ACCENT RESOURCES N.L.

ACN 113 025 808

HALF-YEAR REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

ACCENT RESOURCES N.L.

ACN 113 025 808

CONTENTS

Directors

Yuzi (Albert) Zhou – Executive Chairman
Dianzhou He - Non-Executive Director and Deputy Chairman
Jun Sheng Liang – Non-Executive Director
Jie You (alternate Director to Jun Sheng Liang)

Company Secretary

Robert Allen

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NEDLANDS WA 6009

Stock Exchange Listing

Australian Securities Exchange Limited
(Home Branch - Perth)
ASX Code: ACS

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Your Directors present their report together with the financial report of Accent Resources NL ("the Company") for the half-year ended 31 December 2017.

Directors

The Directors in office at the date of this report and at any time during the half-year are as follows:

Yuzi (Albert) Zhou – Executive Chairman
Dianzhou He – Non-Executive Director and Deputy Chairman
Jun Sheng Liang – Non-Executive Director
Jie You (alternate Director to Jun Sheng Liang)

Directors were in office for the entire period unless otherwise stated.

Results of Operations

The net loss of the Company after income tax for the six months ended 31 December 2017 amounted to $1,372,800 (2016: $530,279).

Review of Operations

MZI Resources NL (ACS 4.2%)

The Company announced on 30th November 2015 that it had acquired a substantial shareholding in MZI Resources Ltd ("MZI") which is a listed West Australian mineral sands producer (ASX Code: MZI). MZI carried out a $43 million share placement in 3 Tranches, the first 2 of which the Company participated in. The Company acquired 10m shares or 6.25% of MZI at an issue price of 40 cents for a total consideration of $4.0 million. The third Tranche of MZI placement, which took place in late February 2016, and subsequent share issues have diluted the Company's interest to 4.2%.

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

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

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

Since early 2017 the operations have been performing better with design level recoveries being achieved, new mining equipment being installed, and mining taking place at a new area which has reduced haul distances and allowed 24 hour operations. In early May 2017 MZI announced that it had appointed a new Managing Director Mr Martin Purvis who commenced on 1st July 2017. Later that month it announced that it had secured an additional US$5m funding package from RCF for land acquisitions.

In September 2017 MZI announced a loss of $31.4m was incurred for the year ended June 2017. Saleable production was 62.5kt and revenue was $39.6m. It also announced a new operating plan to increase Keybrook's ore throughput to 5.25mtpa. The cost of this expansion is being funded by a further US$5m loan from RCF. MZI is targeting a 50% increase in saleable production and a 25-30% reduction in unit costs in 2017/18 compared with 2016/17. In 2017/18 it is forecasting saleable production of 96kt and revenue of $69m and in 2018/19 saleable production of 116kt and revenue of $87m. It is forecasting sustainable operating cashflows from June 2018.

Keysbrook is a high value, low cost operation and is expected to be the world's largest primary producer of leuxocene. With resources equivalent to 30 years mine life at initial production rates it has significant expansion potential. The Keysbrook project has mineral resources totalling 146.8mt at 2.0% heavy mineral content and within these resources Proved and Probable Reserves are 58 mt at 2.3% heavy mineral grade. The reserves are sufficient for 12 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 was completed by an independent engineering consultancy to complete an initial 'Gap' analysis on current metallurgical and scoping level data. Several recommendations were highlighted and further work has commenced.

An RC/DD drill program has been designed over Permits E59/875 and M59/166. Permit of Work (POW) Application ID Permit 69651 was submitted on 6th November 2017 and is currently pending. Drill tenders have been received back and are currently under review. It is anticipated a drill contractor will be finalised early 2018, with drilling to commence shortly after dependant on grant of POW69651 application ***(See Figure 1)***. E59/1732 expired during the quarter and all costs have been written off.

During the half year, site work was completed at Lot 163 England Crescent, Perenjori which included the spreading and compaction of a 100mm layer of gravel onsite. This 3,850sqm lot is now ready to provide 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.

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

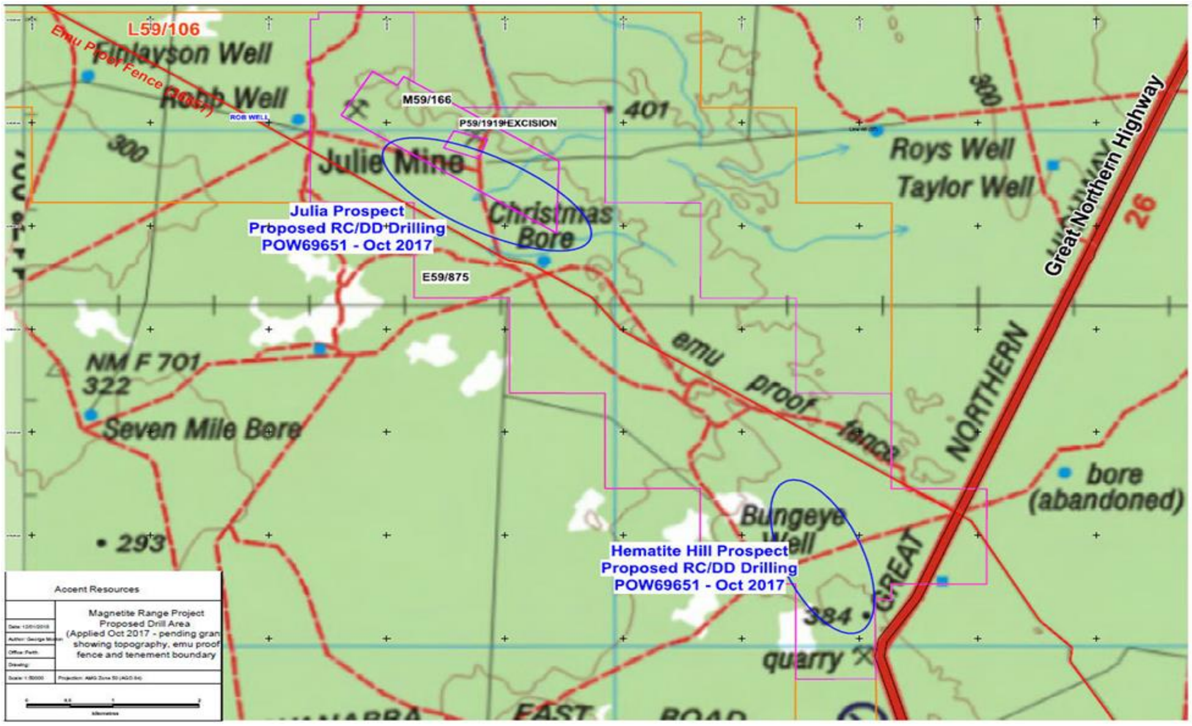

Figure 1 – Magnetite Range 2017 Proposed Drilling Area(s) – POW69651 Application Pending

Norseman Gold Project (ACS 100%)

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

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

The 2012 review and resource estimation exercise clearly demonstrated that additional drilling is required to test deeper potential and newly identified zones, an update of the existing 2012 optimisation studies was completed by external engineering consultants and results of the updated optimisations were used to complete a high level geological technical strategic review of the project. This high level Strategic Review was finalised on 24th December 2017 by Cube Consulting. Recommendations are in the process of being prioritised.

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

P63/2052 was pegged and an application submitted on 20th June 2016, this tenement was granted on 26 October 2017; recommendations for Year 1 exploration are due next quarter.

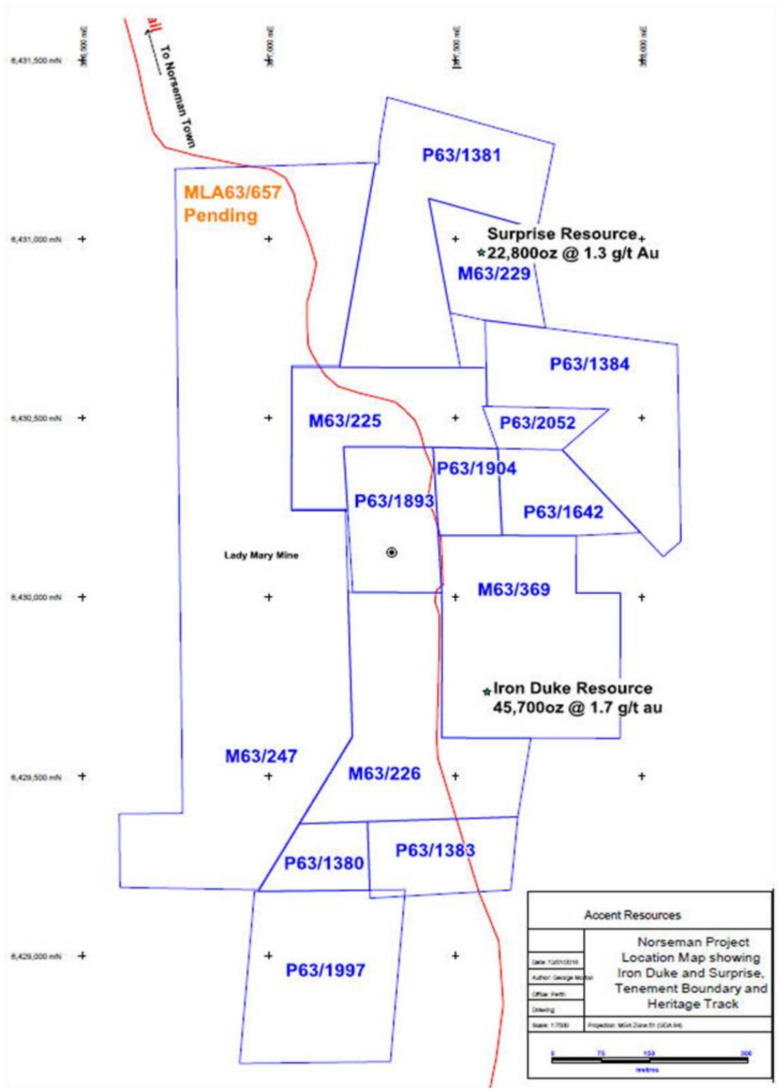

Figure 2 – Norseman project tenement location map

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.

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.

A total of 41 targets 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. A review of this data has seen RC planning over a high priority target located on the edge of a Salt Lake and east of historical drilling. A logistics and budgeting exercise has commenced.

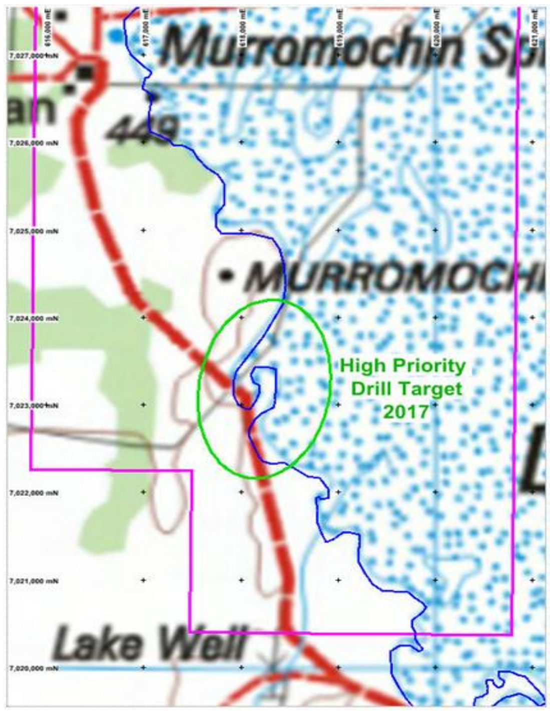

Figure 3 – Meekatharra Project—showing tenement outline, topography and drill target

<u>Competent Persons Statement</u>

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.

Subsequent Events

Subsequent to the end of the half year, the Company signed an agreement with Xingang Resources (HK) Ltd to extend the term of the existing $4m unsecured loan from 31 December 2018 to 31 December 2021. The loan will be accruing interest six monthly at 4% (previously interest free).

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

Auditor's Independence Declaration

The auditor's independence declaration has been received and is included with this half-year report.

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

Yuzi (Albert) Zhou
Executive Chairman
15th March 2018

	Note	31 December 2017 $	31 December 2016 $
Revenue from continuing operations	2	6,880	4,606
Administration expenses		(135,618)	(125,813)
Depreciation		(6,335)	(2,388)
Occupancy expenses		(23,135)	(29,258)
Directors fees		(61,396)	(134,980)
Finance costs		(269,177)	(194,241)
Other expenses		(17,650)	(17,620)
Impairment of exploration expenditure		(166,369)	(30,585)
Impairment of available for sale financial assets		(700,000)	-
Loss before income tax expense		(1,372,800)	(530,279)
Income tax expense		-	-
Loss for the period attributable to the members of the company		**(1,372,800)**	**(530,279)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net fair value gain on available for sale financial assets		-	600,000
Other comprehensive income		-	600,000
Total comprehensive (loss) / income for the period attributable to the members of the company		**(1,372,800)**	**69,721**
		Cents Per Share	
Basic and diluted loss per share		(0.76)	(0.29)

The accompanying notes form part of these financial statements.

	Note	31 December 2017 $	30 June 2017 $
ASSETS			
Current Assets			
Cash and cash equivalents		877,315	354,074
Trade and other receivables		4,927	7,049
Total Current Assets		**882,242**	**361,123**
Non-Current Assets			
Property, plant and equipment		114,862	122,194
Exploration and evaluation assets	9	4,008,314	3,919,394
Available for sale financial assets	10	1,300,000	2,000,000
Total Non-Current Assets		**5,423,176**	**6,041,588**
Total Assets		**6,305,418**	**6,402,711**
LIABILITIES			
Current Liabilities			
Trade and other payables		116,872	93,855
Provisions		110,218	90,163
Borrowings	11	3,619,354	-
Total Current Liabilities		**3,846,444**	**184,018**
Non-Current Liabilities			
Borrowings	11	1,735,318	4,350,175
Total Non-Current Liabilities		**1,735,318**	**4,350,175**
Total Liabilities		**5,581,762**	**4,534,193**
NET ASSETS		**723,656**	**1,868,518**
EQUITY			
Issued capital		29,058,955	29,058,955
Parent and shareholder contribution		1,465,920	1,237,982
Accumulated losses		(29,801,219)	(28,428,419)
TOTAL EQUITY		**723,656**	**1,868,518**

The accompanying notes form part of these financial statements.

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Parent and Shareholder Contribution $	Total Equity $
Balance at 1 July 2016		**29,058,955**	**(25,315,320)**	**(1,500,000)**	**1,095,277**	**3,338,912**
Comprehensive income						
Loss for the half-year		-	(530,279)	-	-	(530,279)
Net fair value gain on available for sale financial asset		-	-	600,000	-	600,000
Total comprehensive income for the period		-	(530,279)	600,000	-	69,721
Transactions with owners in their capacity as owners						
Contribution from shareholder	11	-	-	-	142,075	142,075
Balance at 31 December 2016		**29,058,955**	**(25,845,599)**	**(900,000)**	**1,237,982**	**3,551,338**

	Note	Issued Capital $	Accumulated Losses $	Reserves $	Parent and Shareholder Contribution $	Total Equity $
Balance at 1 July 2017		**29,058,955**	**(28,428,419)**	**-**	**1,237,982**	**1,868,518**
Comprehensive income						
Loss for the half-year		-	(1,372,800)	-	-	(1,372,800)
Net fair value loss on available for sale financial asset		-	-	-	-	-
Total comprehensive income for the period			(1,372,800)	-	-	(1,372,800)
Transactions with owners in their capacity as owners						
Contribution from shareholder	11	-	-	-	227,938	227,938
Balance at 31 December 2017		**29,058,955**	**(29,801,219)**	**-**	**1,465,920**	**723,656**

The accompanying notes form part of these financial statements.

	31 December 2017 $	31 December 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(228,377)	(306,921)
Interest received	6,880	4,606
Net cash used in operating activities	**(221,497)**	**(302,315)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(496)	(7,920)
Payments for exploration and evaluation	(254,766)	(197,568)
Net cash used in investing activities	**(255,262)**	**(205,488)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,000,000	1,000,000
Net cash provided by financing activities	**1,000,000**	**1,000,000**
Net (increase)/decrease in cash and cash equivalents held	523,241	(492,197)
Cash and cash equivalents at the beginning of the financial period	354,074	366,101
Cash and cash equivalents at the end of the financial period	**877,315**	**858,298**

The accompanying notes form part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation and Statement of Compliance

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with requirements of the *Corporations Act 2001* and comply with Australian Accounting Standards including AASB 134 *Interim Financial Reporting* ("AASB 134"). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.*

The company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The half-year report has been prepared on an accruals basis and is based on historical cost.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2017, together with any public announcements made during the half-year.

Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business.

The company has incurred a loss of $1,372,800 (December 2016: $530,279) and experienced net cash outflows from operating and investing activities of $476,759 (December 2016: $507,803) for the half-year ended 31 December 2017. As at 31 December 2017, the company had a cash balance of $877,315 and a working capital deficiency of $2,964,202 (June 2017: surplus $177,105). Subsequent to period end, the Company signed a loan agreement Xingang Resources (HK) Ltd to extend the repayment date of its existing unsecured loan of $4,000,000 from 31 December 2018 to 31 December 2021.

The directors have prepared a cash flow forecast for the period ending 31 March 2019 which indicates current cash resources will meet expected cash outflows including corporate costs and exploration expenditure, which has been based on the following assumptions:

a. The commencement and completion of an asset sale or capital raising using various capital raising initiatives, raising approximately $450,000 by October 2018.
b. Managing and deferring costs where applicable to coincide with the asset sale / capital raising activity outlined above to ensure all obligations can be met.

The directors are satisfied that they will achieve the matters set out above and therefore the going concern basis of preparation is appropriate.

Should the company be unable to achieve the matters listed above, there is a material uncertainty that may cast significant doubt as to whether the company will be able to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the company not continue as a going concern.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2017 except for the following:

New and revised Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year. Adoption of these standards and interpretations has not required amounts or disclosures to be changed.

No new and amended standards and interpretations from the AASB which were made during the year had a material impact on the financial report of the Company.

2. REVENUE FROM CONTINUING OPERATIONS

	31 December 2017	31 December 2016
	$	$
Interest income from financial institutions	6,880	4,606
Total Revenue	6,880	4,606

3. DIVIDENDS PAID

There have been no dividends paid nor declared since the last reporting date.

4. COMMITMENTS

The Company has annual exploration expenditure and rent commitments of $384,100 (2016: $356,100) and $10,687 (2016: $45,246), respectively.

5. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

6. RELATED PARTY TRANSACTIONS

The Company has funded its participation in the MZI placement by way of a $4 million loan facility extended by the Company's major shareholder Xingang Resources (HK) Ltd. As per Note 11, the loan is interest free, unsecured and matures on 31 December 2018. Subsequent to the half year, the Company signed an agreement with Xingang Resources (HK) to extend the term of the loan to 31 December 2021 and will be accruing interest six monthly at 4%.

The Company also has borrowings of $2 million from Rich Mark Development (Group) Pty ltd, which has shareholdings representing 15.590% of the Company. As per Note 11, there are two loans that are unsecured and mature on 3 September 2018 and 19 August 2019, respectively. Interest of 4% is charged every six months on both loans. During the half year, the loan maturing on 3 September 2018 was extended to 31 August 2020.

7. SEGMENT INFORMATION

Identification of Reportable Segment

The Company operated predominantly in one industry being mining, exploration and prospecting, and one geographical area, being Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ("CODM") in assessing performance and determining the allocation of resources. There is no aggregation of operating segments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the annual report.

8. ISSUED CAPITAL

There was no change in Issued Capital during the period.

9. EXPLORATION AND EVALUATION COSTS

	31 December 2017 $	30 June 2017 $
Opening Balance	3,919,394	3,750,156
Deferred exploration expenditure incurred during the period	255,289	390,666
Impairment of capitalised expenditure	(166,369)	(221,428)
Closing Balance	4,008,314	3,919,394

During the year ended 30 June 2017, the exploration and evaluation expenditure relating to the Mt Gibson (Magnetite Range) Project was fully impaired to Nil. During the half year ending 31 December 2017, a further $166,369 of expenditure was incurred at this project for tenement holding costs, which was immediately impaired.

No other tenements were impaired during the half year ending 31 December 2017.

10. FINANCIAL INSTRUMENTS

At Fair Value	**31 December 2017**	**30 June 2017**
	$	**$**
Opening Balance	2,000,000	2,500,000
Acquisitions	-	-
Net loss from fair value adjustments	(700,000)	(500,000)
Closing Balance	1,300,000	2,000,000

The Company has participated in a $43 million share placement by MZI which is in three Tranches, the first two of which the Company participated in. The Company has acquired 10m shares at an issue price of 40 cents for a total consideration of $4.0 million.

Fair Values

The Company classifies fair values of financial instruments using the fair value hierarchy in order to reflect the most significant input used in their valuation.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

All investments in listed securities are valued by reference to quoted prices in an active market. The available for sale financial assets is therefore a Level 1 fair value measurement. There has been no transfers of fair value hierarchy levels during the period.

11. BORROWINGS

Current	31 December 2017	30 June 2017
	$	$
Unsecured loans from related parties	3,619,354	-
	3,619,354	-

Non-Current	31 December 2017	30 June 2017
	$	$
Unsecured loans from related parties	1,735,318	4,350,175
	1,735,318	4,350,175

The major shareholder of the Company, Xingang Resources (HK) Ltd, has extended a loan facility of $4 million to enable the Company to participate in a placement of shares by MZI Resources Ltd.

The borrowings have been drawn as a source of long-term finance. They mature on 31 December 2018 and bear no interest. The liability is presented as a current liability with an effective interest rate of 10%. The initial fair value of the loan at draw down was $2,904,723 with the difference of $1,095,277 recognised as a contribution by the shareholder. At 31 December 2017, the carrying value of the liability is $3,619,354 (June 2017: $3,441,443).

The Company also has borrowings of $1 million from Rich Mark Development (Group) Pty Ltd which has shareholdings representing 15.590% of the Company. During the period, this loan has been extended to 31 August 2020. The extension has been accounted for as an extinguishment of the old loan with the extension being treated as a new loan with a principal of $1,105,962. This resulted in an additional shareholder contribution of $85,233. The loan is unsecured and subject to interest at 4% which accrues six monthly and is payable along with the principal at maturity.

The liability is presented as a non-current liability with an effective interest rate of 10%. The fair value of the loan at draw down was $878,023 with the difference of $227,938 recognised as a shareholder contribution. As at 31 December 2017, the carrying value of the liability is $878,023 (June 2017: $908,732).

During the period the Company borrowed a further $1 million from Rich Mark Development (Group) Pty Ltd. The loan is also unsecured and subject to interest at 4% which accrues six monthly and is payable along with the principal at maturity. The loan matures on 19 August 2019.

The liability is presented as a non-current liability with an effective interest rate of 10%. The fair value of the loan at draw down was $857,295 with the difference of $142,705 recognised as a shareholder contribution. As at 31 December 2017, the carrying value of the liability is $857,295 (June 2017: Nil).

12. SUBSEQUENT EVENTS

Subsequent to the end of the half year, the Company signed an agreement with Xingang Resources (HK) Ltd to extend the term of the existing $4m unsecured loan from 31 December 2018 to 31 December 2021. The loan will be accruing interest six monthly at 4% (previously interest free).

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

In accordance with a resolution of the Board of Directors pursuant to s.303(5) of the Corporations Act 2001, the Directors of the Company declare that:

(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Company's financial position at 31 December 2017 and of its performance for the half-year ended on that date; and

   (ii) complying with Accounting Standards.

(b) in the Directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

Yuzi (Albert) Zhou
Executive Chairman

Dated this 15th day of March 2018

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Review Report to the members of Accent Resources NL

We have reviewed the accompanying half-year financial report of Accent Resources NL, which comprises the condensed statement of financial position as at 31 December 2017, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Accent Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Accent Resources NL, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Accent Resources NL is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report which indicates that for the half-year ended 31 December 2017 the company incurred a loss of $1,372,800 (December 2016: $530,279) and experienced net cash outflows from operating and investing activities of $476,759 (December 2016: $507,803) and, as at that date had a working capital deficiency of $2,964,202 (June 2017: surplus $177,105). These conditions, along with other matters set out in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

N Menezes

Nicole Menezes
Partner
Chartered Accountants
Perth, 15 March 2018

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The Board of Directors
Accent Resources NL
Level 9, 250 Queen Street
MELBOURNE VIC 3000

15 March 2018

Dear Board of Directors

Accent Resources NL

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Accent Resources NL.

As lead audit partner for the review of the financial statements of Accent Resources NL for the half year ended 31 December 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

N Menezes

Nicole Menezes
Partner
Chartered Accountants