
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 30 September 2018



Highlights for the quarter ending 30 September 2018

- Accent Resources completed one Diamond drill hole on the Magnetite Range Project E59/875 during the March Quarter for Metallurgical test work purposes. Logging has been completed and sampling is due to commence during the next reporting period.
- An application for E59/2303 was submitted on 15th January 2018 which triggered an objection and land access negotiations with BHA. A Land Access protocol was finalized on 6 August 2018 and DMIRS granted the tenement on 31 August 2018.
- The Meekatharra Gold Project has a total of 41 identified exploration gold targets generated from gravity, magnetics and historical drilling. A POW drill application was approved during the reporting period and drilling will follow a successful extension of term approval for E51/1209.
- The Norseman Gold project database and geological review is ongoing; project wide drill design is pending database and geological model updates.
- 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 September 2018	181,000,233
12 month high-low	\$0.03 - \$0.006

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	9,993,998	5.52%
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%



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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 3.7%)

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 \$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 the MZI placement, which took place in late February 2016, and subsequent share issues have diluted the Company's interest to 3.7%.

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 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 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. 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 new operating plan to increase Keysbrook throughput to 5.25 mtpa by mid 2018. To finance the expansion two further funding packages of US\$5m each from RCF were announced with the second one taking short term borrowings from RCF to US\$31m in January 2018. These short term loans were to be repaid by 1st April 2018.

On 8th March 2018 MZI announced that Accent's Chairman, Mr Albert Zhou, had been appointed a Non Executive Director. Accent together with major shareholder Rich Mark hold a total associated interest of 13.2% in MZI.

On 29th March 2018 MZI announced a new funding package had been provided by RCF comprising an additional US\$10m working capital loan and a new US\$61m 3 year term loan to retire short term debt and provide working capital, land access expenses and operational optimization.

For the year to June 2018 MZI announced a loss of \$35.4m (2017; \$31.4m loss) on sales of \$42.5m (2017: \$39.6m). Saleable production was 74.7k tonnes (2017: 62.2k tonnes). The Company reported that by year end the operations were operating at the expanded 5.25 mtpa throughput rate.

Keysbrook is a high value, low cost 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 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 10 years.

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.

Westralian Diamond Drillers completed one diamond hole DD03 (MGD045) on Monday 27th March 2018 for a total of 130.7m. This drill hole 'MGD045' was designed as a Metallurgical test hole within the main Magnetite Range resource and was located at Julia Prospect on infill section 10465E. Logging of the core confirmed the main resource target zone was intercepted and appropriate test work is pending.

An application for E59/2303 was submitted on 15th January 2018 and was granted by DMIRS on 31 August 2018 upon BHA land access agreement dated 6 August 2018.

A geochemical soils orientation survey proposed for Magnetite Range east tenements E59/1878 (491 soils), E59/2043 (231 soils) and E59/2044 (170 soils) for a total of 892 samples is pending EOT decision for E59/1878. Program logistics and budget has been completed and is scheduled to commence late 2018 access and contractor dependent.

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

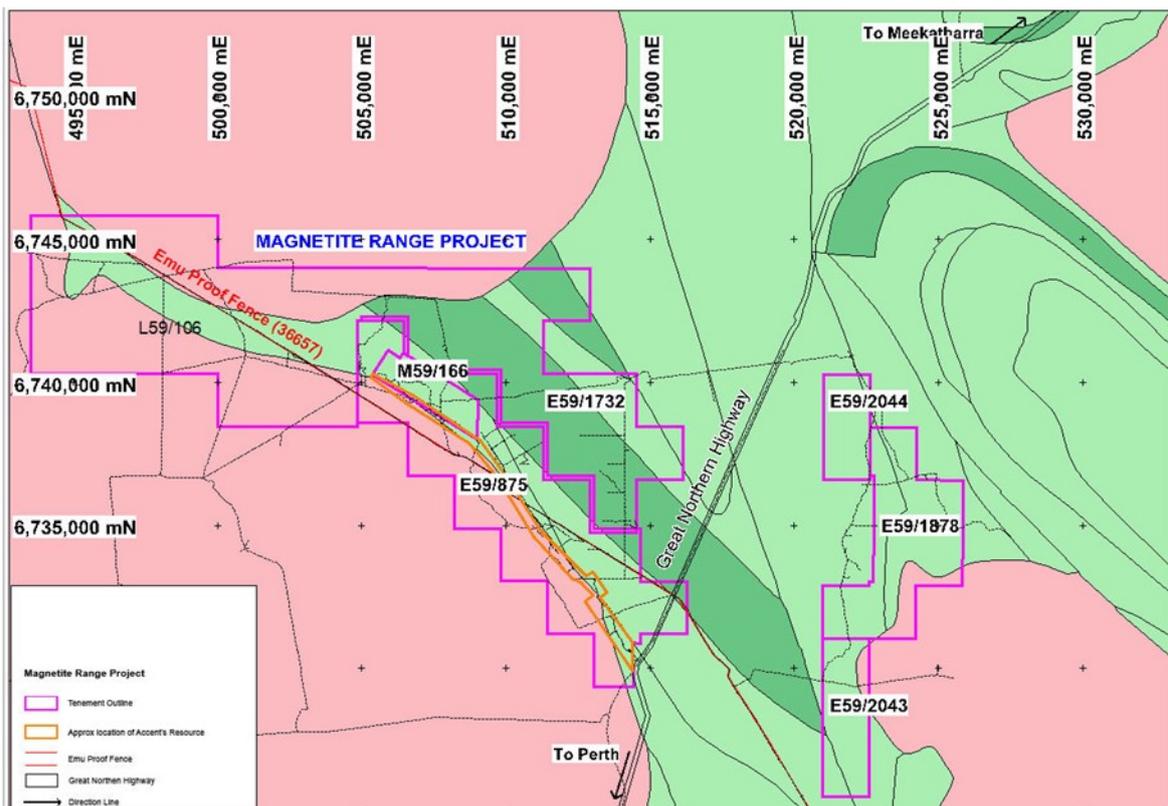


Figure 1 – Magnetite Range Tenement Location Map on Geology

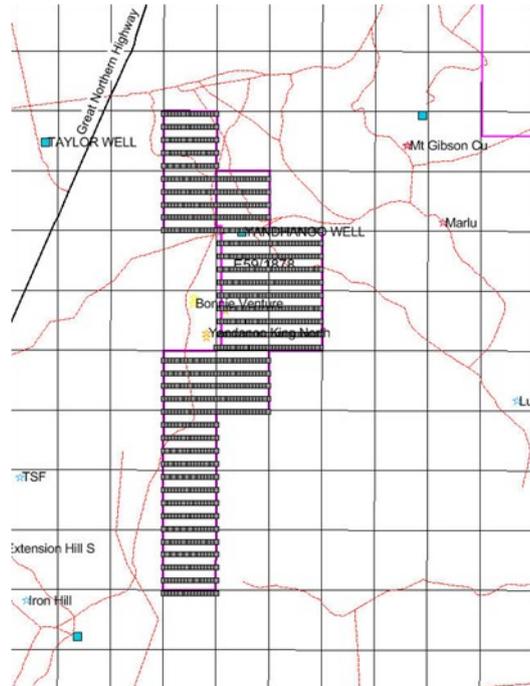


Figure 2 – Proposed Soils Geochemical Orientation Survey

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. Recommendations have been reviewed, an initial stage one relog program of historical drilling and digitizing of all data has been recommended followed by an updated geological model and targeted drill planning. Recommendations are currently under review by the board.

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 3**). Mining Lease Agreement Native Title negotiations are more recently progressing very well for M63/657.

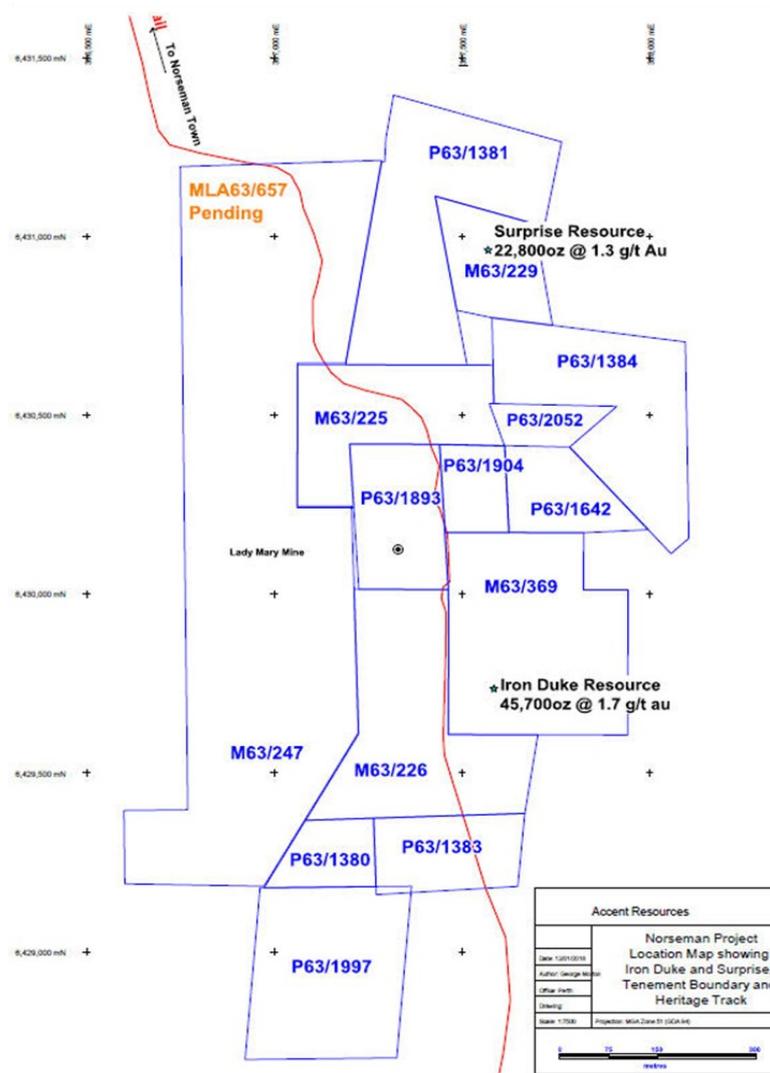


Figure 3—Norseman project tenement location map

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 detailed report by SGC was completed and 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.

POW69249 has been granted to complete RC drilling over a high priority target located on the edge of Lake Annean and east of previous historical drilling. A logistics and budgeting exercise has been finalised and drilling is pending EOT approval by the DMP.

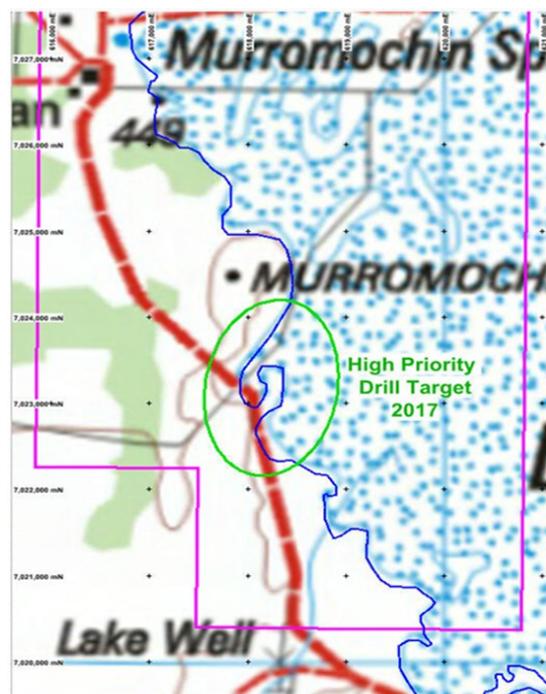


Figure 4—Meekatharra Project—tenement outline, topography and high priority drill target



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Yours faithfully,
Accent Resources NL

A handwritten signature in blue ink, appearing to be '周郁斌' (Zhou Yubin).

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.