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



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Quarterly Activities Report For The Period Ending 31 March 2017



Highlights for the quarter ending 31 March 2017

- Accent Resources has successfully tendered with the Shire of Perenjori for purchase of Lot 163 England Crescent in the Perenjori light industrial area. Settlement is scheduled for the next quarter. The location is ideally placed as a regional base for the future development of the Magnetite Range Iron Project (MRP).
- Accent Resources have engaged an engineering consultancy to complete a high-level gap analysis on MRP due to commence next quarter.
- At the Norseman Gold Project a high level technical review was recommended last reporting period.
- Mining Lease Agreement (renewal) negotiations are progressing for M63/657 application. P63/2052 application is pending.
- At the Meekatharra Gold Project a total of 41 exploration targets for orogenic gold were identified and ranked by Southern Geoscience Consultants. An evaluation and re-prioritization of SGC identified targets is due to commence next quarter.
- The Company continues to concentrate on the identification of investment opportunities in the resources sector and is targeting projects which are generating or will generate positive cashflow.

Capital Structure

Ordinary Fully Paid Shares at 30 June 2016	181,000,233
12 month high-low	\$0.10 - \$0.055

Directors & Management

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

Top 10 Shareholders

	No.	%
Xingang Resources (HK) Limited	98,026,518	54.16%
Rich Mark Development (Group) Pty Ltd	28,218,366	15.59%
Grandmaster Fortune	21,563,603	11.91%
Sino Oriental International Limited	10,000,000	5.52%
Mr Bin Cui	9,977,988	5.51%
Mrs Li Li Zhao	2,102,500	1.16%
Mr Gregory Ian Willims & Mrs Judith Anne Willims	875,000	0.48%
Mr Tony James Pears & Mrs Lynda Pamela Pears	650,300	0.36%
Tolsutra Pty Ltd	500,000	0.28%
Brownward Pty Ltd <Brian Hayward S/F A/C>	500,000	0.28%



Corporate

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

MZI Resources Ltd (ACS 4.7%)

The Company announced on 30th November 2015 that it had acquired a substantial shareholding in MZI Resources ("MZI") which is a listed West Australian mineral sands producer (ASX Code: MZI). MZI carried out a \$43million share placement in 3 Tranches, the first 2 of which the Company participated in. The Company acquired 10m shares or 6.25% of MZI at an issue price of 40 cents for a total consideration of \$4.0 million. The third Tranche of MZI placement which took place in late February 2016, following MZI shareholder approval, diluted the Company's interest to 4.7%.

The Company funded its participation in the MZI placement by way of a \$4million loan facility extended by the Company's major shareholder Xingang Resources (HK) Ltd.

In November 2015 MZI commissioned a mineral sands mine at Keysbrook which is 70kms south of Perth. During 2016 the project was expected to ramp up to its initial production target of 96ktpa of leuconite (L70 and L88) and zircon concentrate comprising 38ktpa of L88, 29ktpa of L70 and 29ktpa of zircon concentrate.

However despite the project being completed on time and within budget operating performance in 2016 was disappointing with production being at 55%-60% of design capacity and operating costs being above budget. Performance in 2016 was affected by below design level recoveries in the WCP (necessitating an additional 48 spirals to be installed) and mining problems caused by equipment breakdown, long haul distances and noise restrictions limiting 24hour operations.

In November 2016 MZI announced a Board and Management transition with Mr Rod Baxter becoming the new Chairman and Mr Steve Ward being appointed as interim Managing Director. At the same time it also advised that a US\$16m debt funding package had been provided by the major shareholder Resource Capital Fund VI LP. The funding package was for expenditure on plant modifications and working capital.

Since early 2017 it appears the production problems are largely behind it with design recoveries in the plants being achieved, new mining equipment being installed, and mining taking place from a new area which will reduce haul distances and allowing 24hour operations. It has indicated it expects to sell 24kt of product in the March quarter.



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Keysbrook is a high value per tonne mineral sands operation and is expected to be the world's largest primary producer of leucoxene. With resources equivalent to 30 years mine life at initial production rates it has significant expansion potential. The Keysbrook project has mineral resources totalling 155m.t. at 2.0% heavy mineral content and within these resources Proved and Probable Reserves are 72.1 mt at 2.2% heavy mineral grade. The reserves are sufficient for 15 years at the initial production rate.

Magnetite Range Iron Ore Project (ACS 100%)

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

A high level technical review is now scheduled to take place during next quarter, ACS engaged the services of an engineering consultancy to complete an initial 'Gap' analysis on current metallurgical and scoping level data. The Company remains committed to development of the project and continue to review land access, infrastructure and corporate options.

Accent Resources successfully tendered with the Shire of Perenjori for the purchase of Lot 163 England Crescent in the Perenjori light industrial area. Settlement is scheduled for the next quarter. The immediate purpose of this 3,850sqm lot is for the consolidation and secure storage of samples currently in the field. The location of Lot 163 is ideally placed as a regional base or hub for the future development of the Magnetite Range Iron Project.

Norseman Gold Project (ACS 100%)

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

A JORC 2004 Code Mineral Resource for Iron Duke and Surprise deposits of **1,039,400 tonnes @ 1.8 g/t Au for 59,500 ounces** (99 percentile upper cut, 1.0 g/t Au lower cut off) was announced to the ASX on 26 November 2012. Over 70-80% of the resource is shallow, within 50m of surface. The 2012 review and resource estimation exercise clearly demonstrated that additional drilling is required to test deeper potential and newly identified zones.

An update of existing 2012 optimisation studies was recommended and is due to commence next quarter. The results of these optimisations will then be used in conjunction with a geological technical review of the previous resource and geological interpretation which is due to commence next quarter.

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

P63/2052 was pegged and application submitted on 20th June 2016 and is now pending. Objection (490522) on P63/2052, registered on 13 July 2016 has now been withdrawn. Mining Lease Agreement negotiations are progressing for M63/657.

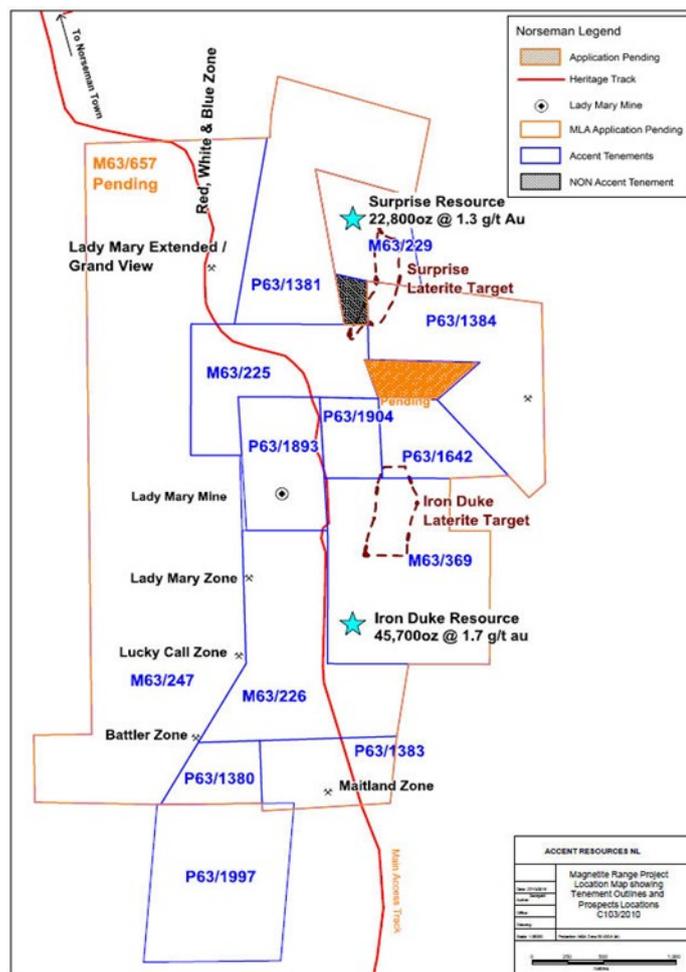


Figure 1 - Norseman Project Location Map

Arcadia Gold Project - Meekatharra (ACS 100%)

The Arcadia- Meekatharra gold project (E51/1209) is located in the southern portion of the Abbots greenstone belt some 45km south west of Meekatharra and 30km south west of Bluebird gold mine (Metals X) in the Murchison district of Western Australia.

The project is an early stage exploration project with historical exploration confined to limited historical drilling at the Hope River Prospect. The Hope River Prospect was previously identified by WMC Resources air core reconnaissance drilling in the 1990's and is located on a N-S trending western auriferous quartz dolerite. The quartz dolerite trends over approximately 2km length located within the N-S trending Hope River shear zone which splays off the Abernathy Shear Zone. Historical significant intersections include:

- 8m @ 4.24 g/t Au (MHD 46 on cross section 7023950mN)
- 8m @ 3.89 g/t Au (MHC 21 on cross section 7023235mN)
- 1m @ 15.5 g/t Au (MHC 13 on cross section 7024435mN)

The northern strike extension of the Hope River Prospect was drilled with aircore (AC) during 2012 by Accent Resources and returned anomalous composite assay results (peak 8m @ 1.2 g/t Au) over more than 1km. Reverse Circulation (RC) follow up drilling was recommended but never completed.

Previous work on the tenement includes drilling, soil surveys, geological mapping and historical geophysical surveys over parts of the tenement. Due to the lack of subsurface information and a high proportion of salt lake cover, gravity and aerial magnetic surveys were completed during 2016 to help define geological architecture and preliminary local scale target definition.

Southern Geoscience Consultants 'SGC' completed processing and interpretation of the geophysical data on 19th September 2016. A total of 41 potential areas of interest for orogenic gold were identified and ranked, based on a combination of empirical evidence, conceptual ideas, analogous and / or unusual magnetic responses, interpreted structural settings and historical mapping. Preliminary review of this data and report are encouraging, evaluation of targets generated by this report is on hold. Detailed review will help highlight any key opportunities further progressing the Meekatharra gold project. (Refer Fig 2).

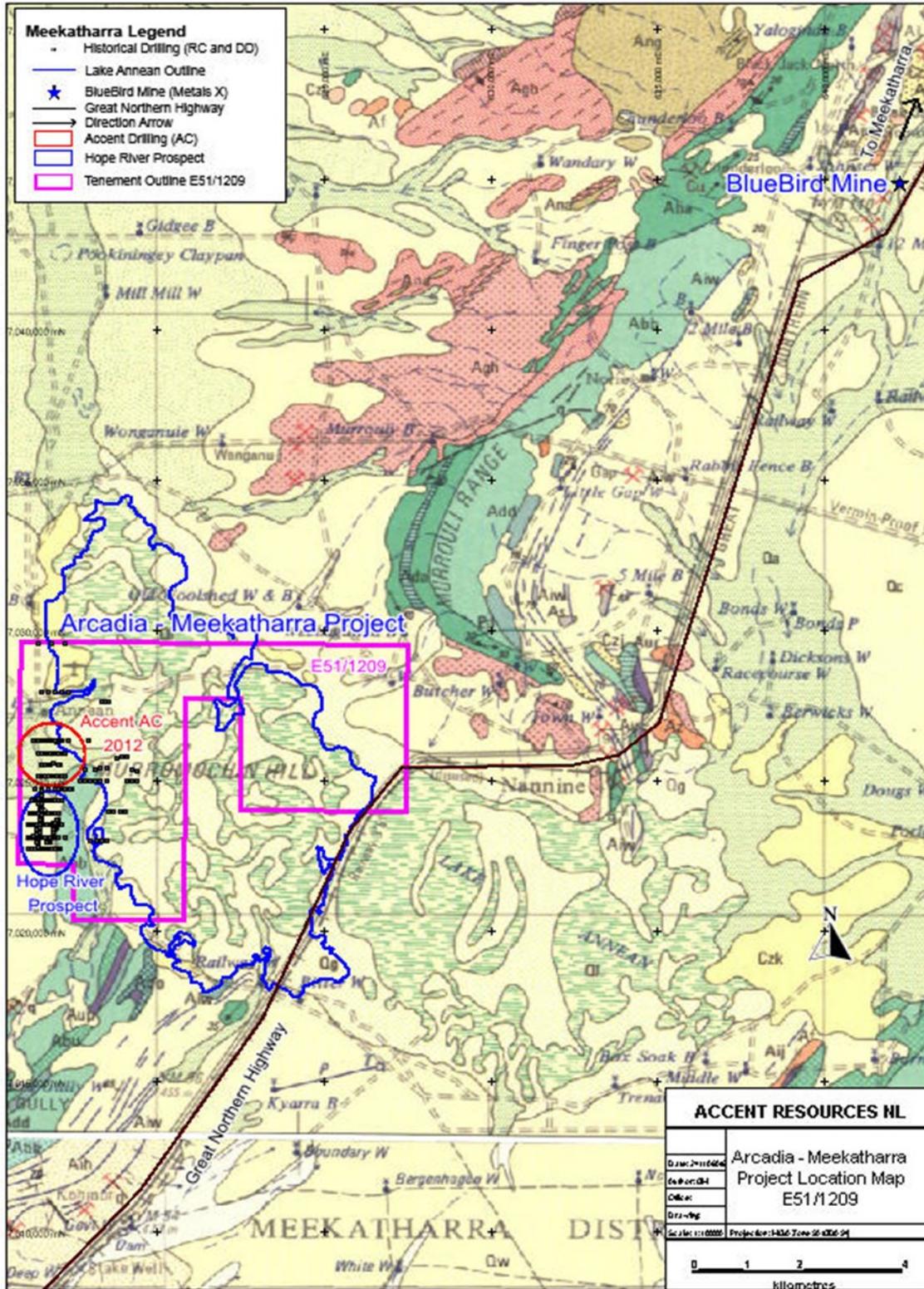


Figure 2 - Arcadia - Meekatharra Project Location Map

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Yours faithfully,
Accent Resources NL

A handwritten signature in blue ink, appearing to be the Chinese characters '周宇子' (Zhou Yuzi).

Yuzi Zhou
Executive Chairman

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

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resource and Ore Reserves is based on information compiled by Ms George Morton, a Competent Person who is a Member of the Australian Institute of Geoscientists. Ms Morton is a full time employee of Accent Resources NL. Ms Morton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Morton consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.