development project is uncertain and it is impossible to forecast at this time when, and at what cost, the OPR Project will be completed. It has also been pointed out that the Magnetite Range Iron Ore project resource is too small to be developed on its own and that the project would need to share infrastructure with another nearby project or, alternatively, would have to bear increased development cost per tonne of contained iron. Given the uncertainty regarding the development of the OPR Project we have discounted the above indicated values by 30% and a further 30% (60% in total) to take account of the Magnetite Range Iron Ore project's smaller comparative size to derive a value:	\$0.26/t \$102m \$41m	\$1.01/t Fe \$118m \$47m
Yogi Mine Project: On 19 September 2011, Ferrowest Limited announced that an agreement had been signed with TFA International Pty Ltd, an Australian subsidiary of the Sichuan Taifeng Group Co. Ltd of China ("Taifeng"). Pursuant to the agreement, Taifeng will sole fund A\$20 million in project development to take 66.7% interest in the Yogi Mine Joint Venture. The magnetite JORC compliant Inferred Resource at Yogi is 572.5 Mt @ 27.51%Fe. Comparing the above values with those from the Magnetite Range Iron Ore project gives the following indicative values:	\$0.05/t \$20m	\$0.19/t Fe \$22m

NOTE: (1) We consider the dollar value for contained iron (\$/t Fe) to be the better indicator to measure value because it eliminates discrepancies in grade which is not taken into account with the dollar value per tonne (\$/t) of resource.

The valuation range for the Magnetite Range Iron Ore project using the CT method is from \$22 million to \$47 million. We have accepted this value range as being more representative of the current estimated value for this project than that obtained using the EEM method although we note that the value range using the EEM method more closely aligns with the lower end of the value range obtained using the CT method.

Table 5: Valuation of Magnetite Range Iron Ore project at 25 January 2012

Valuation Method	Value	
	Low	High
Exploration Expenditures Multiples	\$21.8m	\$26.7m
Comparable Transactions	\$22.0m	\$47.0m
Adopted Values	\$22.0m	\$47.0m

6 KATANNING VANADIUM PROJECT (ACCENT 90%)

6.1 INTRODUCTION

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

The Katanning project, comprising five (5) Exploration Licences (E70/2729, E70/3077, E70/3078, E70/3311 and E70/3585) and seven (7) Prospecting Licences (P70/1504 to 1510) for a total area of approximately 800 sq km is located approximately 280km south east of Perth. The project area lies within the Great Southern Region, a significant wheat and sheep production area, and is predominantly covered by cultivated pastoral lands. Good services and facilities are available in the district which is also well serviced by infrastructure including road, rail and grid electric power.

The Katanning region occurs within the Western Gneiss Terrane of the western Yilgarn block. The region is underlain by Archaean granite and gneiss with small enclaves of metamorphosed mafic and ultramafic rocks. Limited outcrop (less than 1% of surface geology) occurs within the project area and consists predominantly of fresh granite and very minor metagabbro and metadolerite. Extensive laterite cover occurs across much of the project area. Anomalous vanadium-titanium-magnetite occurrences are located within the project area at the Linda Sue, Martling Farm, Mine Hill and Red Hill prospects.

The high grade vanadium-titanium-magnetite occurrences are associated with magnetite gabbros indicating potential for magmatic deposits. The occurrences are also characterised by identifiable magnetic anomalism on the regional aeromagnetic images, anomalous surface geochemistry and a laterite cap providing targeting parameters for initial exploration. Early drilling of these features intersected disseminated and massive magnetite layered mafic intrusions.

Geological and geochemical exploration has also indicated broader areas of bauxitic pisolitic laterite with anomalous titanium and vanadium geochemistry. This has expanded the target areas.

During financial 2010/11 a total of 10 RC Holes for 1,122m were completed at the T12-Linda Sue, T9-Kalang and T3-Kennie Hill prospect areas. Rig difficulties resulted in the Priority 1 traverses at T12-Linda Sue and T9-Kalang not being drilled.

Extensive regional follow up of geochemical / aeromagnetic / geological and high iron enrichment LANDSAT targets was completed during financial 2011/12 with associated surface soil traverses and geological mapping. Preferential selective weathering of mafic rocks ensures that there is almost no outcrop of these intrusives in the Katanning region. Retained assay pulps from all previous soil surveys have been analysed for precious and indicator elements but did not delineate any new follow up targets.

Planned future work will include ground follow up of delineated geological / geochemical targets and probable drilling. Further drilling at the Mine Hill and Red Hill prospects is warranted to determine the extent of the vanadiferous units.

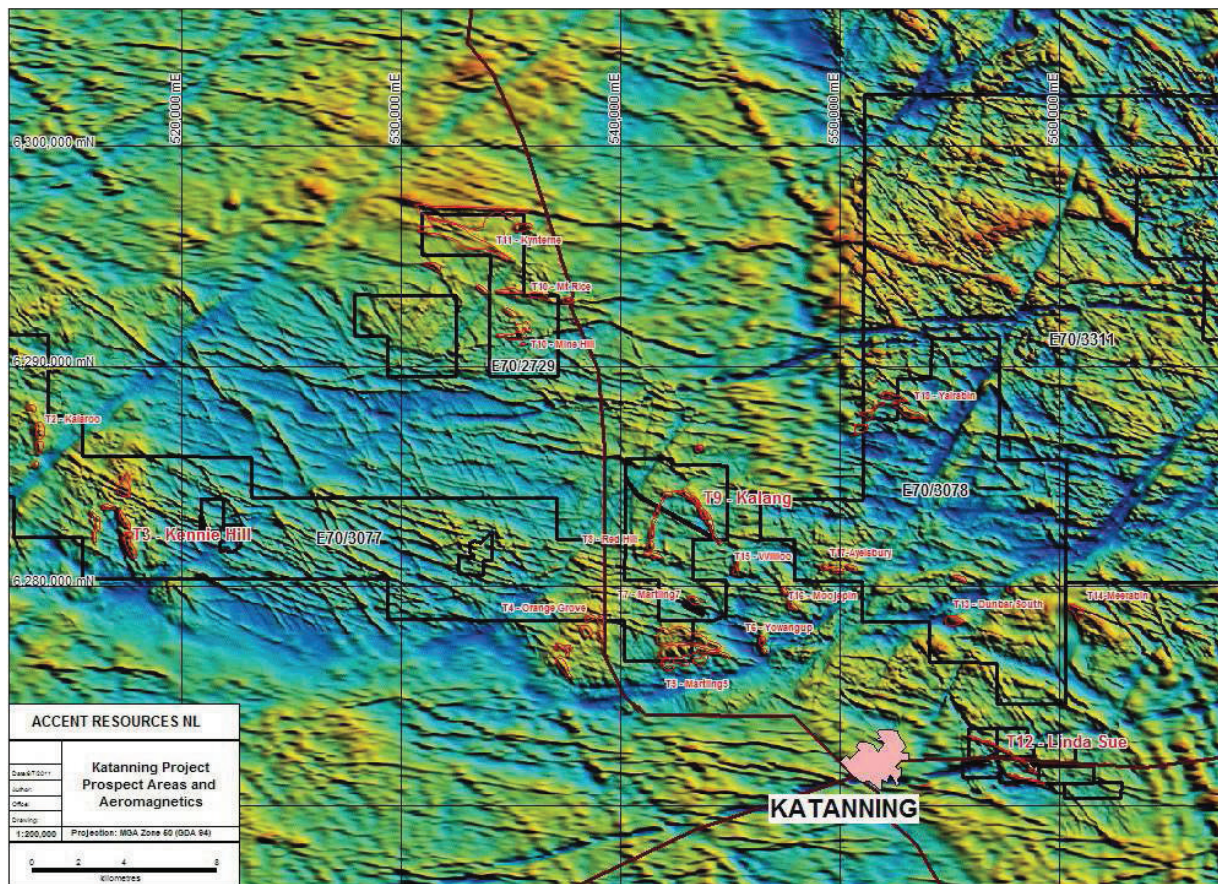


Figure 4: Katanning Project Prospect Areas and aeromagnetics (Source Accent)

6.2 VALUATION OF KATANNING VANADIUM PROJECT

Accent has continued with exploration activities at the Katanning project of which it owns 90% with a number of drill holes completed during financial year 2010/11. This drill campaign resulted in a number of low order titanite-vanadium intersections being recorded. And the target areas have also been expanded by the geological and geochemical exploration that have been undertaken previously and further extensive regional follow up of geochemical, aeromagnetic, geological and LANDSAT targets have also recently been undertaken. The results have been evaluated and Accent has determined that further follow up work and possible drilling is warranted.

We have reviewed the available methodologies to provide an estimate of value for Accent's 90% of the property and have determined the Exploration Expenditure Multiples method to be the most applicable, on the basis: (i) that most of the exploration expenditures data is available, (ii) that future exploration activities are planned, and (iii) that the effectiveness of Accent's prior exploration activities can be identified and that Accent has capitalised some of these in its balance sheet as at 30 June 2011, indicating that it has an awareness of the exploration effectiveness of these activities.

We have also looked at the Comparable Transactions process and while we have been able to identify a few transactions containing these or similar minerals assemblages in other regions of Western Australia, we have not been able to identify any transactions that we regard as being comparable transactions in terms of the same minerals assemblages in proximity to the Katanning project.

After reviewing the two methodologies we have determined that the values estimated using the Exploration Expenditures Multiples method should be accepted.

We have estimated the value of the 90% portion of the Katanning project owned by Accent to be in the range \$2.2 million to \$2.6 million.

Table 6: Valuation of Accent's 90% portion of the Katanning Vanadium Project at 25 January 2012

Valuation Method	Value	
	Low	High
Exploration Expenditures Multiples	\$2.2m	\$2.6m

6.2.1 EXPLORATION EXPENDITURES MULTIPLES

We have reviewed various valuation methods that we regard as appropriate for what is an immature stage exploration project and determined that the EEM method is the most appropriate in this circumstance. We have been provided with information on costs incurred for the exploration work on the project to date, less any impairment charges, to arrive at the value of the project included in 'Deferred exploration and evaluation costs' in Accent's balance sheet as at 30 June 2011. These costs amount to \$2,183,500. It is our opinion that it could be reasonably argued that Accent would have placed considerable reliance on the early exploration work in order to make its decision to capitalise the exploration work and include the expenditure in its balance sheet as at 30 June 2011.

We have then applied an exploration effectiveness multiplier to these activities and then derived an estimate of the effective exploration costs.

We then applied a Prospectivity Enhancement Multiplier of between 1.0 and 1.2 based on our estimation of the potential for success in finding sufficient resources to justify developing a mine. We have estimated this range on the basis that within the tenements the Company has target areas for further exploration and that it sees sufficient commercial upside to continue to explore although no resources of sufficient size to justify further development have been identified.

Table 7: Expenditures and Effectiveness as regards Accent's 90% of the Katanning Project.

Exploration Item	Estimated Cost	Effectiveness	Effective Value
Expenditure to June 2011 as capitalised in Accent's balance sheet as at 30 June 2011	\$2.2m	100%	\$2.2m
Prospectivity Enhancement Multiplier	1.0		\$2.2m
Prospectivity Enhancement Multiplier	1.2		\$2.6m

7 NORSEMAN GOLD PROJECT (ACCENT 100%)

7.1 INTRODUCTION

The Norseman project, comprising 5 Mining Leases and 6 Prospecting Licences covering an area of approximately 234 hectares, is located 200 km south of Kalgoorlie, about 5km south of Norseman in the Dundas Mineral Field, Western Australia. The project area occurs within a strongly mineralised portion of the southern Norseman-Wiluna greenstone belt of the Yilgarn Craton.

The local geology consists predominantly of Archaean banded cherty siltstone / ironstone formations interbedded with mafic volcanics and intrusives. The ironstones, referred to as the Eastern and Western Banded Ironstones contain flanking volcanics and chert breccias, passing into fine clastics and magnetite ironstones. Gold mineralisation occurs along the Mt Henry Shear within the core of the Eastern Ironstone (Surprise – Iron Duke – Maitland/Break O’Day Trend) and along the eastern margin of the Western Ironstone (Lady Mary Trend). Additional mineralisation occurs in ENE-WSW trending cross-cutting structures (Luck Call, Battler). On 15 March 2006, Accent reported Resource estimates for the Iron Duke gold deposit as follows: Measured Resource of 85,000 tonnes @ 3.2g/tAu, Indicated Resource of 346,600 tonnes @ 2.2g/tAu and Inferred Resource of 152,400 tonnes @ 1.6g/tAu for a total Resource of 584,000 tonnes @ 2.2g/tAu and 41,300 ounces gold. On 15 March 2006, Accent reported Resource estimates for the Surprise gold deposit as follows: Measured Resource of 72,500 tonnes @ 1.7g/tAu, Indicated Resource of 265,700 tonnes @ 1.8g/tAu and Inferred Resource of 79,900 tonnes @ 1.9g/tAu for a total Resource of 418,100 tonnes @ 1.8g/tAu and 24,200 ounces gold. While these mineral resources are unlikely to be of sufficient size to support a stand-alone operation, Accent has stated (www.accentresources.com.au) that 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 Norsemen Gold Project has been retained in the Company's portfolio of tenements.

Desktop scoping studies using pit optimizations at different gold prices, recoveries, slope angles and input costs were completed at Iron Duke and Surprise prospects in H1-2006. The Surprise study indicated marginal operating profits but highlighted potential for a heap leach operation in the upper portions and additional drilling required to extend the resource. The Iron Duke study indicated a positive operating profit of between AU\$7.7 to AU\$11.6 million (source: ASX announcement 2 June 2006) based on costs at that time. The study highlighted a paucity of drilling beneath 50m vertical depth and in our opinion this prospect requires revisiting in view of current gold prices and exchange rates.

Iron ore exploration has been authorized over P63/1380, 1381, 1383 and M63/225, 226, 247. Surface rock sampling undertaken by Accent has returned assay results up to a maximum of 62.3% iron. Further sampling work will be undertaken to follow up on these preliminary results.

Significant rehabilitation work was required in this heavily mined and explored area. This included the infilling of historical costeans, fencing off open shafts, drill hole plugging and capping and the removal of drilling bags and historical mining rubbish. Mechanical rehabilitation of drill pads, unnecessary drill tracks and heavily drilled resource areas were also completed. This rehabilitation work was done in conjunction with the Environmental Division of the DMP.

Mining lease M63/369 covering the Iron Duke deposit was granted during financial 2010/11. The negotiated Mining Agreement with the Ngadju People was extended to the whole Norseman project area as this eases future dealings with Native Title parties, conversion of prospecting licences and future development of the project.

A soil sampling programme, mainly covering poorly sampled areas over the Western Banded Ironstones and Lady Mary trends was completed in the September 2011 quarter. Drilling of the untested but significantly mineralised structure south of the historic Lady Mary mine is proposed.

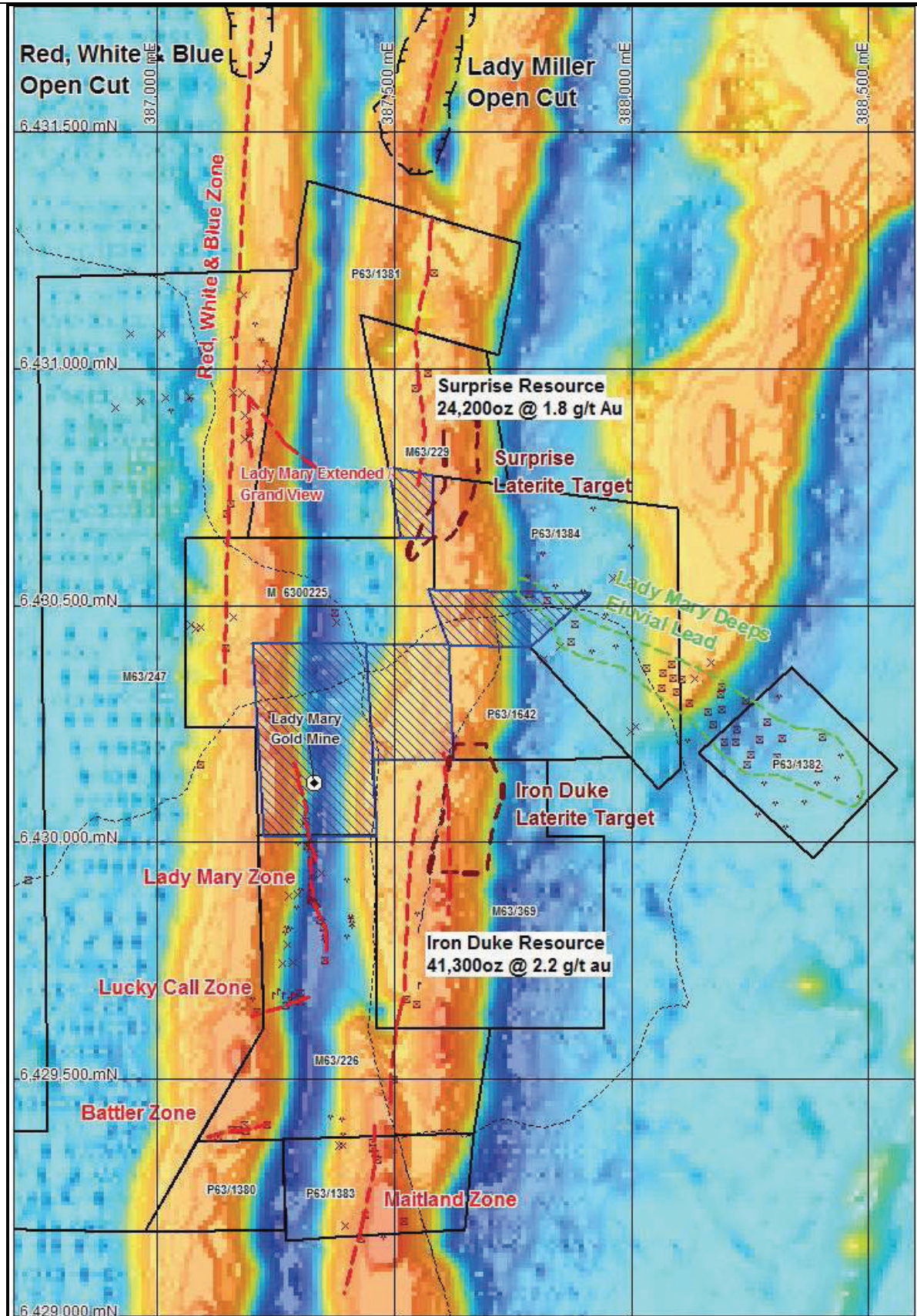


Figure 5: Norseman Project (Source Accent)

7.2 VALUATION OF NORSEMAN GOLD PROJECT

On 15 March 2006, Accent reported Resource estimates for the Iron Duke gold deposit: Measured Resource of 85,000 tonnes @ 3.2g/tAu, Indicated Resource of 346,600 tonnes @ 2.2g/tAu and Inferred

Resource of 152,400 tonnes @ 1.6g/tAu for a total Resource of 584,000 tonnes @ 2.2g/tAu and 41,300 ounces gold. On 15 March 2006, Accent also reported Resource estimates for the Surprise gold deposit: Measured Resource of 72,500 tonnes @ 1.7g/tAu, Indicated Resource of 265,700 tonnes @ 1.8g/tAu and Inferred Resource of 79,900 tonnes @ 1.9g/tAu for a total Resource of 418,100 tonnes @ 1.8g/tAu and 24,200 ounces gold. During financial 2010/11 mining lease M63/369 was granted over the Iron Duke deposit showing that the Company is continuing to ensure that the permits and authorisations are improved and kept in good order. The Company completed a soil sampling program in the second half of 2011 and drilling of the south extensions to the historic Lady Mary mine is planned.

We have reviewed the available methodologies to provide an estimate of value for the property and have determined that the Exploration Expenditure Multiples method to be the most applicable, on the basis: (i) that most of the exploration expenditures data is available, (ii) that future exploration activities are planned, and (iii) that the effectiveness of Accent's prior exploration activities can be identified and that Accent has capitalised some of these in its balance sheet as at 30 June 2011, indicating that it has an awareness of the exploration effectiveness of these activities.

We have also looked at the Comparable Transactions process and while we have been able to identify a number of transactions regarding gold exploration companies, or transactions relating to gold exploration properties located in other regions of Western Australia, we have not been able to identify any comparable transactions sufficiently similar to the Norseman property to justify using this method.

After reviewing the two methodologies we have determined that the values estimated using the Exploration Expenditures Multiples method should be accepted.

We have estimated value of Norseman gold project to be in the range \$2.8 million to \$3.3 million.

Table 8: Valuation of the Norseman Gold Project at 25 January 2012

Valuation Method	Value	
	Low	High
Multiples of Exploration Expenditures	\$2.8m	\$3.3m

7.2.1 EXPLORATION EXPENDITURES MULTIPLES

We have reviewed various valuation methods that we regard as appropriate for what is an immature stage exploration project, and have determined that the Exploration Expenditures Multiples method is the most appropriate in this circumstance. We have been provided with information on costs incurred for the exploration work on the project to date, less any impairment charges, to arrive at the value of the project included in 'Deferred exploration and evaluation costs' in Accent's balance sheet as at 30 June 2011. These costs amount to \$2,329,400. It is our opinion that it could be reasonably argued that Accent would have placed considerable reliance on the early exploration work in order to make its decision to capitalise the exploration work and include the expenditure in its balance sheet as at 30 June 2011.

We have then applied an exploration effectiveness multiplier to these activities and then derived an estimate of the effective exploration costs.

We have applied a Prospectivity Enhancement Multiplier of between 1.2 and 1.4 based on our estimation of the potential for success in finding sufficient resources to justify developing a mine. We have estimated this range on the basis that within the permit the Company has been able to announce the estimation of resources at the Iron Duke and Surprise deposits as announced to ASX on 15 March 2006 and that there is potential to upgrade the resources to JORC compliant standards with further drilling work. However, the Company has also indicated that the current non-JORC compliant minerals resources at Surprise and Iron Duke are unlikely to be increased to sufficient tonnages and grades that will support standalone operations and that any potential development will be reliant on developing a joint venture or toll processing with other local operators.

Table 9: Exploration Expenditures and Effectiveness.

Exploration Item	Estimated Cost	Effectiveness	Effective Value
Expenditure to June 2011 as capitalised in Accent's balance sheet as at 30 June 2011	\$2.3m	100%	\$2.3m
Prospectivity Enhancement Multiplier	1.2		\$2.8m
Prospectivity Enhancement Multiplier	1.4		\$3.3m

8 ARCADIA (MEEKATHARRA) GOLD PROJECT (ACCENT 100%)

8.1 INTRODUCTION

The Arcadia project comprises of Exploration Licence E51/1209 and is located approximately 45km south-west of Meekatharra in the Murchison District of the Murchison Mineral Field, Western Australia. The project straddles the Great Northern Highway and is largely covered by the Lake Annean lake system.

The Arcadia property is underlain by an attenuated and faulted southern extension of the Archaean Abbotts Greenstone Belt, largely buried beneath superficial cover. The greenstone succession comprises tholeiitic volcanic rocks, fine grained clastics, felsic volcanics and mafic intrusions.

At the Hope River Prospect RC and diamond drilling has identified an auriferous sulphidic quartz dolerite associated with a 2km length of the N-S trending Hope River shear zone, a splay fault off the regional NE striking Abernethy Shear Zone that occurs immediately west of the licence area. Intense weathering to about 90metres depth occurs in some areas. The most significant gold mineralisation appears to be associated with quartz dolerite intrusions along the western mineralised shear zone and Accent has advised that these results will require further follow up. Further potential is assessed to occur over a minimum 2km untested strike of the western mineralized shear extending north of the Hope River prospect area. This area was previously discounted as having very deep sedimentary cover but this is now recognized as only being between 10 to 24m deep. Potential also exists with the definition of high grade shoots associated with the quartz dolerite intrusions of the western shear zone. There are also a number of geochemical gold anomalies defined by regolith drilling which require follow up on the western and eastern flank of the Hope River Prospect which have so far received little attention.

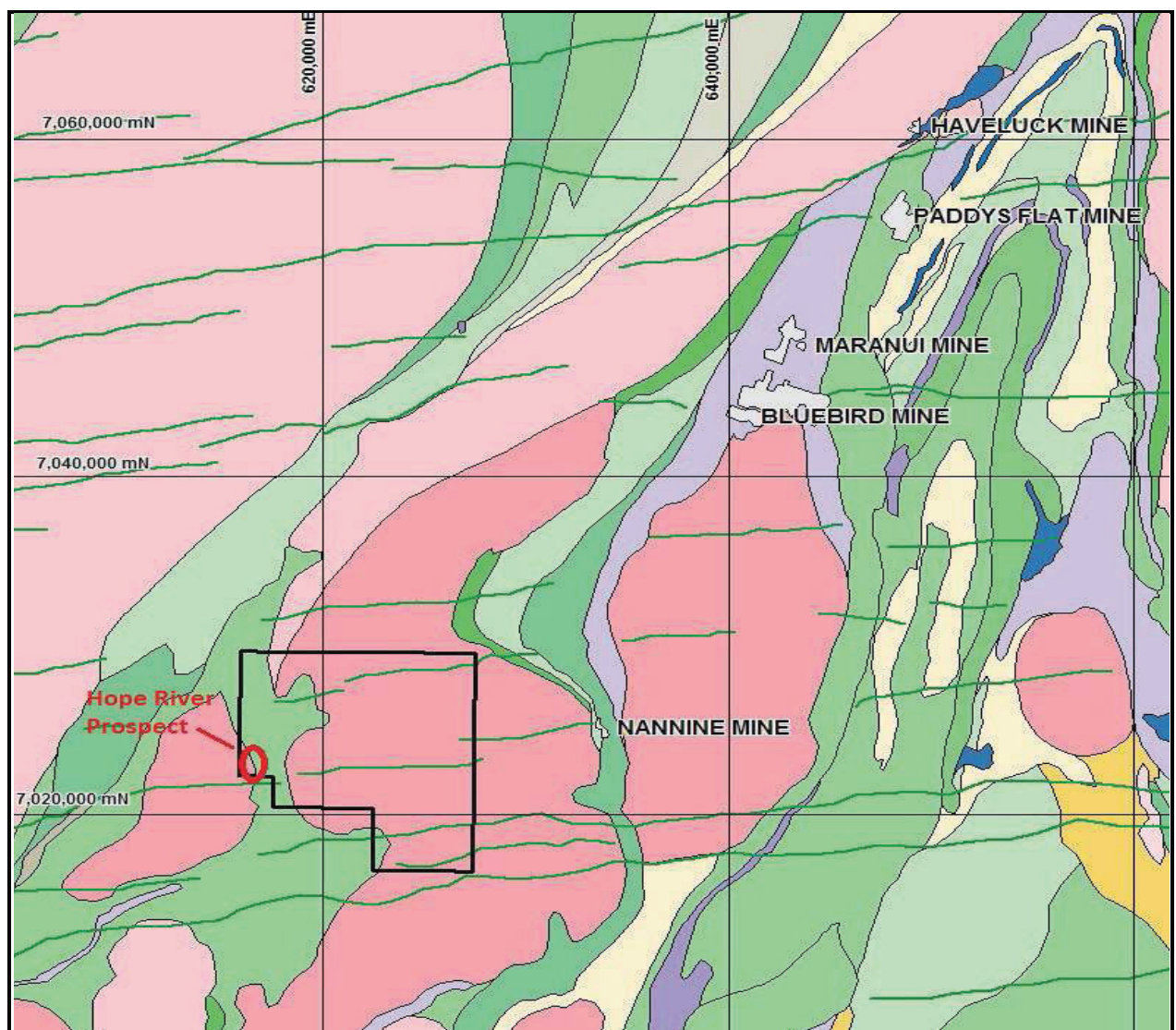


Figure 6: Arcadia Gold Project (Source Accent)

8.2 VALUATION OF THE ARCADIA (MEEKATHARRA) GOLD PROJECT

A number of significant intersections have shown gold mineralisation but further work is required. The Company has identified further potential at the untested strike of the western mineralised shear extending north of the Hope River prospect area and possible high grade shoots associated with the quartz dolerite intrusions of the western shear zone.

We have reviewed the available methodologies to provide an estimate of value for the property and have determined that the Exploration Expenditure Multiplier method to be the most applicable, on the basis: (i) that there is some exploration expenditures data available, (ii) that there is potential for more exploration work to be successful, and (iii) that the costs of prior exploration activities have been capitalised in Accent's balance sheet as at 30 June 2011.

We have also looked at the Comparable Transactions process and while we have been able to identify a number of transactions regarding gold exploration projects, or transactions relating to gold exploration properties located in Western Australia, we have not been able to identify any comparable transactions sufficiently similar to the Arcadia property.

After reviewing the two methodologies we have determined that the values estimated using the Multiple of Exploration Expenditures method should be accepted.

We have estimated the value of the Arcadia Gold Project to be in the range \$0.6 million and \$0.8 million.

Table 10: Valuation of the Arcadia Gold Project at 25 January 2012

Valuation Method	Value	
	Low	High
Multiples of Exploration Expenditures	\$0.6m	\$0.8m

8.2.1 EXPLORATION EXPENDITURES MULTIPLES

We have reviewed various valuation methods that we regard as appropriate for what is an immature stage exploration project, and have determined that the Exploration Expenditures Multiples method is the most appropriate in this circumstance. We have been provided with information on costs incurred for the exploration work on the project to date, less any impairment charges, to arrive at the value of the project included in 'Deferred exploration and evaluation costs' in Accent's balance sheet as at 30 June 2011. These costs amount to \$640,000. It is our opinion that it could be reasonably argued that Accent would have placed considerable reliance on the early exploration work in order to make its decision to capitalise the exploration work and include the expenditure in its balance sheet as at 30 June 2011.

We have then applied an exploration effectiveness multiplier to these activities and then derived an estimate of the effective exploration costs.

We have applied a Prospectivity Enhancement Multiplier of between 1.0 and 1.2 based on our estimation of the potential for success in finding sufficient resources to justify developing a mine. We have estimated this range on the basis that within the tenements the The Company has identified some mineralisation and that there are further target areas showing sufficient potential for further exploration to be carried out although no resources of sufficient size to justify further development have been identified.

Table 11: Historic, Current and Budgeted Exploration Expenditures and Effectiveness.

Exploration Item	Estimated Cost	Effectiveness	Effective Value
Expenditure to June 2011 as capitalised in Accent's balance sheet as at 30 June 2011	\$0.6m	100%	\$0.6m
Prospectivity Enhancement Multiplier	1.0		\$0.6m
Prospectivity Enhancement Multiplier	1.2		\$0.8m

9 REFERENCES

9.1 ACCESS TO SENIOR MANAGEMENT

In undertaking the review and valuations GRI received good cooperation from officers of Accent. Within the time limitations imposed on the review and the availability of management, we are satisfied that we obtained sufficient information to be confident that our observations reasonably reflect the current situation at Accent.

9.2 SOURCES OF INFORMATION

GRI's consultants possessed some prior knowledge about the assets of Accent although they had not personally visited all of the properties they had on previous occasions visited or worked on projects near to Accent's assets that provided them with valuable insight. The knowledge that they did possess came from a variety of sources, including Australian Stock Exchange Company reports, general industry information about the geological characteristics for the various areas in which the tenements are held.

9.3 COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves of Accent Resources N.L. is based on information compiled by Mr Philip Ash, who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Ash is a full-time employee of Accent Resources NL.

Mr Ash has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ash consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

10 GENERAL

10.1 QUALIFICATIONS

Global Resources & Infrastructure Pty Ltd (“GRI”) is a management consulting company that specialises in providing its services to the resources and infrastructure industries. Ian Buckingham, Managing Director of GRI is GRI’s lead consultant in preparation of this opinion for DMR Corporate Pty Ltd. Mr. Buckingham has worked on over sixty valuation assignments involving gold, silver, molybdenum, diamonds, iron ore, base metals, coal, lithium, petroleum and other resources commodities.

Specific valuation assignments undertaken by Mr. Buckingham include: providing Specialist’s advice to Grant Samuel and to KPMG Corporate Finance when both of those organisations provided the IERs on the takeover offer by Rio Tinto for North Limited and Ashton Mining Limited respectively. As Project Director he managed the project team that undertook a review of the mining, environmental, legal and economic issues associated with the Ok Tedi Mine, PNG; he reviewed and valued the coal assets of PT Kideco, a 12 million tonne per annum Indonesian based coal mining and exporting company, reviewed and valued the assets of both AuIron Energy Limited and Yarrabee Coal Company Pty Ltd as part of the purchase by AuIron Energy Limited of all of the shares in Yarrabee Coal Company through the issue of shares in AuIron Energy Limited; participated in the strategic review team that evaluated and valued the WMC Corridor Sands Project, Mozambique; reviewed and valued the minerals assets and Stuart Oil Shale Project of Southern Pacific Petroleum; valued the Australian coal assets of Kumagai Australia; prepared and completed the “Competent Person’s” Report for the listing of Zeehan Zinc Limited, an Australian base metals company on the Alternative Investment Market of the London Stock Exchange. He has also completed valuations of the Cairn Hill Iron Ore project on behalf of IMX Resources, provided a Specialist’s report on the value of the assets of Enterprise Energy and Bandanna Coal Company, valued separate molybdenum and silver projects in Mexico and reviewed an iron ore project in Peru. Mr. Buckingham has also undertaken a number of strategic development assignments evaluating several minerals commodities on behalf of global mining groups.

Ian Buckingham holds a B.App.Sc.(Applied Geology) from the Victorian Institute of Colleges and Fellowship and Associateship Diplomas in Geology (RMIT) with extra studies in mining engineering and primary metallurgy and a MBA from RMIT University. Mr. Buckingham is a Fellow AusIMM and a Member AAPG and PESA.

Commencing his career as a base metals, gold and diamonds exploration geologist he moved into gas engineering and petroleum exploration and development before establishing himself as a resources analyst in stock broking and investment banking. As an analyst he evaluated and developed financial models for major mining and energy companies. On joining Anderson & Schwab Australia as founding Managing Director, he worked on a significant number of resources projects where his knowledge and expertise in areas such as due diligence, valuation, commercial and technical analyses, concept and strategic development, financial modeling and general mining management have been required. On establishing GRI in 2009 he has carried on his work in the resources and infrastructure industries focusing on project development, strategic analysis and project evaluation. Ian was a member of the committee that re-wrote the VALMIN Code (2005).

10.2 FEES

GRI will be paid a professional fee of \$50,000.00 exclusive of GST plus reasonable expenses for the preparation of this report. The fee is not contingent on the conclusions set out in the report.

10.3 COMPLIANCE

This report has been prepared in compliance with the requirements of the “Code and Guidelines for Technical Assessment and/or Valuation of Mineral and Petroleum Assets and Mineral and Petroleum Securities for independent Expert Reports” (The VALMIN Code, 2005).

10.4 DECLARATION

GRI has not previously worked on any assignment associated with Accent Resources NL.

GRI does not have any business relationship with Accent Resources NL or with any companies associated with that company that could reasonably be regarded as being prejudicial to its ability to give an unbiased and independent assessment.

There is no present agreement, arrangement or understanding that GRI will at any time in the future undertake any assignment for Accent Resources NL or any company or organisation associated with Accent Resources NL. Other than as set out herein, neither GRI nor Ian Buckingham has any interest in the companies that are the subjects of this report.

10.5 INDEMNITY

GRI and Ian Buckingham have been indemnified by DMR Corporate Pty Ltd as to damages, losses and liabilities relating to or arising out of their engagement to provide this report.

10.6 CONSENT

GRI has given its written consent to the inclusion of this report in DMR Corporate Pty Ltd's IER to be provided to Accent Resources NL's directors, management or shareholders, pursuant to Australian regulatory requirements. As of this date, GRI has not withdrawn its consent. GRI has not been involved in the preparation of or authorised or caused the issue of any other part of the documentation to be provided to Accent Resources NL's shareholders, other than this report.

Neither the whole, nor any part of this report, nor any reference thereto, may be included in or with, or attached to any document or used for any other purpose without the prior written consent of GRI to the form and context in which it appears and the purpose of its use.

All of the persons involved in the preparation of this report have consented to the use of this assessment report, for the purpose stated above and in the form and context in which it appears.

10.7 LIMITATION

The statements and opinions contained in this report are given in good faith and, to a considerable extent; reliance has been placed on the information provided by Accent Resources NL. All such information has been presented in a professional manner and GRI believes, on reasonable grounds, that it is true, complete as to material details, and not misleading. The work undertaken for the purpose of this report in no way constitutes a technical audit of any of the assets or records reviewed, and GRI does not warrant that its inquiries have realised all of the matters that an audit might disclose. GRI in no way guarantees or otherwise warrants the achievability of any forecasts that have been provided by Accent Resources NL for use in this report.

The valuations contained in this report has been derived as described in the report and are based on information received from Accent Resources NL and other public sources and the application of the professional judgement of GRI, Ian Buckingham and their associates. While every effort has been made to ensure that the valuations contained in this report are reasonable and reflect prevailing market conditions and economic factors, no guarantee can be given that the valuations are correct and that the the valuations will be realised now or in the future.

GRI, Ian Buckingham and their associates make no representation or warranty, whether oral, written, or implied, as to the accuracy, completeness, or correctness of the information provided by the valuations contained in this report. Any person, entity, or third party using information provided by this report, or relying on such information, does so at its own risk and GRI, Ian Buckingham and their associates shall have no liability as a result of such reliance.

If GRI, Ian Buckingham or their associates are liable for a breach of any warranty implied by any statute, GRI, Ian Buckingham and their associates' liability is then limited to supplying of this report again or the payment of the cost of having the report supplied again, whichever GRI, Ian Buckingham or their associates, in their absolute discretion, elects.

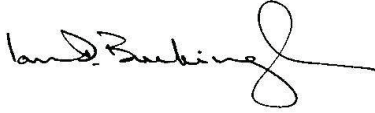
10.8 FACTUAL AND CONFIDENTIALITY REVIEW

A draft copy of this report was provided to officers of DMR Corporate Pty Ltd and to Accent Resources NL for comments as to confidentiality issues, errors of fact or misinterpretation, or substantive disagreements on the assumptions that GRI has adopted. While GRI has included minor corrections and

amendments in this final report as a result of comments received, neither the methodology nor conclusions were amended.

GRI gratefully acknowledge the assistance provided by the Directors and officers of DMR Corporate Pty Ltd and Accent Resources NL in facilitating the preparation of this report.

Global Resources & Infrastructure Pty Ltd

A handwritten signature in black ink, appearing to read 'Ian D. Buckingham', with a stylized, looping flourish at the end.

IAN D BUCKINGHAM

Managing Director

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