

4th February 2020

Sean Maloney
Adviser, Listings Compliance (Perth)
ASX Ltd

Dear Sean

Accent Resources NL ('ACS'): Appendix 5B Query

We refer to your letter dated 3rd February 2020 and specifically Questions 1-5 of that letter relating to ACS' Appendix 5B for the quarter ended 31st December 2019.

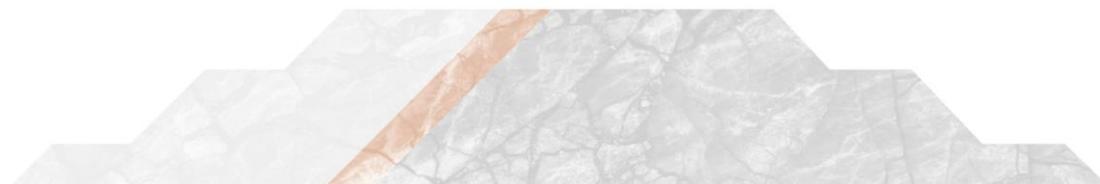
Our answers to your questions are as follows:-

- 1) ACS expects to continue to have negative operating cash flows for the time being. In relation to the negative net operating cash flows of \$481,000 in the December quarter it should be noted that the negative cash flows were abnormally high due to significant legal and independent expert report costs incurred in getting approval for the convertible note issue as outlined in our 2019 AGM Notice of Meeting.
- 2) At the end of the December quarter ACS had \$609,000 in cash. As outlined in the 2019 AGM Notice of Meeting (specifically the discussion relating to Resolution 3) it was noted that ACS had \$1,000,000 of undrawn shareholder loans which were to be drawn in two lots of \$500,000 each on 10th January 2020 and 10th April 2020. Since the December quarter end, the January \$500,000 tranche has been drawn and it is expected a further \$500,000 will be drawn on 10th April 2020.
- 3) Yes, as outlined in the answer to question 2.
- 4) ACS is complying with Listing Rule 3.1 and there is no further information that should be given to the ASX.
- 5) The responses above have been authorised by the ACS Board.

Yours sincerely



Robert Allen
Company Secretary
Accent Resources NL





3 February 2020

Reference: 13334

Mr Robert Allen
Company Secretary
Accent Resources NL

By email: robertallen10@bigpond.com

Dear Mr Allen

Accent Resources NL ('ACS'): Appendix 5B Query

ASX refers to ACS's Appendix 5B quarterly report for the period ended 31 December 2019 lodged with ASX Market Announcements Platform on 30 January 2020 (the 'Appendix 5B').

ASX notes that ACS has reported:

- negative net operating cash flows for the quarter of \$481,000;
- cash at the end of the quarter of \$609,000; and
- estimated cash outflows for the next quarter of \$325,000.

It is possible to conclude, based on the information in the Appendix 5B that if ACS were to continue to expend cash at the rate indicated by the Appendix 5B, ACS may not have sufficient cash to continue funding its operations.

In view of that, ASX asks ACS to respond separately to each of the following questions and requests for information:

1. Does ACS expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ACS taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ACS expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please confirm that ACS is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
5. Please confirm that ACS's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of ACS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Thursday, 6 February 2020**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in ACS's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ACS's obligation is to

disclose the information “immediately”. This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at ListingsCompliancePerth@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1 and Listing Rule 3.1A

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to ACS’s obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that ACS’s obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ACS’s securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Sean Maloney
Adviser, Listings Compliance (Perth)