ACCENT RESOURCES N.L.

ACN 113 025 808

NOTICE OF ANNUAL GENERAL MEETING

TIME:	11.00am AEDT
DATE:	Friday, 29 November 2019
PLACE:	Accent Resources NL
	Level 9, 250 Queen St, Melbourne, 3000

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Shareholders of the Company should carefully consider the Independent Expert's Report (IER) prepared by PKF Melbourne Corporate Pty Ltd (Independent Expert) before considering the Proposed Transaction the subject of Resolution 3 in this Notice of Meeting. The IER comments on the fairness and reasonableness of the Proposed Transaction the subject of Resolution 3 as a whole to the current Shareholders in the Company who are not associated with Rich Mark Group Development Group Pty Ltd.

The Independent Expert has concluded that the Proposed Transaction is not fair but reasonable to the current Shareholders in the Company who are not associated with Rich Mark Development Group Pty Ltd.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+ 61 3)9670 0888.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE AND TIME OF MEETING

The Annual General Meeting of the Shareholders of Accent Resources NL which this Notice of Annual General Meeting relates to will be held at Accent Resources NL, Level 9, 250 Queen St, Melbourne on Friday, 29 November 2019 at 11.00am AEDT.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company; and
- a member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

In accordance with sections 250BB and 250BC of the Corporations Act:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these provisions are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and

- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting;
  - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

ASIC AND ASX INVOLVEMENT

A copy of this Notice of Annual General Meeting has been lodged on 11 October 2019 with ASIC pursuant to ASIC Regulatory Guide 74 and with ASX on 11 October 2019 pursuant to the Listing Rules. Neither ASIC, ASX nor any of their officers take any responsibility for the contents of this Notice of Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Accent Resources N.L. (ABN 67 113 025 808) (**Company**) will be held at Accent Resources NL, Level 9, 250 Queen St., Melbourne on Friday, 29 November 2019 at 11.00am AEDT. The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 11.00am AEDT on 27th November 2019.

The Explanatory Statement which accompanies and forms part of this Notice describes the matters to be considered at the Meeting.

AGENDA

1. FINANCIAL STATEMENTS AND REPORTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

> *"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

(a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or

(b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

(c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or

(d) the voter is the Chair and the appointment of the Chair as proxy:

(i) does not specify the way the proxy is to vote on this Resolution; and

(ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR YUZI ZHOU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of rule 53 of the Constitution and for all other purposes YUZI ZHOU, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

4. RESOLUTION 3- APPROVAL FOR THE PROPOSED ISSUE OF CONVERTIBLE NOTE TO RICH MARK, ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTE AND INCREASE IN VOTING POWER OF RICH MARK

To consider and, if thought fit, to pass, the following resolution as an **ordinary resolution**:

> *"That, for the purposes of Listing Rule 10.11, section 611 (item 7) of the Corporations Act and for all other purposes, approval is given for:*
>
> *(a) the issue of 1 Convertible Note to Rich Mark Development Group Pty Ltd;*
>
> *(b) the resultant issue of Shares to Rich Mark Development Group Pty Ltd on conversion of the Convertible Note pursuant to the terms of the Convertible Note Deed; and*
>
> *(c) the increase in the voting power of Rich Mark Development Group Pty Ltd and its Associates to up to 89.09%,*
>
> *on the further terms and conditions set out in the Explanatory Statement."*

Independent Expert's Report: Shareholders should carefully consider the IER prepared by the Independent Expert for the purposes of the Shareholder approval required under section 611 (item 7) of the Corporations Act. The IER comments on the fairness and reasonableness of the Proposed Transaction the subject of Resolution 3 to the Shareholders in the Company who are not associated with Rich Mark Development Group Pty Ltd and has concluded that the proposal the subject of Resolution 3 is not fair but reasonable.

Voting Exclusion: The Company will disregard any votes cast on this Resolution by Rich Mark Development Group Pty Ltd and any of its Associates (which includes Xingang Resources (HK) Ltd, another substantial shareholder in the Company).

However, the Company will not disregard a vote on this Resolution if:

- it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

DATED: 25 OCTOBER 2019

BY ORDER OF THE BOARD

MR ROBERT ALLEN
COMPANY SECRETARY
ACCENT RESOURCES N.L.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at Accent Resources NL, Level 9, 250 Queen Street, Melbourne on Friday, 29 November 2019 at 11.00am AEDT.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution and the Corporations Act, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Director's Report, the Remuneration Report and the Auditor's Report.

The Corporations Act does not require Shareholders to vote on the Annual Report. However, Shareholders attending the AGM will be given a reasonable opportunity:

(a) to ask questions about, or make comments on, the annual financial report; and

(b) to ask the Company's auditor or the auditor's representative questions relevant to:

   (i) the conduct of the audit;

   (ii) the preparation and content of the Auditor's Report;

   (iii) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and

   (iv) the independence of the auditor in relation to the conduct of the audit.

Shareholders are encouraged to submit any questions that they may have regarding the above matters in writing (including by email) to the Company by no later than 5:00pm (AEDT) on 22nd November 2019. This will allow the Company time to prepare and present a comprehensive response to Shareholders at the Annual General Meeting.

A Shareholder who is entitled to cast a vote at the Annual General Meeting may also submit a written question to the auditor if the question is relevant to:

(a) the content of the Auditor's Report to be considered at the Annual General Meeting: or

(b) the conduct of the audit of the Annual Report to be considered at the Annual General Meeting.

A written question to the auditor may only be submitted by giving the question to the Company (attention: the Company Secretary) by no later than 5.00 pm (AEDT) on 22nd November 2019, which the Company will then pass on to the auditor. The Company will allow a reasonable opportunity for the auditor's representative to answer the written questions submitted to the auditor.

The Company will make available to Shareholders attending the Annual General Meeting copies of the list of Shareholder questions presented to the auditor, which the auditor considers relevant.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind a company or the directors of a company.

The Remuneration Report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report contained in the annual financial report of the Company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the directors of the Company who were in office when the directors' report (as included in the Company's annual financial report for the previous financial year) was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the Company is approved will be the directors of the Company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

2.4 Proxy voting restrictions

Shareholders appointing a proxy for this Resolution should note the following:

If you appoint a member of the Key Management Personnel (other than the Chair) whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member as your proxy

You must direct your proxy how to vote on this Resolution. Undirected proxies granted to these persons will not be voted and will not be counted in calculating the required majority if a poll is called on this Resolution.

If you appoint the Chair as your proxy (where he/she is also a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member).

You ***do not*** need to direct your proxy how to vote on this Resolution.

If you appoint any other person as your proxy

You ***do not*** need to direct your proxy how to vote on this Resolution, and you ***do not*** need to mark any further acknowledgement on the Proxy Form.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR YUZI ZHOU

Rule 53 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors (except a Managing Director) for the time being, or, if their number is not a multiple of 3, then the number nearest one-third, shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

A Director who retires by rotation under rule 53 of the Constitution is eligible for re-election.

Pursuant to rule 53 of the Constitution, Mr Yuzi Zhou He will retire by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.

Mr Yuzi Zhou, Executive Chairman, majored in Metal Physics and graduated from Beijing Science and Technology University with a Diploma of Bachelor of Engineering in 1985. Mr Zhou then joined Shougang Iron and Steel Company in 1985. Mr Zhou then joined Itochu China Corporation as the deputy Department Manager for the next 7 years, dealing mainly in steel product and the iron ore import and export business. From 2001, Mr Zhou worked for Rio Tinto as a superintendent sales manager, importing and selling iron ore in China for more than 6 years. Later, Mr Zhou worked as the Managing Director of China Nickel Resources Holdings Limited Company in Hong Kong for 4 years in their nickel ore and iron ore mining, exporting and importing business based in Asian areas. Mr. Zhou has been the company secretary of Xingang Resources in Hong Kong since 2011.

The Directors of the Company, other than Mr Yuzi Zhou, unanimously recommend the re-election of Mr. Yuzi Zhou.

4. RESOLUTION 3- APPROVAL FOR THE PROPOSED ISSUE OF CONVERTIBLE NOTE TO RICH MARK, ISSUE OF SHARES ON CONVERSION OF CONVERTIBLE NOTE AND INCREASE IN VOTING POWER OF RICH MARK

4.1 Background

Resolution 3 seeks the approval of Shareholders for the Company to issue 1 Convertible Note, with a Face Value of $6,416,009.31 (**Face Value**) (**Convertible Note**) to Rich Mark Development Group Pty Ltd (**Rich Mark**), and for the conversion of that Convertible Note into Shares, which will have the effect of increasing the voting power of Rich Mark and its Associates in the Company.

The Company has entered into a binding convertible note deed with Rich Mark (**Convertible Note Deed**) pursuant to which the Company has agreed (subject to Shareholder approval sought pursuant to Resolution 3) to issue the Convertible Note to Rich Mark to replace a series of existing shareholder loans that have been advanced to the Company by Rich Mark (**Proposed Transaction**).

4.2 Existing shareholder loans

There are currently 4 shareholder loans in place, which have varying repayment dates between June 2021 and September 2022. In some cases, these repayment dates are an extension of the initial repayment date (some of which were as early as August 2018).

As at the date of this Notice, the total value of the existing shareholder loans that will be replaced by the Convertible Note is $5,390,297.10 (representing $4,000,000 in outstanding loans, plus $1,000,000 in undrawn amounts under the shareholder loans and $390,297.10 accrued interest). Interest is intended to continue to accrue on these loans until their respective maturity dates. As such, interest will continue to accrue on a 6 monthly basis on these amounts at a rate of between 4% and 10% per annum, until the date of issue of the Convertible Note. Therefore, the value of the Convertible Note to be issued will not be known until the date of issue. Further, as noted below, an interest component will continue to accrue and be included in the Face Value of the Convertible Note at a rate of 6% per annum which will be payable at such time as the Convertible Note is redeemed.

By way of example, if the Convertible Note is issued on 6 December 2019, the value of the Convertible Note at maturity would be $6,416,009.31, (representing $4,000,000 in outstanding loans, plus $1,000,000 in undrawn amounts under the shareholder loans and $390,297.10 accrued interest under the existing shareholder loans and $1,025,712.21 in interest that will accrue over the term of the Convertible Note).

As the Convertible Note Deed permits Rich Mark to convert all or part of the Face Value of the Convertible Note on or prior to the Maturity Date (as that term is defined in section 4.3(c) below), the total number of shares that will be issued on conversion of the Convertible Note will not be known until the date of conversion. However, this resolution seeks approval for the maximum number of Shares that could be issued on conversion of the Convertible Note, assuming that the Convertible Note is not converted prior to the Maturity Date and the maximum Face Value is payable on redemption.

As noted above, the Convertible Note is intended to replace the existing shareholder loans. Therefore, in the absence of the approval sought pursuant to Resolution 3, the Company will be required to repay all amounts outstanding (plus accrued interest) under the relevant loans on the applicable maturity date, which could be as early as June 2021.

4.3 Convertible Note Terms

The key terms of the Convertible Note and the Convertible Note Deed are as follows:

(a) Conditions precedent and consequences of failure to obtain Shareholder approval: It is a condition precedent to the issue of the Convertible Note that all shareholder approvals required under Corporations Act and ASX related party rules and regulations are obtained. As such, if Shareholder approval is not obtained pursuant to Resolution 3, the Company will have no obligation to issue the Convertible Note to Rich Mark. The Convertible Note Deed also includes the following conditions precedent:

(i) no event has occurred or is continuing which has had or is likely to have a material adverse effect on the ability of the Company to perform its obligations under the Convertible Note Deed, the rights or benefits of Rich Mark under the Convertible Note Deed or the validity, priority or enforceability of the Convertible Note Deed (a **Material Adverse Effect**);

(ii) no default or breach has occurred which is continuing or will occur under any material agreements to which the Company is a party;

(iii) the Company is not in default in the payment of any material sum and is in compliance with its material obligations in respect of any of its other financial indebtedness;

(iv) the Company's representations and warranties set out in the Convertible Note Deed are true and correct; and

(v) all fees and expenses due and payable by the Company under or in respect of the Convertible Note Deed and the Convertible Note have been paid or will be paid.

(b) Security, status and ranking: The Convertible Note is unsecured and the Company's payment obligations under the Convertible Note will rank in priority to the issued share capital and all future preference shares and shall rank at least pari passu in right and priority of payment with all the Company's present and future unsecured and unsubordinated obligations (other than obligations mandatorily preferred by any law applying to companies generally).

(c) Maturity Date: 3 years from the date of issue of the Convertible Note.

(d) Face Value and Pro Rata Face Value: The Face Value of the Convertible Note is $6,416,009.31 at the Maturity Date, which is calculated by aggregating:

(i) the Subscription Price (which comprises $4,000,000 of outstanding existing shareholder loans, plus $390,297.10 of accrued and capitalised interest on the $4,000,000 of outstanding existing shareholder loans, plus $1,000,000 of undrawn commitments under those shareholder loans, each as at 6 December 2019); and

(ii) interest on the Subscription Price, calculated at a rate of 6% per annum (and accruing each 6 months) for the 3 year term of the Convertible Note.

In circumstances where Rich Mark exercises its right to convert the Face Value into ordinary shares in accordance with the terms of the Convertible Note prior to the Maturity Date, the Face Value is subject to reduction to a Pro Rata Face Value that is applicable on the relevant conversion date, which reflects the reduction in the interest component of the Face Value as a result of that early conversion. Pro Rata Face Values corresponding to each of the dates on which conversion is permitted under the Convertible Note Deed are as follows:

Date	**Pro Rata Face Value**
6 months after the Issue Date	$5,534,505.99
12 months after the Issue Date	$5,700,541.17
18 months after the Issue Date	$5,871,557.41
24 months after the Issue Date	$6,047,704.13
30 months after the Issue Date	$6,229,135.25

If certain circumstances occur which the Company's board consider to be capital events (such as, for example, where a party acquires a relevant interest in more than 50% of the ordinary shares in the Company as a result of a takeover bid or through a scheme of arrangement) or where the Company intends to sell all or substantially all of its business or assets, the Company may notify Rich Mark that it intends to redeem the Convertible Note and designate a date for such redemption (which date must be at least 20 Business Days after the date of the notice and which must correspond to a date on the table above). On that date, the Company may pay the Noteholder the Pro Rata Face Value applicable to that date and redeem the Convertible Note.

(e) <u>Subscription Price:</u> The Subscription Price in respect of the Convertible Note is payable by Rich Mark in instalments in the following amounts and at the following times:

(i) the Company acknowledges and agrees that $4,390,297.10 of the Subscription Price is paid by way of set off against principal amounts drawn and accrued and unpaid interest on the existing shareholder loans referred to in the section 4.2, such set off being in full and final repayment of the outstanding liabilities owed by the Company to the Investor under those shareholder loans.

(ii) $500,000 to be paid in cleared funds on 10 January 2020.

(iii) $500,000 to be paid in cleared funs on 10 April 2020.

(f) Interest: The Face Value of the Convertible Note includes an interest component calculated at the rate of 6% p.a. on the basis of a 3 year term from the date of issue of the Convertible Note to the Maturity Date. Such interest is intended to be calculated 6 monthly and accrue in each period of 6 months from the date of issue of the Convertible Note.

(g) Conversion and Conversion Price: On any of the dates falling 6, 12, 18, 24 or 30 months after the date of issue of the Convertible Note, and on the Maturity Date, Rich Mark may elect to convert all of the Face Value of the Convertible Note to ordinary shares in the Company by giving notice to the Company. If Rich Mark gives the Company such a notice, the number of ordinary shares the Company must issue to Rich Mark is determined in accordance with the following formula:

$x = P / CP$,

where:

x is the number of ordinary shares in the Company to be issued;

P is:

- on the Maturity Date, the Face Value of the Convertible Note; or
- on any conversion date prior to the Maturity Date, the Pro Rata Face Value of the Convertible Note applicable on that date.; and

CP is the conversion price, which is $0.02.

(h) Transferability and other restrictions: The Convertible Note is transferable to another party by way of a written transfer in the form prescribed under the Convertible Note Deed and which is signed by the Rich Mark (as transferor) and the relevant transferee. This entitlement to transfer the Convertible Note is subject to the restriction that Rich Mark is not permitted to transfer the Convertible Note in the first 12 months from the Issue Date unless the transferee is a person to whom disclosure is not required under Chapter 6D of the Corporations Act. The Company is also obliged not to alter its issued share capital, including by any reduction, repayment by way of reduction, consolidation or reclassification or division of its issued share capital or by issue of shares, options, warrants or further convertible instruments.

(i) Undertakings and covenants: before the earlier of the redemption or conversion of all of the Face Value of the Convertible Note and the Maturity Date, the Company's undertakings and covenants include (but are not limited to) ensuring that:

(i) each authorisation required for the execution, delivery and performance by it of the Convertible Note Deed and the conduct and operation of the Company's business is obtained and maintained and in full force and effect;

(ii) it complies fully with all laws binding on it in all respects where failure to do so may reasonably likely to have a Material Adverse Effect;

(iii) it does not substantially change the general nature of its business from that carried out at the time the Convertible Note Deed is entered into;

(iv) its constitution or other constituent documents are not materially amended; and

(v) it immediately notifies Rich Mark if it becomes aware of any Event of Default that has occurred and the steps being taken (if any) to remedy it.

(j) Events of Default: The events of default that apply to the Convertible Note will include (but are not limited to) the following:

(i) the Company fails to pay any amounts owing to Rich Mark under the Convertible Note and such non-payment is not remedied within 60 days;

(ii) the Company fails to perform any obligation under the Convertible Note Deed unless the failure is capable of remedy and is so remedied within 60 days of such failure;

(iii) there is a material breach of representations, unless that breach is capable of remedy and is so remedied within 60 days of that breach;

(iv) an insolvency event occurs in respect of the Company;

(v) it becomes unlawful for a party to perform any of its obligations under the Convertible Note Deed;

(vi) any obligation under the Convertible Note Deed is repudiated, terminated, rescinded or becomes void, unenforceable or otherwise of limited force and effect; and

(vii) an event or series of events whether related or not occurs which has or is likely to have a Material Adverse Effect.

4.4 Listing Rule 10.11

Listing Rule 10.11 provides that shareholder approval is required for a company to issue or agree to issue Equity Securities to a Related Party.

Refer to section 4.6.1 below for a summary of the reasons why approval for the purposes of Listing Rule 7.1 is not required.

4.5 Corporations Act

4.5.1 Corporations Act prohibition

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a listed company if, as a result of the acquisition that person's or someone else's voting power in the company increases from 20% or below, to more than 20%, or from a starting point that is above 20% and below 90%.

Generally, under section 608 of the Corporations Act, a person has a relevant interest in securities if they:

(a) are the holder of the securities; or

(b) have power to exercise, or control the exercise of, a right to vote attached to securities; or

(c) have power to dispose of, or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power.

The voting power of a person is determined under section 610 of the Corporations Act. It involves calculating the number of voting shares in the company in which the person and the person's Associates have a relevant interest.

A person (**second person**) will be an "Associate" of the other person (**first person**) if:

(d) the first person is a body corporate and the second person is:

  (i) a body corporate the first person controls;

  (ii) a body corporate that controls the first person; or

  (iii) a body corporate that is controlled by an entity that controls the first person;

(e) the second person has entered or proposes to enter into a relevant agreement with the first person for the purposes of controlling or influencing the composition of the company's board or the conduct of the company's affairs; and

(f) the second person is a person with whom the first person is acting, or proposing to act, in concert in relation to the company's affairs.

4.5.2 Exceptions to the section 606 prohibition

There are various exceptions to the prohibition in section 606 of the Corporations Act. Section 611 of the Corporations Act contains a table setting out circumstances in which acquisitions of relevant interests are exempt from the prohibition. Item 7 of the table in section 611 of the Corporations Act provides an exemption where the acquisition is approved by a resolution passed at a general meeting of the company before the acquisition is made. The parties involved in the acquisition and their Associates are not able to cast a vote on the resolution.

4.6 Purpose of this Resolution 3

4.6.1 Listing Rules

The Convertible Note and the Shares to be issued on conversion of the Convertible Note are Equity Securities for the purposes of the Listing Rules.

Resolution 3 seeks Shareholder approval for the issue of the Convertible Note to Rich Mark for the purposes of Listing Rule 10.11.

Approval for the proposed issue of the Convertible Note is not required for the purposes of Listing Rule 7.1 as exception 14 of Listing Rule 7.2 provides that approval under Listing Rule 7.1 is not required if the issue was made with the approval of holders of Ordinary Securities for the purposes of Listing Rule 10.11, provided that the Notice of Meeting states that, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1. The Company is seeking shareholder approval for the proposed issue of the Convertible Note for the purposes of Listing Rule 10.11. Further, section 4.7(h) below includes the statement required to be included by exception 14 of Listing Rule 7.2. As such, exception 14 of Listing Rule 7.2 will apply to the proposed issue of the Convertible Note.

Approval for the proposed issue of Shares on conversion of the Convertible Note is not required for the purposes of either Listing Rule 7.1 or Listing Rule 10.11 on the following basis:

- Exception 16 of Listing Rule 7.2 provides that Listing Rule 7.1 does not apply to an issue of securities approved for the purposes of item 7 of section 611 of the Corporations Act. As noted at section 4.6.2 below, Shareholder approval is being sought for the purposes of item 7 of section 611 of the Corporations Act for the proposed issue of Shares on conversion of the Convertible Note.

- Exception 7 of Listing Rule 10.12 provides that shareholder approval is not required for an issue of Shares to a Related Party where the Related Party receives the Shares on the conversion of convertible securities, provided that the entity complied with the Listing Rules when the convertible securities were issued. The Company is seeking shareholder approval for the proposed issue of the Convertible Note for the purposes of Listing Rule 10.11. As such, exception 7 of Listing Rule 10.12 will apply to the proposed issue of Shares on conversion of the Convertible Note.

The effect of Resolution 3 will be to allow the Company to issue the Convertible Note the subject of Resolution 3 during the period of 1 month after the Meeting (or a longer period if allowed by ASX), without using the Company's 15% placement capacity under Listing Rule 7.1, and to issue the Convertible Note to Rich Mark (being a Related Party of the Company).

4.6.2 Corporations Act

The Conversion Price of the Convertible Note is $0.02. Accordingly, if all of the Face Value of the Convertible Note is converted on the Maturity Date, it would result in 320,800,450 Shares being issued to Rich Mark. The Company currently has 181,000,233 Shares on issue. If all of the Face Value of the Convertible Note is converted, and assuming that no other Shares are issued prior to the conversion of the Convertible Note, the Shares issued on conversion of the Convertible Note would comprise 63.93% of the issued capital of the Company.

As the voting power of Rich Mark and its Associates immediately prior to the issue of Shares on conversion of the Convertible Note will be 69.75%, following the issue of Shares, the voting power of Rich Mark and its Associates in the Company may increase to as much as 89.09%. Such increase would be in breach of section 606 of the Corporations Act (refer to section 4.4 above), unless Shareholder approval is obtained.

The purpose of Resolution 3 is therefore to obtain Shareholder approval for the issue of the Convertible Note to Rich Mark, the issue of Shares on conversion of the Convertible Note to Rich Mark and the increase in voting power of Rich Mark and its Associates to up to 89.09%, in accordance with item 7 of section 611 of the Corporations Act for the reasons set out in this section 4 of this Explanatory Memorandum.

4.7 Technical information required by Listing Rule 10.13

The following information in relation to the Convertible Note to be issued is provided to Shareholders for the purposes of Listing Rule 10.13:

(a) the Convertible Note will be issued to Rich Mark;

(b) the maximum number of Convertible Notes the Company can issue is 1. If the full Face Value of the Convertible Note is converted on the Maturity Date of the Convertible Note, a maximum of 320,800,450 Shares will be issued;

(c) the Company will issue the Convertible Note no later than 1 month after the date of the Meeting;

(d) Rich Mark is a Related Party of the Company because Mr Jun Sheng Liang (a Director of the Company) controls Rich Mark;

(e) the Convertible Note is being issued to replace a series of existing shareholder loans advanced by Rich Mark to the Company, including amounts that remain available for future draw-down by the Company. As such, no amounts will be payable by Rich Mark to the Company in respect of $4,390,297.10 of the Subscription Price (which is paid by way of set off against principal amounts drawn and accrued and unpaid interest on the shareholder loans referred to in the section 4.2, such set off being in full and final repayment of the outstanding liabilities owed by the Company to the Investor under those shareholder loans). However, a further amount of $1,000,000 will be payable by Rich Mark to the Company, over two instalments of $500,000 each, payable on 10 January 2020 and 10 April 2020 (representing amounts that would otherwise have been available for draw-down under the existing shareholder loans). The Convertible Note will be issued with a deemed Face Value of $6,416,009.31. As detailed in section 4.3, the Convertible Note is convertible into Shares in accordance with its terms and at a Conversion Price of $0.02;

(f) a voting exclusion statement is included with Resolution 3 in the Notice of Meeting;

(g) as noted above, $4,390,297.10 of the Subscription Price is paid by way of set off against principal amounts drawn and accrued and unpaid interest on existing shareholder loans, and therefore no amounts will be payable by Rich Mark to the Company in respect of that amount. The further

$1,000,000 payable by Rich Mark to the Company over two further instalments will be used for general working capital purposes and funding of the Company's ongoing operations; and

(h) if approval is given for the grant of the Convertible Note under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

4.8 Information required by item 7 of section 611 of the Corporations Act and ASIC Regulatory Guide 74

The following paragraphs set out information required to be provided to Shareholders under ASIC Regulatory Guide 74 and item 7 if section 611 of the Corporations Act.

Shareholders are also referred to the Independent Expert's Report set out at Appendix A to this Notice.

(i) **Identity**

The following table sets out the identity of the person proposing to acquire the Convertible Note and the Shares on conversion of the Convertible Note and its Associates:

Acquirer	Associate
Rich Mark Development Group Pty Ltd	Xingang Resources (HK) Ltd

(j) **Increase in Rich Mark's voting power in the Company resulting from the issue of Shares on conversion of the Convertible Note**

As at the date of this Notice, Rich Mark has a relevant interest in 28,218,366 Shares. Rich Mark's Associate, Xingang Resources has a relevant interest in 98,026,518 Shares. As such, the current voting power of Rich Mark and its Associate is 69.75% based on 181,000,233 Shares on issue.

The Convertible Note, of itself, will not be counted as part of Rich Mark's voting power in Shares in the Company. Rich Mark's voting power will only increase if and when the Face Value of the Convertible Note is converted, and Shares are issued to Rich Mark on conversion.

The effect of the acquisition of Shares on conversion of the Convertible Note by Rich Mark is summarised in the following table, which outlines:

(i) **As at the date of this Notice** - the shareholding and voting power of Rich Mark (and its Associates) in the Company; and

(ii) **Issue of Shares on conversion of Convertible Note** - the maximum extent of the increase in, and total, shareholding and voting power of Rich Mark (and its Associates) in the Company following the issue of Shares to Rich Mark on conversion of the Convertible Note.

	Maximum number of Shares to be issued to Rich Mark	Total Shares held		Maximum extent of increase in % Holding / Voting Power			Total % Holding / Voting Power		
		Rich Mark	Associate	% holding Rich Mark	% holding Associate	Voting power (ie. Rich Mark and Associate on an agg. basis	% holding Rich Mark	% holding Associate	Voting power (ie. Rich Mark and Associate on an agg. basis
As at the date of this Notice	N/A	28,218,366	98,026,518	N/A	N/A	N/A	15.59%	54.16%	69.75%
Approval for issue of Shares on conversion of Convertible Note is obtained and Convertible Note is fully converted at the end of the first year of the Term	285,027,050	313,245,416	98,026,518	51.63%	-33.13%	18.5%	67.22%	21.03%	88.25%
Approval for issue of Shares on conversion of Convertible Note is obtained and Convertible Note is fully converted at the end of the second year of the Term	302,385,200	330,603,566	98,026,518	52.80%	-33.88%	18.92%	68.39%	20.28%	88.67%
Approval for issue of Shares on conversion of Convertible Note is obtained and	320,800,450	349,019,816	98,026,518	53.96%	-34.62%	19.34%	69.55%	19.54%	89.09%

Convertible Note is fully converted on the Maturity Date										

Note: The figures in the above table have been calculated based on the assumption that Resolution 3 is passed, no other Shares are issued by the Company, and the shareholding of Rich Mark and its Associate in the Company does not change. Shareholders should be aware that Rich Mark and its Associate are entitled to increase their shareholding in the Company in the manner permitted under the Corporations Act.

(k) **Reasons for the Proposed Transaction**

As noted above, the Company has agreed to issue the Convertible Note to Rich Mark to replace a series of existing shareholder loans that have been advanced to the Company by Rich Mark. Upon conversion, the Convertible Note entitles Rich Mark to receive such number of Shares in the Company calculated in accordance with the formula set out in section 4.3(g) above.

(l) **Expected Timing of the Proposed Transaction**

If Shareholder approval is obtained, the Convertible Note will be issued within 5 Business Days of the date of the Meeting, and no later than 1 month after the date of the Meeting. Rich Mark may at any time on or before the Maturity Date, elect to convert all or part of the Face Value of the Convertible Note to ordinary shares in the Company by giving notice to the Company. The issue of Shares on conversion of the Convertible Note may therefore occur prior to the Maturity Date. Upon receipt of a conversion notice from Rich Mark, the Company must issue the Shares within 5 Business Days of the relevant conversion date.

(m) **Material terms of the Proposed Transaction and other relevant agreements**

Details of the terms of the Convertible Note and the Convertible Note Deed are summarised in section 4.3 of the Explanatory Memorandum for Resolution 3. Other than the Convertible Note Deed, there are no other contracts or proposed contracts between the Company and Rich Mark or any its Associates which are conditional upon, or directly or indirectly dependent on, Shareholder approval of Resolution 3.

(n) **Future intentions of Rich Mark for the Company if Shareholders approve the Proposed Transaction**

Rich Mark has informed the Company that its intentions mentioned in this section are based on the facts and information regarding the Company, its business and the general business environment which are known to Rich Mark as at the date of the Notice, which is limited to publicly available information. Any future decisions regarding these matters will only be made based on all material information and circumstances at the relevant time. Accordingly, the statements set out below are statements of current intention only which, if circumstances change or new information becomes available in the future, could change accordingly.

No change to the composition of the Company's Board is currently proposed by Rich Mark or the Company.

Other than as disclosed above or elsewhere in this Explanatory Statement, Rich Mark:

(i) has no current intention of making any significant changes to the existing business of the Company;

(ii) has no current intention to inject further capital into the Company;

(iii) has no current intention of making changes regarding the future employment of the Company's present employees;

(iv) does not currently intend for any assets to be transferred between the Company and itself or any person associated with it;

(v) has no current intention to otherwise redeploy the fixed assets of the Company; and

(vi) has no current intention to significantly change the Company's existing financial or dividend policies,

if the proposed issue of Shares on conversion of the Convertible Note is approved by Shareholders.

The Company understands that Rich Mark supports the Board's current strategy for the Company.

(o) **Directors' interests in the proposed issue of Shares on conversion of the Convertible Note Share and recommendations**

The current Directors of the Company are Messrs Yuzi (Albert) Zhou, Dian Zhou He and Jun Sheng Liang.

Each Director (apart from Mr Jun Sheng Liang and Mr Dian Zhou He, who abstain from making a recommendation) recommends that Shareholders vote in favour of Resolution 3 for the following reasons:

(i) the issue of the Convertible Note provides extended financing for the Company;

(ii) the Convertible Note allows the Company to satisfy its repayment obligations that would otherwise exist under the existing shareholder loan agreements by issuing Shares in the Company in lieu of making cash payments to Rich Mark, which will, in turn, ensure that the cash remains available to the Company to satisfy its general working capital requirements;

(iii) should Resolution 3 not be approved by Shareholders, the Convertible Note will not be issued and the existing shareholder loan agreements would remain in full force and effect, which would require the Company to repay amounts owing under such shareholder loan agreements in cash on the relevant maturity dates of such loans; and

(iv) the Company has been funded by way of loans from Xingang and Rich Mark and conversion of the Rich Mark loans to equity will improve the financial position of the Company.

No votes can be cast on Resolution 3 by Rich Mark or any of its Associates (which, as noted above, includes Xingang Resources (HK) Ltd).

(p) **Details of any person who is intended to become a Director if Resolution 3 is passed**

No person will be appointed as a Director of the Company if Resolution 3 is passed.

(q) **IER as to whether the acquisition by Rich Mark is fair and reasonable**

Accompanying this Notice is an IER prepared by the Independent Expert. The IER assesses whether the acquisition of Shares on conversion of the Convertible Note by Rich Mark, and the increase in the voting power of Rich Mark and its Associates to up to 89.09%, pursuant to Resolution 3 is fair and reasonable to the Shareholders not associated with Rich Mark.

The IER concludes that the acquisition of Shares by Rich Mark on the conversion of the Convertible Note, and the resultant increase in the voting power of Rich Mark and its Associates to up to 89.09%, pursuant to Resolution 3, is not fair but reasonable to the Shareholders not associated with Rich Mark or its Associates.

Please refer to the IER at Appendix A for further details and in particular the advantages and disadvantages of the issue of Shares to Rich Mark on conversion of the Convertible Note, the subject of Resolution 3. This assessment is designed to assist all Shareholders in reaching their voting decision. It is recommended that all Shareholders read the IER in full.

(r) **Further background information on Rich Mark**

Rich Mark was established in Melbourne in 2000 and is now a diversified business group in bulk commodities and investments. Its trading partners include the significant resources companies, such as Vale, Rio Tinto, BHP, FMG and SIMEC. Iron ore trading exceeds 10 million tonnes and the business income exceeds US$1billion. In Australia, it has invested in Accent Resources NL.

In China, Rich Mark has investments in two large scale steel mills, a shipping company, an iron ore terminal and a power plant. Rich Mark has also expanded its business into the finance sector and is a significant investor in a listed bank and a listed security company in Hong Kong. The finance investment is now evolving as the third pillar of the Rich Mark group besides trading and investment.

5. ENQUIRIES

Shareholders may contact the Company Secretary on (+ 61 3) 9670 0888 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

$ means Australian dollars.

Annual General Meeting means the meeting convened by the Notice of Meeting.

AEDT means Australian Eastern Daylight Time.

ASIC means the Australian Securities and Investments Commission.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means a day in Perth, Western Australia that is a Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Closely Related Party of a member of the Key Management Personnel means:

(a) a spouse or child of the member;

(b) a child of the member's spouse;

(c) a dependent of the member or the member's spouse;

(d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;

(e) a company the member controls; or

(f) a person prescribed by the *Corporations Regulations 2001* (Cth) for the purposes of the definition of 'closely related party' in the Corporations Act.

Company means Accent Resources N.L. (ABN 67 113 025 808).

Constitution means the Company's constitution.

Convertible Note Deed has the meaning given to that term in section 4.1 of the Explanatory Statement for Resolution 3.

Convertible Note means the 1 convertible note to be issued to Rich Mark pursuant to the Convertible Note Deed.

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

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

(a) is not included in the S&P/ASX 300 Index; and

(b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of $300,000,000.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Face Value has the meaning given to that term in section 4.1 of the Explanatory Statement for Resolution 3.

IER means the independent expert's report prepared by the Independent Expert set out in Appendix A to this Notice.

Independent Expert means PKF Melbourne Corporate Pty Ltd (ACN 063 564 045).

Key Management Personnel has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

Listing Rules means the listing rules of ASX.

Maturity Date has the meaning given in section 4.3(c) of the Explanatory Statement for Resolution 3.

Notice of Meeting or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement.

Option means an option to acquire Shares.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proposed Transaction has the meaning given that term in section 4.1 of the Explanatory Statement for Resolution 3.

Proxy Form means the proxy form attached to the Notice.

Related Party has the meaning set out in the ASX Listing Rules.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2019.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

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

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

APPOINTMENT OF PROXY FORM

ACCENT RESOURCES N.L.
ABN 67 113 025 808

ANNUAL GENERAL MEETING

I/We ______________________________

of: ______________________________

being a Shareholder entitled to attend and vote at the Meeting, hereby appoint:

☐ the Chair of the Meeting as my/our proxy.

OR:

Name: ______________________________

or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit, at the Meeting to be held at Accent Resources NL, Level 9, 250 Queen St, Melbourne, on Friday, 29th November 2019 at 11am AEDT, and at any adjournment thereof.

Chairman authorised to exercise proxies on remuneration related matters: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 in accordance with his/her intentions as set out in the Notice and this form (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chairman.

Important Note: If the Chairman is (or becomes) your proxy, you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 by marking the appropriate box below.

The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.

Voting on business of the Meeting		**FOR**	**AGAINST**	**ABSTAIN**
Resolution 1	Adoption of Remuneration Report	☐	☐	☐
Resolution 2	Re-Election of Director – Mr Yuzi Zhou	☐	☐	☐
Resolution 3	Approval of issue of Convertible Note, issue of shares on conversion and increase in voting power of Rich Mark,	☐	☐	☐

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is: ________ %

Signature of Shareholder(s):

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**
Sole Director/Company Secretary	Director	Director/Company Secretary

Date: ______________________________

Contact name: ______________________________ **Contact ph (daytime):** ______________________________

E-mail address: ______________________________ **Consent for contact by e-mail:** **YES** ☐ **NO** ☐

Instructions for Completing 'Appointment of Proxy' Form

1. (**Appointing a proxy**): A Shareholder entitled to attend and cast a vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf at the Meeting. If a Shareholder is entitled to cast 2 or more votes at the Meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the Meeting. However, where both proxies attend the Meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of the Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fractions of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder.

2. (**Direction to vote**): A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. The direction may specify the proportion or number of votes that the proxy may exercise by writing the percentage or number of Shares next to the box marked for the relevant item of business. Where a box is not marked the proxy may vote as they choose subject to the relevant laws. Where more than one box is marked on an item the vote will be invalid on that item.

3. (**Signing instructions**):

   - (**Individual**): Where the holding is in one name, the Shareholder must sign.

   - (**Joint holding**): Where the holding is in more than one name, all of the Shareholders should sign.

   - (**Power of attorney**): If you have not already provided the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Form when you return it.

   - (**Companies**): Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held. In addition, if a representative of a company is appointed pursuant to Section 250D of the Corporations Act to attend the Meeting, the documentation evidencing such appointment should be produced prior to admission to the Meeting. A form of a certificate evidencing the appointment may be obtained from the Company.

4. (**Attending the Meeting**): Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. (**Return of Proxy Form**): To vote by proxy, please complete and sign the enclosed Proxy Form and return to Advanced Share Registry Services Perth.

   (a) By post to P.O. Box 1156 , Nedlands WA 6909; or

   (b) By facsimile to number +61 8 9389 7871,

   so that it is received not less than 48 hours prior to commencement of the Meeting.

   Proxy Forms received later than this time will be invalid.

Appendix A - IER

25 October 2019

The Independent Director
Accent Resources N.L.
Level 9, 250 Queen Street
Melbourne Victoria 3000

Dear Sir

RE: Independent Expert's Report

1. Introduction

1.1 The directors of Accent Resources N.L. ("Accent Resources" or the "Company") have requested PKF Melbourne Corporate Pty Ltd ("PKF Corporate") to prepare an Independent Expert's Report ("IER") in respect of the proposal described below.

1.2 We understand that the Company is considering a proposal, which will involve the issue of a convertible note to a major shareholder to replace a series of shareholder loans that have been advanced to the Company ("Proposed Transaction").

1.3 We also understand that the Company is seeking shareholder approval at the Annual General Meeting to be held on 29 November 2019 for both the issue of the convertible note (under ASX Listing Rules) and the increase in voting power of the major shareholder (section 611 of the Corporations Act 2001) that would occur on conversion of the note.

2. Proposed Transaction

2.1 Issue of a Convertible Note

2.1.1 Accent Resources has been funding its operations in the recent past by way of loans from its two major shareholders, Rich Mark Development Group Pty Ltd ("Rich Mark") and Xingang Resources (HK) Limited ("Xingang"). Accent Resources has agreed, subject to shareholder approval, to replace a series of shareholder loans from Rich Mark with a convertible note.

2.1.2 Pursuant to a draft convertible note deed dated 10 October 2019, Accent Resources agreed, subject to shareholders' approval, to issue to Rich Mark a convertible note with a face value of up to $6,416,009.31. The key terms of the convertible note are:

a) The face value of the convertible note is $6,416,009.31. This amount comprises of amounts loaned to Accent Resources by Rich Mark pursuant to existing loan agreements, accrued but unpaid interest to date as well as interest that may accrue during the term of the convertible note.

b) The convertible note is unsecured and Accent Resources' payment obligations under the convertible note will rank in priority to the issued share capital and all future preference shares and shall rank at least pari passu in right and priority of payment with all Accent Resources' present and future unsecured and unsubordinated obligations (other than obligations mandatorily preferred by any law applying to companies generally).

c) Maturity date is 3 years from the date of issue of the convertible note.

d) Interest is charged at 6% per annum. Accrued interest is added to the principal outstanding on the last day of each six-monthly interest period, commencing as from the date of issue of the convertible note.

e) The conversion price is $0.02.

f) During the currency of the note, the note can be converted on each six-monthly anniversary of the issue date up to and including the maturity date. Any conversion must be for the full amount outstanding.

g) The convertible note is not transferrable during the first 12 months following the date of its issue. It may be transferred to another person thereafter.

2.1.3 Accent Resources is seeking shareholder approval for both the issue of the convertible note (under ASX Listing Rules) and the increase in voting power of the major shareholder (under s. 611, item 7 of the Corporations Act 2001) that would occur on conversion of the note.

2.2 Loans from Major Shareholders

2.2.1 Set out in the table below is a summary of loans advanced by major shareholders as at 30 June 2019:

Table 1

Accent Resources NL Loans as at 30 June 2019	Date	$
Loans from shareholders:		
Xingang Resources (HK) Ltd	18-Oct-15	3,724,729
Total from Xingang Resources (HK) Ltd		**3,724,729**
Rich Mark	28-Aug-16	1,070,661
	17-Aug-17	930,704
	26-Jul-18	1,001,397
Total from Rich Mark		**3,002,762**
Total as at 30 June 2019		**6,727,491**

Source: Accent Resources' financial report & loan agreements

2.2.2 According to a loan agreement entered into between Accent Resources and Rich Mark dated 2 July 2019, an additional working capital loan of $2 million is to be provided to Accent Resources for the period from 10 July 2019 to 30 June 2021 at an interest rate of 6% p.a. The loan is to be drawn down in four tranches:

- Tranche 1 - $500,000 to be drawn on or before 10 July 2019
- Tranche 2 - $500,000 to be drawn on or before 10 October 2019
- Tranche 3 - $500,000 to be drawn on or before 10 January 2020
- Tranche 4 - $500,000 to be drawn on or before 10 April 2020

2.2.3 As can be seen from Table 1, Accent Resources owed $3,002,762 to Rich Mark as at 30 June 2019. We have been advised that the total amount of the shareholder's loans owed to Rich Mark to be converted would include the outstanding loan as at 30 June 2019, together with the loan of $2 million as per loan agreement entered into on 2 July 2019, plus the accrued interest:

Table 2

Accent Resources NL Loans from Rich Mark	Agreement Date	Loan Amount $
Loan facilities as at 30 June 2019	28-Aug-16	1,000,000
	17-Aug-17	1,000,000
	26-Jul-18	1,000,000
		3,000,000
Loan advanced after FY19	2-Jul-19	1,000,000
Further loans to be drawn in 2020	2-Jul-19	1,000,000
Total loan amount		**5,000,000**
Accrued interest under existing loans		**390,297**
Interest over the term of the convertible note (Note 1)		**1,025,712**
Total loan amount to be converted		**6,416,009**

Source: Loan agreements & Notice of AGM

Note 1: Interest accrued assumes that the convertible note will be issued on 6 December 2019 and will not be converted or redeemed before the maturity date.

2.3 Proposed Resolutions to be approved by shareholders

2.3.1 Accent Resources is seeking shareholders' approval of the following resolutions as listed in the Notice of General Meeting:

Resolution 1 Adoption of Remuneration Report

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."

Resolution 2 Re-election of Director – Mr Yuzi Zhou

"That, for the purposes of rule 53 of the Constitution and for all other purposes YUZI ZHOU, a Director, retires by rotation, and being eligible, is re-elected as a Director."

Resolution 3 Approval for the Proposed Issue of a Convertible Note to Rich Mark, Issue of Shares on Conversion of the Convertible Note and Increase in Voting Power of Rich Mark

"That, for the purposes of Listing Rule 10.11, section 611 (item 7) of the Corporations Act and for all other purposes, approval is given for:

(a) the issue of 1 Convertible Note to Rich Mark Development Group Pty Ltd;

(b) the resultant issue of Shares to Rich Mark Development Group Pty Ltd on conversion of the Convertible Note pursuant to the terms of the Convertible Note Deed; and

(c) the increase in the voting power of Rich Mark Development Group Pty Ltd and its Associates to up to 89.09%,

on the further terms and conditions set out in the Explanatory Statement."

As explained above, we are only required to opine on Resolution 3.

2.4 Impact of the Proposed Transaction

2.4.1 As at 30 June 2019 Accent Resources had on issue 181,000,233 fully paid ordinary shares. The table below sets out the number of shares held by the associated and non-associated shareholders of Accent Resources and their voting interest before the Proposed Transaction:

Table 3

Accent Resources N.L. Associated and Non-Associated Shareholders	No. of shares held	Voting Interest %
Before the Proposed Transaction		
Associated shareholders:		
Xingang Resources (HK) Limited	98,026,518	54.16%
Rich Mark Development Group Pty Ltd	28,218,366	15.59%
Total for Associated shareholders	126,244,884	69.75%
Non-Associated shareholders	54,755,349	30.25%
Total	**181,000,233**	**100.00%**

Source: Accent Resources' share register

2.4.2 As can be seen from Table 2, the maximum amount owing to Rick Mark pursuant to the Convertible Note at its maturity date will be $6,416,009. As the agreed conversion price is $0.02 per share, if the full amount owing were to be converted, this would result in the issue of 320,800,450 shares to Rich Mark.

2.4.3 Set out in Table 4 below is the impact of the Proposed Transaction on the voting power of Accent Resources:

Table 4

Accent Resources N.L. Associated and Non-Associated Shareholc	No. of shares held	Resolution 3	Projected New Capital	Voting Interest %
Impact of the Proposed Transaction on the voting power				
Associated shareholders:				
Xingang Resources (HK) Limited	98,026,518	-	98,026,518	19.53%
Rich Mark Development Group Pty Ltd	28,218,366	320,800,450	349,018,816	69.55%
Total for Associated shareholders	126,244,884	320,800,450	447,045,334	89.09%
Non-Associated shareholders	54,755,349	-	54,755,349	10.91%
Total	**181,000,233**	**320,800,450**	**501,800,683**	**100.00%**

Source: PKF Corporate analysis

2.4.4 As can be seen from Tables 3 and 4, if Accent Resources' shareholders approve the Proposed Transaction, Rich Mark and its associates may increase their voting power in Accent Resources from 69.75% to 89.09%.

2.5 Evaluation of the Proposed Transaction

2.5.1 Accent Resources is seeking shareholders' approval of the Proposed Transaction. An integral part of the Section 611 of the Act approval process is that an independent expert's report ("IER") is mandated to advise non-associated shareholders (i.e. those shareholders entitled to vote on the proposal), whether the Proposed Transaction is fair and reasonable. A copy of this report will accompany the Notice of Meeting and the Explanatory Statement to be sent by Accent Resources to its shareholders.

3. Summary Opinion

3.1. In Section 7 we assessed the value of an Accent Resources share on a control basis before the Proposed Transaction at $0.005 per share.

3.2. In Section 8 we assessed the value of an Accent Resources share on two alternate bases, namely:

- that the convertible note will not be converted until some indeterminate time in the future (no conversion scenario); and
- the convertible note will be converted immediately after the Proposed Transaction is approved (full conversion scenario).

3.3. Based on the no conversion scenario, we assessed the value of an Accent Resources share after the Proposed Transaction on a minority interest basis at $0.003 per share. As the minority value after the Proposed Transaction ($0.003) is less than control value before the Proposed Transaction ($0.005), when assessed on this basis, the Proposed transaction is not fair.

3.4. Based on the full conversion scenario, we assessed the value of an Accent Resources share after the Proposed Transaction on a minority interest basis to be in a range of $0.009 to $0.012 per share. As the minority value after the Proposed Transaction ($0.009 to $0.012) is greater than control value before the Proposed Transaction ($0.005), when assessed on this basis, the Proposed transaction is fair.

3.5. As can be seen from paragraphs 3.3 and 3.4, different conclusions emerge, depending under which scenario the Proposed Transaction is assessed. In our opinion it is highly unlikely that Rich Mark will exercise its conversion right immediately on approval of the Proposed Transaction as the conversion price of $0.02 per share is significantly out of the money. For this reason, we have decided to assess the Proposed Transaction on the assumption of a no conversion, and we have therefore concluded that the Proposed Transaction is **not fair**.

3.6. In section 10 we reviewed a number of other significant factors that shareholders should consider before voting on the Proposed Transaction. The key factors include:

- Our conclusion that the Proposed Transaction is not fair is based on a control value of a share in Accent Resources before the Proposed Transaction and a minority value of an Accent Resources share after the Proposed Transaction. This approach is mandated by RG 111. As demonstrated in Table 3, the Non-associated Shareholders currently only hold 30.25% of Accent Resources' voting power and they are effectively already in a minority position.

- As can be seen from Table 7, Accent Resources has a deficiency of net assets of approximately $3.4 million and it is not in a position to borrow from conventional sources. Given its low share price and minimal liquidity in the market for its shares, it is also not in a position to raise capital. The existing loans from Rich Mark mature at various dates as set out in Table 8. Approval of the Proposed Transaction will defer the due date for repayment of the principal for three years from the date of issue of the convertible note.

- We believe that the commercial substance of the Proposed Transaction is the giving of an option to Rich Mark to convert its loan and accrued interest into Accent Resources shares in three years at $0.02 per share, in return for which Rich Mark has deferred the maturity date of a number of its existing loans to Accent Resources. Given the current structure of the Accent Resources share register and its current financial position, we believe that this is a reasonable proposition to the Non-associated Shareholders.

3.7. After considering the above matters, we have concluded that the Proposed Transaction is **not fair but is reasonable.**

4. Structure of this Report

This report is divided into the following Sections:

5. Purpose of this Report

5.1 This report has been prepared to meet the following regulatory requirements:

- **Corporations Act 2001**

  Section 606 of the Act contains a general prohibition on the acquisition of shares in a public company if, as a result of the acquisition, any person increases his or her voting power in the company from 20% or below to more than 20% or from a starting point that is above 20% and below 90%.

  Section 611 of the Act contains an exception to the Section 606 prohibition. For an acquisition of shares to fall within the exception, the acquisition must be approved in advance by a resolution passed at a general meeting of the company in which shares will be acquired.

  Accent Resources is seeking shareholder approval for the Proposed Resolution under item 7 of Section 611 of the Act, as the voting power of Rich Mark and its associates will increase from a starting point that is above 20% and below 90%.

- **ASIC Regulatory Guides**

  This report has been prepared in accordance with the ASIC Regulatory Guides and more particularly:

  RG 111 – Content of Expert Reports ("RG111")

  RG 111.24 An issue of shares by a company otherwise prohibited under s606 may be approved under item 7 of s611 and the effect on the company's shareholding is comparable to a takeover bid. Examples of such issues approved under item 7 of s611 that are comparable to takeover bids under Ch 6 include:

  (b) a company issues securities in exchange for cash and, as a consequence, the allottee acquires over 20% of the company. The allottee could have achieved the same or a similar outcome by using a cash-rich entity to make a scrip takeover bid for the company.

RG111.27 There may be circumstances in which the allottee will acquire 20% or more of the voting power of the securities in the company following the allotment or increase an existing holding of 20% or more, but does not obtain a practical measure of control or increase its practical control over that company. If the expert believes that the allottee has not obtained or increased its control over the company as a practical matter, then the expert could take this outcome into account in assessing whether the issue price is 'reasonable' if it has assessed the issue price as being 'not fair' applying the test in RG111.11.

RG111.10 It has long been accepted in Australian mergers and acquisitions practice that the words 'fair and reasonable' in s640 established two distinct criteria for an expert analysing a control transaction:

(a) is the offer 'fair'; and

(b) is it 'reasonable'?

That is, 'fair and reasonable' is not regarded as a compound phrase.

RG111.11 Under this convention, 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[1]. This comparison should be made:

(a) assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length; and

(b) 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. For example, in valuing securities in the target entity, it is inappropriate to apply a discount on the basis that the shares being acquired represent a minority or 'portfolio' parcel of shares.

RG111.12 An offer is 'reasonable' if it is fair. It might also be 'reasonable' if, despite being 'not fair', the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid before the close of the offer.

RG 111 requires that the Proposed Transaction be assessed as if it was a takeover of Accent Resources. In assessing a takeover bid, RG 111 states that the expert should consider whether the proposed transaction is both "fair" and "reasonable".

5.2 General

5.2.1 The terms "fair" and "reasonable" are not defined in the Act, however, guidance as to the meaning of these terms is provided by ASIC in Regulatory Guide 111. For the purpose of this report, we have defined them as follows:

Fairness — the Proposed Transaction is "fair" if the minority value of an Accent Resources share after the Proposed Transaction is equal to or greater than the control value of an Accent Resources share before the Proposed Transaction.

[1] In an ASIC Corporate Finance Liaison presentation in May 2013, ASIC has expressed the view that transactions pursuant to item 7 of Section 611 should be assessed by "comparing the fair market value of the company's shares pre-transaction on a control basis, with the fair market value of the company's shares post-transaction on a minority basis."

Reasonableness — the Proposed Transaction is "reasonable" if it is fair. It may also be "reasonable" if, despite not being "fair" but after considering other significant factors, shareholders should vote in favour of the Proposed Transaction in the absence of a superior proposal being received.

What is fair and reasonable for the Non-Associated Shareholders should be judged in all the circumstances of the proposal.

5.2.2 The methodology that we have used to form an opinion as to whether the Proposed Transaction is fair and reasonable, is summarised as follows:

(i) In determining whether the Proposed Transaction is fair, we have:

- assessed the value of the Accent Resources shares before the Proposed Transaction on a control basis;
- assessed the value of the Accent Resources shares after the Proposed Transaction on a minority basis; and
- compared the assessed value of an Accent Resources share on a control basis before the Proposed Transaction with the assessed value of an Accent Resources share on a minority basis after completion of the Proposed Transaction.

(ii) In determining whether the Proposed Transaction is reasonable, we have considered other significant factors shareholders should review before deciding whether to approve or reject the Proposed Transaction.

(iii) In determining whether the Proposed Transaction is fair and reasonable to the Accent Resources Non-Associated Shareholders, we have considered and concluded upon the results of (i) and (ii) above.

6. Accent Resources – Key Information

6.1. Background

6.1.1 Accent Resources was incorporated on 18 February 2005 and on 26 August 2005 it was listed on the ASX. Accent Resources is a Western Australian based ASX-listed no liability public company which engages in the exploration of mineral properties in Australia. The Company's current focus is on iron ore and gold. Its flagship project is the Magnetite Range project located to the north east of Perth.

6.1.2 Accent Resources' major shareholders are Xingang and Rich Mark. Accent Resources' Board of Directors as of September 2019 is presented in the table below:

Table 5

Accent Resources N.L. Directors/Senior Management	Position
Mr. Yuzi (Albert) Zhou	Executive Chairman, Executive Director
Mr. Dianzhou He	Deputy Chairman
Mr. Jun Sheng Liang	Non-Executive Director
Mr. Jie You	Alternate Director

Source: S&P Capital IQ

6.1.3 As at 30 June 2019 Accent Resources had on issue 181,000,233 fully paid ordinary shares. The major shareholders of Accent Resources are presented in the table below. As at that date, the top 10 shareholders, as recorded on the share register, held 95.26% of the issued ordinary capital of Accent Resources.

Table 6

Accent Resources N.L. Top 10 Shareholders	No. of shares held	% of shareholding
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%
Cui, Bin	9,977,998	5.51%
Li, Li Zhao	2,102,500	1.16%
Willims, Gregory Ian and Willims, Judith Anne	875,000	0.48%
Pears, Tony James and Pears, Lynda Pamela	650,300	0.36%
Tolsutra Pty Ltd	500,000	0.28%
Brownward Pty Ltd	500,000	0.28%
Total for Top 10 shareholders	**172,414,285**	**95.26%**
Other minority shareholders	**8,585,948**	**4.74%**
Total ordinary fully paid shares as at 30 June 2019	**181,000,233**	**100.00%**

Source: Accent Resources' share register

6.1.4 Set out below is an overview of the major investments/projects held by Accent Resources in the recent past:

6.1.4.1 MZI Resources Ltd (3.4%)

Accent Resources acquired 10 million shares in MZI Resources Ltd (ASX:MZI) for a total consideration of $4.0 million on 30 November 2015. On 16 April 2019 MZI Resources Ltd went into Voluntary Administration and has been suspended from official quotation on the ASX.

6.1.4.2 Magnetite Range Iron Ore Project (100%)

The Magnetite Range Iron Ore project is located in the Midwest region of Western Australia, immediately adjacent to the Extension Hill iron ore mine, which contains a total JORC resource of 435 Mt at 31.4% Fe at 15% weight recovery cut off. Diamond hole (MGD045) was completed during 2018 at the Julia Prospect for a total of 131m. MGD045 was designed as a twin test hole located on infill section 10465E. The hole location was restricted to previously cleared survey areas and located close to the tenement boundary between E59/875 and M59/166; located wholly within E59/875; the main Julia target zone was intercepted in drilling; test work and results are pending the completion of the downhole geological zonation exercise.

6.1.4.3 Norseman Gold Project (100%)

The Norseman Gold project occurs within a strongly mineralised portion of the southern Norsemen-Wiluna greenstone belt of the Yilgarn Craton and comprises five Mining Leases and eight Prospecting Licences covering an area of approximately 256 hectares. The project is located 5km south of Norseman in the Dundas Mineral Field. Over 70-80% of the resource is shallow, within 50m of surface. Further work commenced on this project includes a data validation and consolidation exercise to increase 3D geological and metallurgical understanding and increase resources and reduce risk related to some aspects of data quality. An improvement in the geological classification of the contained resources can be expected and precise targeting and drill planning will take place once digital updates have been completed.

6.1.4.4 Arcadia Gold Project (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.

A drill proposal was proposed and granted during 2018 to complete an RC drill program over a high priority conceptual target located on the western edge of Lake Annean and east of previous historical drilling. An extension of term submission was submitted on 20 June 2018 and subsequently rejected by the DMP. This has resulted in the tenement expiring, Accent Resources therefore no longer holds this tenement and drilling has been cancelled.

6.1.5 Both Magnetite Range Iron Ore and Norseman Gold projects are located within Western Australia.

6.2 Statements of financial position

6.2.1 Accent Resources' statements of financial position as at 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 are presented in the table below.

Table 7

Accent Resources NL Statement of financial position	30-Jun-16 Audited $	30-Jun-17 Audited $	30-Jun-18 Audited $	30-Jun-19 Audited $
Current assets				
Cash and cash equivalents	366,101	354,074	354,778	112,005
Short term deposits	-	-	-	250,000
Trade and other receivables	5,922	7,049	7,683	15,742
Total current assets	372,023	361,123	362,461	377,747
Non-current assets				
Property, plant and equipment	30,471	122,194	111,970	102,146
Exploration and evaluation assets	3,750,156	3,919,394	4,167,067	3,083,524
Available-for-sale financial assets	2,500,000	2,000,000	760,000	-
Total non-current assets	6,280,627	6,041,588	5,039,037	3,185,670
Total assets	6,652,650	6,402,711	5,401,498	3,563,417
Current liabilities				
Trade and other payables	132,542	93,855	119,713	128,254
Provisions	67,166	90,163	129,947	128,373
Total current liabilities	199,708	184,018	249,660	256,627
Non-current liabilities				
Borrowings	3,114,030	4,350,175	5,209,661	6,727,493
Total non-current liabilities	3,114,030	4,350,175	5,209,661	6,727,493
Total liabilities	3,313,738	4,534,193	5,459,321	6,984,120
Net assets	3,338,912	1,868,518	(57,823)	(3,420,703)
Equity				
Issued capital	29,058,955	29,058,955	29,058,955	29,058,955
Parent and shareholder contribution	1,095,277	1,237,982	1,886,126	2,041,776
Reserves	(1,500,000)	-	-	(760,000)
Accumulated losses	(25,315,320)	(28,428,419)	(31,002,904)	(33,761,434)
Total equity	3,338,912	1,868,518	(57,823)	(3,420,703)

Source: Accent Resources' financial reports

6.2.2 Set out in the table below is a breakdown of ‘borrowings’ as at 30 June 2019:

Table 8

Accent Resources NL Loans as at 30 June 2019	Date	"Borrowings" $	Remarks
Loans from shareholders:			
Xingang Resources (HK) Ltd	18-Oct-15	3,724,729	The loan has been extended to 31 December 2021
Total from Xingang Resources (HK) Ltd		**3,724,729**	
Rich Mark Development (Group) Pty Ltd	28-Aug-16	1,070,661	The loan has been extended to 31 August 2022
	17-Aug-17	930,704	The loan has been extended to 19 August 2021
	26-Jul-18	1,001,397	The loan is due on 31 July 2021
Total from Rich Mark Development (Group) Pty Ltd		**3,002,762**	
Total as at 30 June 2019		**6,727,491**	

Source: Accent Resources’ financial report for FY19 and loan agreements

6.2.3 The loans set out in Table 8 above do not include accrued interest.

6.2.4 On 2 July 2019 Accent Resources entered into a loan agreement with Rich Mark to borrow an additional $2 million. For details of the new loan signed in July 2019, please refer to paragraph 2.2.2.

6.3 Financial performance

6.3.1 Accent Resources’ statements of profit and loss for the years ended 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 are presented in the table below.

Table 9

Accent Resources NL Statement of Profit and Loss and other Comprehensive Income	FY16 Audited $	FY17 Audited $	FY18 Audited $	FY19 Audited $
Revenue From Continuing Operations				
Interest income	36,972	10,337	13,932	12,762
Commission received	47,475	-	-	-
Other income	12,385	18,088	-	-
Total revenue	96,832	28,425	13,932	12,762
Expenses				
Administration expenses	(222,811)	(206,734)	(204,320)	(225,365)
Depreciation	(6,245)	(8,790)	(13,243)	(10,061)
Occupancy expenses	(60,188)	(58,756)	(43,810)	(45,413)
Directors fees	(269,960)	(196,376)	(122,792)	(129,231)
Finance costs	(209,307)	(413,656)	(551,219)	(685,700)
Other expenses	(30,457)	(35,784)	(56,462)	(44,017)
Write-off of exploration expenditure	(28,024)	-	-	-
Impairment of exploration expenditure	(209,936)	(221,428)	(356,571)	(1,631,505)
Impairment of available for sale financial assets	-	(2,000,000)	(1,240,000)	-
(Loss) before income tax from continuing operations	**(940,096)**	**(3,113,099)**	**(2,574,485)**	**(2,758,530)**
Income tax benefit	-	-	-	-
(Loss) after income tax expense for the period	**(940,096)**	**(3,113,099)**	**(2,574,485)**	**(2,758,530)**
Other comprehensive income/(loss)	(1,500,000)	1,500,000	-	(760,000)
Total comprehensive loss attributable to the members of the company	**(2,440,096)**	**(1,613,099)**	**(2,574,485)**	**(3,518,530)**

Source: Accent Resources’ financial reports

6.4 Cash flow statements

6.4.1 Accent Resources' statements of cash flows for the years ended 30 June 2016, 30 June 2017, 30 June 2018 and 30 June 2019 are presented in the table below.

Table 10

Accent Resources NL Statement of cash flows	FY16 Audited $	FY17 Audited $	FY18 Audited $	FY19 Audited $
Cash flows from operating activities				
Commission received	47,475	-	-	-
Payments to suppliers and employees	(594,139)	(449,304)	(395,450)	(456,984)
Interest received	36,972	10,337	13,932	12,762
Net cash used in operating activities	(509,692)	(438,967)	(381,518)	(444,222)
Cash flows from investing activities				
Proceeds from sale of plant and equipment	16,900	24,500	-	-
Payments for plant and equipment	(699)	(117,402)	(5,901)	(2,650)
Payments for exploration and evaluation	(408,997)	(480,158)	(611,877)	(545,901)
Payments for financial assets	(4,000,000)	-	-	-
Net cash used in investing activities	(4,392,796)	(573,060)	(617,778)	(548,551)
Cash flows from financing activities				
Proceeds from borrowings	4,000,000	1,000,000	1,000,000	1,000,000
Net cash from financing activities	4,000,000	1,000,000	1,000,000	1,000,000
Net increase/(decrease) in cash held	**(902,488)**	**(12,027)**	**704**	**7,227**
Cash at the beginning of the financial period	1,268,589	366,101	354,074	354,778
Cash at the end of the financial period	**366,101**	**354,074**	**354,778**	**362,005**

Source: Accent Resources' financial reports

7. Valuation of an Accent Resources Share Before the Proposed Transaction

7.1 Value definition

7.1.1 PKF Corporate's valuation of Accent Resources is on the basis of 'fair market value', defined as:

'the price that could be realised 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

7.2.1 We have reviewed the financial information of Accent Resources and note that the Proposed Transaction will provide Accent Resources with sufficient funding to continue in business and, as such, the valuation of Accent Resources has been prepared on the premise of a going concern.

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

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

7.3 Share price history

7.3.1 The share price history valuation methodology values a company based on the past trading in its shares. We normally analyse 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.

7.3.2 As the share price history of Accent Resources will incorporate all publicly available information, we consider that the share price history is an appropriate methodology to consider in assessing the value of Accent Resources.

7.3.3 Set out below is a table setting out all the trades in Accent Resources shares since 16 September 2018:

Table 11

Date	Share price High $	Share price Low $	Share price Close $	Volume No	Value $
15/11/2018	0.008	0.008	0.008	100,000	800
23/11/2018	0.006	0.006	0.006	325,656	1,954
30/01/2019	0.006	0.006	0.006	60,000	360
13/02/2019	0.006	0.006	0.006	181,856	1,091
26/02/2019	0.006	0.006	0.006	28,000	168
11/04/2019	0.006	0.006	0.006	140,000	840
16/05/2019	0.006	0.006	0.006	144	1
7/06/2019	0.006	0.006	0.006	11,856	71
13/08/2019	0.004	0.004	0.004	10,000	40
23/08/2019	0.003	0.003	0.003	10,000	30
27/08/2019	0.003	0.003	0.003	20,000	60
Total				**887,512**	**5,415**

Source: CommSec's website

7.3.4 As can be seen from the above table:

- the total volume of shares traded over the period of approximately 1 year was only 887,512 shares and this represents 0.5% of the shares on issue;
- the shares have only traded on 11 days; and
- there have been no trades since 27 August 2019.

7.3.5 In view of the above information, we have concluded that the Accent Resources shares are illiquid and only limited weight can be given to the share price evidence provided by past trades on the ASX.

7.3.6 Despite the above finding we note that the volume weighted average share price ("VWAP") of the Accent Resources shares traded on the ASX over the past year was $0.006 per share, however the more recent trades were transacted at $0.003 per share.

7.3.7 Set out in the table below is a summary of announcements made during the previous 12-month period:

Table 12

Date	FY19 Price sensitive announcements - ACS
22/08/2018	Response to ASX 5B Query
28/09/2018	Annual report to shareholders
28/09/2018	Notice of annual general meeting/proxy form
30/10/2018	September quarter activities report
5/11/2018	Results of meeting
30/01/2019	Quarterly activities report
30/01/2019	Quarterly cashflow report
13/03/2019	Half year accounts
26/04/2019	Quarterly activities report
26/04/2019	Quarterly cashflow report
30/07/2019	Quarterly cashflow report
30/07/2019	Quarterly activities report
18/09/2019	Full year statutory accounts
18/09/2019	Appendix 4G
18/09/2019	Full year statutory accounts (incl Auditors Letter)

Source: ASX website

7.3.8 Share prices reflect trades of small parcels of shares that do not incorporate a 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. 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.

7.3.9 We would usually apply a control premium to the share prices at which the shares have traded on the ASX in order to estimate the value of a company on a control basis. However, given the low liquidity of Accent Resources' shares, we have concluded that little weight can be given to the share price history valuation methodology and we have not completed this exercise.

7.3.10 After analysis of the information above, we have concluded that we are unable to apply the share price history valuation methodology in our valuation of Accent Resources.

7.4 Capitalisation of future maintainable earnings

7.4.1 Capitalisation of earnings is a method commonly used for valuing manufacturing and service companies and, in our experience, is the method most widely used by purchasers of such businesses. This method involves capitalising the 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.

7.4.2 As Accent Resources does not have a history of profitable trading, we consider that the capitalisation of maintainable earnings is not an appropriate methodology to use to value the Accent Resources shares.

7.5 Net present value of future cash flows

7.5.1 An analysis of the net present value of the projected cash flows of a business and/or asset (or discounted cash flow technique) is based on the premise that the value of the business and/or asset 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 and/or asset remaining at the end of the forecast period.

7.5.2 Accent Resources generated negative cash flows from operations during the financial years ended 30 June 2016, 2017, 2018 and 2019 (refer to Section 6.4 of this report) and it does not currently generate any operating revenues.

7.5.3 Accent Resources' major assets are capitalised exploration and evaluation costs in relation to the Magnetite Range Iron Ore project and the Norseman Gold project. Both projects are still in the exploration stage with no mineral reserves. Accent Resources therefore cannot be valued using the net present value of the future cash flows methodology as there is a lack of certainty as to the quantum and timing of cash flows that may be derived from these projects in the future. During the financial year ended 30 June 2019, the exploration and evaluation expenditure relating to the Meekatharra (Arcadia) project was fully impaired to nil due to expiry of the tenement. Accent Resources no longer holds the tenement and drilling has been cancelled.

7.6 Asset based methods

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

7.6.1.1 <u>Net assets</u>

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.

The net assets of Accent Resources as at 30 June 2019 as per the annual report were negative $3,420,703 (refer to Table 7). Accent Resources' major assets are exploration and evaluation costs incurred for the projects, which have been carried at historical cost, less impairment.

The ultimate recoverability of these costs carried forward is dependent on the successful development and commercial exploitation, or the sale of the projects. Accordingly, the book value of Accent Resources' non-current assets may not reflect the market value of these assets.

In light of this we have engaged Mining One Pty Ltd ("Mining One") to assist us in assessing the value of Accent Resources' projects. A full copy of Mining One's technical valuation report is set out as Attachment 1 to this report. We have reviewed Mining One's technical valuation report and provide in the table below an extract of the technical valuation.

Table 13

Accent Resources NL Summary of valuation					
			Valuation A$millions		
Projects	**Asset**	**Equity**	**Low**	**Preferred**	**High**
Magnetite Range Iron Ore	Exploration	100%	1.0	2.7	4.3
Norseman Gold	Exploration	100%	2.8	4.1	5.3
Total			**3.8**	**6.8**	**9.6**

Source: Mining One report

As can be seen from the table above, Mining One has provided a preferred technical value of $6.8 million in relation to the Magnetite Range Iron Ore and Norseman Gold projects of Accent Resources. In light of the wide low and high range provided by Mining One, we have adopted the preferred technical value of $6.8 million. In our opinion, the provision of a single value does not appropriately reflect the uncertainty inherent in any valuation. To allow for this uncertainty, we have used a range of plus and minus 10% around the preferred value to develop a value range of $6.12 million to $7.48 million.

Accent Resources holds 10 million shares in MZI Resources Limited ("MZI"). These shares were acquired for $4.0 million in late 2015. MZI was placed in voluntary administration in April 2019. Just prior to trading being suspended on the ASX in March 2019, the MZI shares traded at $0.016 per share, placing a value of $160,000 on Accent resources' investment. Accent resources impaired this investment to nil value in its 30 June 2019 financial statements. We attempted to assess whether any residual value remains in this investment. To date the Voluntary Administrator is yet to issue a report to creditors and in the absence of any reliable financial information, we have placed no value on the investment in MZI.

The table below shows the adjustments reflecting the valuation of the Magnetite Range Iron Ore and Norseman Gold projects determined by Mining One. Part 1 of Table 14 shows the adjustment to remove the book value and Part 2 shows the valuation of the projects.

Table 14

Accent Resources NL Financial Position	30-Jun-19 Audited $	Adjustments Part 1 $	 Part 2 (low) $	 Part 2 (high) $	Adjusted Balance Low $	Adjusted Balance High $
Current assets						
Cash and cash equivalents	112,005				112,005	112,005
Short term deposits	250,000				250,000	250,000
Trade and other receivables	15,742				15,742	15,742
Total current assets	377,747				377,747	377,747
Non-current assets						
Property, plant and equipment	102,146				102,146	102,146
Exploration and evaluation assets	3,083,524	(3,083,524)	6,120,000	7,480,000	6,120,000	7,480,000
Available-for-sale financial assets	-				-	-
Total non-current assets	3,185,670				6,222,146	7,582,146
Total assets	3,563,417				6,599,893	7,959,893
Current liabilities						
Trade and other payables	128,254				128,254	128,254
Provisions	128,373				128,373	128,373
Total current liabilities	256,627				256,627	256,627
Non-current liabilities						
Borrowings	6,727,493				6,727,493	6,727,493
Total non-current liabilities	6,727,493				6,727,493	6,727,493
Total liabilities	6,984,120				6,984,120	6,984,120
Net assets	(3,420,703)				(384,227)	975,773

Source: Accent Resources' FY19 financial report & PKF Corporate analysis

Accent Resources currently has 181,000,233 ordinary shares on issue. Based on this approach Accent Resources shares have a net asset backing in a range of **nil to $0.0054 per share**.

7.6.1.2 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.

Given the additional loan made available by Rich Mark to Accent Resources on 2 July 2019, we do not consider that an orderly realisation of its assets is an appropriate valuation methodology to use in assessing the value of the Accent Resources shares at this point in time.

7.6.1.3 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.

We consider that this methodology is an inappropriate valuation methodology to use as Accent Resources has existing borrowing capacity.

7.7 Comparable market transactions

7.7.1 Industry specific methods estimate market values using rules of thumb for a particular industry. Generally, rules of thumb provide less persuasive evidence of the market value of an asset than other valuation methods because they may not account for specific factors.

7.7.2 This valuation methodology could not be applied directly to valuing the Accent Resources shares, however this valuation methodology has been utilised by Mining One in assessing the value of the exploration projects held by Accent Resources.

7.8 Alternate acquirer

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

7.8.2 We are not aware of any offers for the Accent Resources shares and as a result we are unable to apply this valuation methodology.

7.9 Conclusion – value of an Accent Resources share

7.9.1 The results of the valuation methodologies that we have been able to apply are summarised in the table below.

Table 15

Accent Resources N.L. Value of an Accent Resources Share	Ref	Value per share Low $	 High $
Valuation Methodology			
Net assets	7.6.1.1	-	0.005

7.9.2 We note that the net asset approach has resulted in a value between nil and $0.005 per share. As explained in section 7.3 above, the market in Accent Resources' shares is illiquid and little weight can be given to the results of the share price history valuation methodology.

7.9.3 As can be seen from Table 15, the net asset value is in a range of nil to $0.005 per share. Whilst we would generally adopt a value range, as the high value only represents 0.5 of one cent, we have adopted the high value of $0.005 as the most appropriate estimate of the value of an Accent Resources share at this point in time. As this value is derived from the net asset valuation methodology, it is a control value.

8. Valuation of an Accent Resources Share after the Proposed Transaction

8.1 The convertible note will provide Rich Mark with a future right (but not an obligation) to exchange the principal amount and accrued interest for Accent Resources shares. Rich Mark will have the right to convert the outstanding amount at six-monthly intervals whilst the convertible note remains on issue. Accordingly, whilst Rich Mark will have the right to convert, there is no certainty that this right will be exercised and, if exercised, when this may occur.

8.2 We believe that a rational investor would only exercise their right and convert the debt to Accent Resources shares if the conversion price was lower than the prevailing share price of Accent Resources' shares on the ASX. Therefore, it would be reasonable to assume that Rich Mark will not convert the note until the share price is at or above $0.02 per share.

8.3 In considering the potential impact on the Non-associated Shareholders, the most appropriate date to assess the value of shares in Accent Resources post the Proposed Transaction is at or around the time when the note is assumed to be converted and the associated voting rights of Rich Mark increase. As at the date of this report, we are unable to predict when, and indeed if, the note will be converted and further, cannot predict the underlying share price of Accent Resources at that unknown date.

8.4 As such, we consider that at the date of this report the strategic rationale for the Proposed Transaction, together with consideration of the relativity of the conversion price compared to the recent trading share price of Accent Resources and of the wider terms of the note and the consideration of the relative advantages afforded by approving the Proposed Transaction, to be of more relevance to the Non-associated Shareholders.

8.5 However, in accordance with RG111, to assess the fairness of the Proposed Transaction we have considered the value of a share in Accent Resources prior to the issue of the note on a controlling interest basis and compared this to the pro forma minority interest value of a share in Accent Resources immediately post the Proposed Transaction under two scenarios, being no conversion and full conversion.

8.6 It follows from the above that, if the assessed value of a share in Accent Resources prior to the issue of the note on a controlling interest basis is lower than the assessed pro forma minority interest value of a share in Accent Resources immediately post the Proposed Transaction under the two scenarios, the Proposed Transaction would be considered to be fair and as such reasonable.

8.7 As explained in paragraph 8.5, we are obliged to assess the value of an Accent Resources share before the Proposed Transaction on a control basis (even though Rich Mark and its associates already control 69.75% of the voting power of Accent Resources). In paragraph 7.9.2 we assessed this value to be $0.005 per share. As the Non-associated Shareholders will hold minority shares after the Proposed Transaction, the first step in assessing the pro forma minority interest value is to apply a minority discount.

8.8 A minority discount is the reciprocal of a control premium. Whilst there are no ready statistics of minority discounts, there is research around control premia derived from past transactions. In assessing a typical control premium, we have relied on the relevant matrix from the 'RSM Control Premium Study – 2017':

Table 16

Analysis by	Criteria	Control premium 20 days pre-announcement Average	Median
All transactions		34.50%	27.00%
Industry	Metals & Mining	35.80%	30.00%
Consideration type	Cash	36.90%	29.60%
Toehold prior to announcement	>50%	35.31%	24.29%
Size	<= $25m	46.80%	34.20%

Source: RSM Control Premium Study - 2017

8.9 We note that the above research sets out statistical information about control premia paid and, as such, includes an unknown uplift on account of potential acquisition synergy benefits. We are of the opinion that the control premium for a transaction that did not include expected synergies would be lower than those in the table above. Accordingly, we have assumed that the control value expressed in Table 16 above incorporates a control premium in the range of 22% to 28%. This level of control premium corresponds to a minority discount in a range of 18.0% to 22.0%.

8.10 After applying a minority discount of 18.0% to 22.0% to the control value of $0.005 per share, the minority share price is reduced to approximately $0.004 per share.

8.11 <u>No conversion scenario</u>

8.11.1 The Proposed Transaction provides Rich Mark with an option to acquire shares in Accent Resources at a fixed conversion price of $0.02 per share. The value of the option effectively transfers value from the other shareholders to the holder of the option. We have assessed the option value using the Black Scholes option valuation model and the following inputs:

Current minority share price	$0.004
Volatility	84.0%
Time to maturity	3 years
Risk free interest rate	0.59%
Exercise price	$0.02

8.11.2 Based on the above inputs, the option has a value of $0.001 per share and this effectively reduces the residual share value held by the Non-associated Shareholders to $0.003 per share.

8.11.3 Adopting the approach described above, we have assessed the pro forma value of a share in Accent Resources on a minority interest basis assuming that the note has been issued and that no conversion has occurred at $0.003 per share.

8.12 <u>Full conversion scenario</u>

8.12.1 We have then assessed the pro forma value of a share in Accent Resources on a minority interest basis assuming that the note has been fully converted immediately post the Proposed Transaction.

8.12.2 The additional steps we have taken to assess this value are as follows:

- Removed the amount of debt taken on by the Company through the issue of the note (as assumed to have been replaced by equity);
- Adjusted the number of shares outstanding by the number of new shares assumed to have been issued upon full conversion of the note;
- Calculated an implied pro forma value of a share in Accent Resources by dividing the ‘Adjusted Equity Value’ by the adjusted number of shares outstanding post the assumed conversion of the note; and

- Applying a minority discount to the resultant pro-rata value.

8.12.3 Adopting the approach described above, we have assessed the pro forma value of a share in Accent Resources on a minority interest basis assuming that the note has been issued and that conversion has now occurred at between $0.009 to $0.012 per share. We have shown our calculation in the table presented below.

Table 17

Accent Resources NL Financial Position	Notes	Low	High
Net Assets before the Proposed Transaction	Table 14	$ (384,227)	$ 975,773
Conversion of face value of loans	Table 2	$ 5,000,000	$ 5,000,000
Conversion of accrued interest on existing loans	Table 2	$ 390,297	$ 390,297
Net Assets after the Proposed Transaction		5,006,070	6,366,070
Number of shares on issue after the Proposed Transaction	Note 1	450,515,088	450,515,088
Pro-rata value per share		$ 0.011	$ 0.014
Minority interest discount	8.10	22%	18%
Minority share value		$ 0.009	$ 0.012

Source: PKF Corporate analysis

Note 1: the number of shares on issue after the Proposed Transaction in the above table is based on the current shares on issue and the assumption that only the face value of the loans plus accrued interest up to 6 December 2019 (assumed date of issue of the convertible note) will be converted. This differs from Table 4, which shows the maximum dilution on the assumption that interest accrued during the term of the convertible note will also be converted into shares. This approach is based on the assumption that full conversion occurs immediately and hence no interest woud have accrued on the convertible note.

9. Assessment as to Fairness

9.1 The Proposed Transaction is 'fair' if the minority value of the shares held by the Non-Associated Shareholders' in Accent Resources after the Proposed Transaction is equal to or greater than the control value of the shares in Accent Resources before the Proposed Transaction.

9.2 In Section 7 we assessed the value of an Accent Resources share on a control basis before the Proposed Transaction at $0.005 per share.

9.3 In Section 8 we assessed the value of an Accent Resources share on two alternate bases, namely:

a) that the convertible note will not be converted until some indeterminate time in the future (no conversion scenario); and
b) the convertible note will be converted immediately after the Proposed Transaction is approved (full conversion scenario).

9.4 Based on the no conversion scenario, we assessed the value of an Accent Resources share after the Proposed Transaction on a minority interest basis at $0.003 per share. As the minority value after the Proposed Transaction ($0.003) is less than control value before the Proposed Transaction ($0.005), when assessed on this basis, the Proposed transaction is not fair.

9.5 Based on the full conversion scenario, we assessed the value of an Accent Resources share after the Proposed Transaction on a minority interest basis to be in a range of $0.009 to $0.012 per share. As the minority value after the Proposed Transaction ($0.009 to $0.012) is greater than control value before the Proposed Transaction ($0.005), when assessed on this basis, the Proposed transaction is fair.

9.6 As can be seen from paragraphs 9.4 and 9.5, different conclusions emerge, depending under which scenario the Proposed Transaction is assessed. In our opinion it is highly unlikely that Rich Mark will exercise its conversion right immediately on approval of the Proposed Transaction as the conversion price of $0.02 per share is significantly out of the money. For this reason, we have decided to assess the Proposed Transaction on the assumption of a no conversion, and we have therefore concluded that the Proposed Transaction is **not fair**.

10. Assessment as to Reasonableness

10.1 Prior to deciding whether to approve or reject the Proposed Transaction, the Accent Resources shareholders should also consider the following significant factors:

- In Section 9 we assessed the Proposed Transaction to be not fair.
- Our conclusion that the Proposed Transaction is not fair is based on a control value of a share in Accent Resources before the Proposed Transaction and a minority value of an Accent Resources share after the Proposed Transaction. This approach is mandated by RG 111. As demonstrated in Table 3, the Non-associated Shareholders currently only hold 30.25% of Accent Resources' voting power and they are effectively already in a minority position.
- As can be seen from Table 7, Accent Resources has a deficiency of net assets of approximately $3.4 million and it is not in a position to borrow from conventional sources. Given its low share price and minimal liquidity in the market for its shares, it is also not in a position to raise capital. The existing loans from Rich Mark mature at various dates as set out in Table 8. Approval of the Proposed Transaction will defer the due date for repayment of the principal for three years from the date of issue of the convertible note.
- We believe that the commercial substance of the Proposed Transaction is the giving of an option to Rich Mark to convert its loan and accrued interest into Accent Resources shares in three years at $0.02 per share, in return for which Rich Mark has deferred the maturity date of a number of its existing loans to Accent Resources. Given the current structure of the Accent Resources share register and its current financial position, we believe that this is a reasonable proposition to the Non-associated Shareholders.

10.2 Based on the above, we consider that the advantages of the Proposed Transaction outweigh the disadvantages of the Proposed Transaction, and for this reason, we consider that the Proposed Transaction is **reasonable** for the Non-Associated Shareholders of Accent Resources.

11 Assessment as to Fairness and Reasonableness

11.1 After considering the above matters, we have concluded that the Proposed Transaction is **not fair but is reasonable.**

12 Financial Services Guide

12.1 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.

PKF Corporate

12.2 PKF 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.

Financial Services Offered by PKF Corporate

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

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

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

General Financial Product Advice

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

12.7 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.

Independence

12.8 At the date of this report, none of PKF Corporate, Mr Paul Lom nor Mr Steven Perri have any interest in the outcome of the Proposed Transaction, nor any relationship with Accent Resources or any of their associates.

12.9 Drafts of this report were provided to and discussed with the management of Accent Resources and its advisers. Certain changes were made to factual statements in this report as a result of the reviews of the draft reports. There were no alterations to the methodology, valuations or conclusions that have been formed by PKF Corporate.

12.10 PKF Corporate and its related entities do not have any shareholding in or other relationship with Accent Resources that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

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

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

PKF

Remuneration

12.13 PKF Corporate is entitled to receive a fee of approximately $30,000 for the preparation of this report. With the exception of the above, PKF Corporate will not receive any other benefits, whether directly or indirectly, for or in connection with the making of this report.

Complaints Process

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

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

12.16 PKF 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 Australian Financial Complaints Authority – GPO Box 3, Melbourne Vic 3000.

Yours faithfully

PKF Melbourne Corporate Pty Ltd

Paul Lom

Paul Lom
Director

Steven Perri
Director

Appendix A

Accent Resources N.L.

Sources of Information

The key documents we have relied upon in preparing this report are:

- Accent Resources’ Annual Reports – 30 June 2017, 2018 and 2019;
- Accent Resources’ Half Year Report – 31 December 2018;
- Accent Resources’ loan register as at 10 July 2019;
- Accent Resources’ share register as at 30 June 2019;
- Various loan agreements entered into between Accent Resources and Rich Mark;
- Draft Notice of annual general meeting;
- Draft Convertible Note Deed dated 10 October 2019;
- Technical valuation report prepared by Mining One Pty Ltd;
- Research data from publicly accessible websites; and
- Discussions with the management of Accent Resources.

Appendix B

Accent Resources N. L.

Declarations, Qualifications and Consents

1. Declarations

This report has been prepared at the request of the Directors of Accent Resources pursuant to Section 611 and Chapter 2E of the Act to accompany the notice of meeting of shareholders to approve the Proposed Transaction. 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 Proposed Transaction is fair and reasonable.

This report has also been prepared in accordance with RG 111 'Content of Expert's Reports' and RG 112 'Independence of Experts' together 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.

Mining One is to be paid a fee of approximately $19,600 plus GST for the preparation of its specialist technical report dated 7 October 2019. Mining One has consented to the inclusion of statements made by it, or based on statements made by it, or statements or information extracted or derived from its update report.

2. Qualifications

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

Mr Lom is a Fellow of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist) 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.

Mr Steven Perri, a director of PKF Corporate reviewed this report. Mr Perri is a Member of Chartered Accountants Australia and New Zealand (CAANZ) and an Accredited Business Valuation Specialist (CA BV Specialist).

3. Consent

PKF Corporate consents to the inclusion of this report in the form and context in which it is included in the Explanatory Memorandum.

TECHNICAL VALUATION OF

THE MINERAL ASSETS

of

ACCENT RESOURCES NL

Job No.	2673_G
Doc No.	5979_Final
Date:	October 2019
Prepared by:	M Conan-Davies S Hutchin

Mining One Pty Ltd
Level 9, 50 Market Street
Melbourne VIC 3000
Ph: 03 9600 3588
Fax: 03 9600 3944

Quality
ISO 9001
SAI GLOBAL

FINAL REPORT

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APPENDICES

EXECUTIVE SUMMARY

PKF Melbourne Corporate Pty Ltd (PKF) has commissioned Mining One Pty Ltd (Mining One) to prepare a Technical Assessment Report (Report) containing an Independent Technical Valuation of the various mineral assets controlled by Accent Resources N.L (Accent Resources).

This Report is for use in an Independent Expert Report (IER) to be included in an Explanatory Memorandum to assist shareholders of Accent in their decision whether or not to agree to a resolution to issue convertible notes to Rich Mark Development Group Pty Ltd.

Key projects controlled by Accent are;

- The Magnetite Range Iron Ore Project in the Mid-West district, Western Australia
- The Norseman Gold Project located in the Norseman area of Western Australia.

A technical review was completed using the project data supplied by Accent that included resource estimation, optimisation, detailed tenement schedules and technical reviews relating to the projects.

The projects were classified as a combination of advanced exploration and pre-development projects under the JORC 2012 and VALMIN 2015 guidelines for project description.

Mining One utilised a combination of the Kilburn Geoscience Rating, Comparable transaction and Yardstick valuation methods to ascribe a technical value to the projects. The technical valuation determined for all projects was estimated to range between $3.7 M and $9.5M with a preferred value of $6.8M.

The valuation summary is shown in the table below.

SUMMARY VALUATIONS	Magnetite Range Project (MRP)	Valuation		
		Min	**Max**	**Preferred**
Magnetite Range Deposit	Comparable Resource Transactions	0.2	2.9	1.6
Magnetite Range Deposit	Comparable Enterprise Valuations	1.5	4.9	3.3
MRP Deposit Average		**0.9**	**3.9**	**2.4**
MRP Exploration Assets	Geoscientific (Kilburn) Valuation	0.1	0.4	0.3
Total Magnetite Range		**1.0**	**4.3**	**2.7**

SUMMARY VALUATIONS	Norseman Project	Valuation		
		Min	**Max**	**Preferred**
Norseman Gold Project	Comparable Resource Transactions	1.3	3.5	2.6
Norseman Gold Project	Comparable Enterprise Valuations	1.3	4.1	2.6
Norseman Gold Project	Comparable Mining Lease Valuation	0.4	3.1	1.6
Norseman Gold Project	DCF	8.1	10.4	9.5
Norseman Gold Project Average		**2.8**	**5.3**	**4.1**
Norseman Gold Project	*Yardstick Valuation Check*	*1.9*	*4.6*	*3.3*

	Min	Max	PREFERRED
TOTAL ACCENT RESOURCES VALUATION	3.8	9.6	**6.8**

S Hutchin
Geology Manager
MINING ONE PTY LTD

M Conan-Davies
Consulting Geologist
MINING ONE PTY LTD

G Davison (Project Reviewer)
MD/Principal Mining Engineer
MINING ONE PTY LTD

1 INTRODUCTION

1.1 Commission and Scope

PKF Melbourne Corporate Pty Ltd (PKF) has commissioned Mining One Pty Ltd (Mining One) to prepare a Technical Assessment Report (Report) containing an Independent Technical Valuation of the various mineral assets controlled by Accent Resources N.L (Accent Resources).

The VALMIN Code 2015 defines a Technical Value as "an assessment of a Mineral or Petroleum Asset's future net economic benefit at the Valuation Date under a set of assumptions deemed most appropriate by an Expert or Specialist, excluding any premium or discount to account for such factors as market or strategic considerations"

A "Fair Market Value" is defined within the VALMIN Code 2015 as the "value of a Mineral or Petroleum Asset or Security. It is the amount of money determined by the Expert in accordance with the provisions of the VALMIN Code for which the Mineral or Petroleum Asset or Security should change hands on the Valuation Date in an open and unrestricted market between a willing buyer and a willing seller in an ""arm's length"" transaction, with each party acting knowledgeably, prudently and without compulsion. Value is usually comprised of two components, the underlying or "Technical Value" of the Mineral Asset or Security, as defined by the Technical Value, and a premium or discount relating to market, strategic or other considerations"

This report is a Technical Assessment Report as defined in the VALMIN Code and has also been prepared in accordance with the requirements of the Australian Securities and Investments Commission Regulatory Guides 111 and 112 (ASIC, 2011).

1.2 Applicability of the VALMIN Code and JORC Guidelines

1.2.1 Background

This valuation report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets, also referred to as the VALMIN Code (2015).

The VALMIN Code is prepared by the VALMIN Committee, a joint committee of the AusIMM (Australasian Institute of Mining and Metallurgy) and AIG (Australian Institute of Geoscientists) and MICA (Mineral Industry Consultants Association).

PKF, as the Independent Expert, has obtained from Accent Resources, (the Commissioning Entity), verbal confirmation that it will comply with the requirements of Clauses 3.1, 4.1 and 4.2 of the VALMIN Code. These clauses relate to independence of the Commissioning Entity from the Independent Expert and the Specialist (i.e. Mining One), and the transparency of all reporting by PKF and Mining One.

1.2.2 Relevant Extracts

Other relevant sections of the VALMIN Code are as follows:

VALMIN Clause 6.2: The Expert and/or Specialists "*must enter into a written agreement with the Commissioning Entity…"* Accent Resources has a written agreement with the Independent Expert (PKF), who in turn have a written agreement with the Specialist (Mining One).

VALMIN Clause 6.3: "Fees or the provision of further work to the Practitioner must not be dependent on;

(a) Conclusions of the Technical Report;

(b) Success or failure of the reason for which the Public Report was commissioned

Time and cost constraints *"must not be permitted to compromise fundamental compliance with the requirements of the VALMIN Code. Any restrictions so caused to the depth of analysis or the extent of detail required must be recorded in the report."*

Whilst strict compliance with Clause 6.2 has not occurred, the following should be noted:

- Accent Resources has given Mining One verbal assurance about the extent of the data provided, and has verbally explained the scope and purpose of the report. This aspect is not considered to be in contravention of Clause 6.2
- Site visits were not made, however Accent Resources have made available all relevant and material documentation for project valuation and therefore not considered to be in contravention of Clause 6.2 due to the location of the projects, the data provided.

1.3 Independence, Qualifications and Experience

Mining One Pty Ltd is an independent private consulting company which has been providing consulting services to the international and local mining industry since 2005.

This valuation report has been prepared by Mr S Hutchin and Mr M Conan-Davies and was subsequently reviewed by Mr G Davison.

Mr Hutchin is a geologist BSc, with over 21 years of experience in the mining industry and is a member of the Australian Institute of Geoscientists. Mr Hutchin does not have any significant pecuniary or beneficial interest in Accent Resources, or in the outcome of the valuation Mr Hutchin is appropriately qualified and experience to act in the following capacities:

- A Competent Person as defined in the JORC Code (2012).
- An Independent Expert as defined in the VALMIN Code & ASIC Reg Guide 111 and 112.

Mr Conan-Davies is a Geologist and Mineral Economist, with over 30 years of experience in the mining industry and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Conan-Davies does not have any pecuniary or beneficial interest in Accent Resources, or in the outcome of the valuation. Mr Conan-Davies is appropriately qualified and experienced to act in the following capacities:

- A Competent Person as defined in the JORC Code (2012).
- An Independent Expert as defined in the VALMIN Code & ASIC Reg Guide 111 and 112.

1.4 Disclaimer

This report was prepared using data and information which were available to Mining One at the time of writing. It is based on data provided which is understood to be suitably representative of the various mineral properties and projects held by Accent Resources and its subsidiaries. This report is provided for the use of PKF, and should only be reproduced, pending relevant consent by Mining One Pty Ltd, in whole and not in part.

2 PROJECT TECHNICAL SUMMARIES

2.1 Norseman Gold Project

The Norseman Gold Project is 100% owned by Accent Resources.

2.1.1 Project Location

The Norseman Gold Project is located in Western Australia, approximately 5km south of Norseman, and benefits from excellent access to roads, power, water and labour.

Figure 2-1: Norseman Gold Project Location

2.1.2 Tenure

The Norseman project comprises five Mining Leases and eight Prospecting Licences covering an area of approximately 256 hectares and is located 5km south of Norseman in the Dundas Mineral Field.

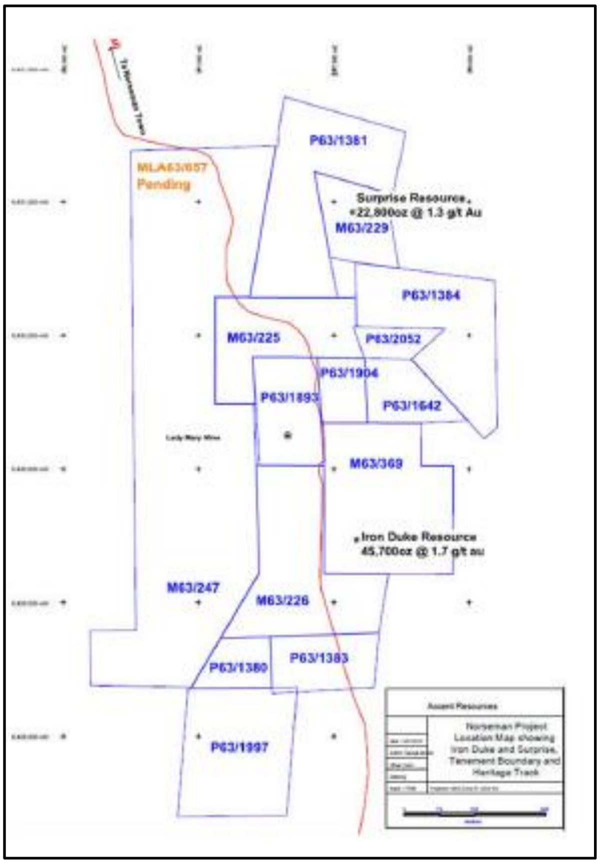

Table 2-1 : Norseman Gold Project Tenure Plan

Tenement	Type	Area (Ha)	Exp Commitment	Rent $
M63/0229	Mining Lease	8	10,000	150
P63/1997	Prospecting Licence	20	2,000	55
P63/2052	Prospecting Licence	4	2,000	28
M63/0225	Mining Lease	14	10,000	281
M63/0226	Mining Lease	22	10,000	430
M63/0247	Mining Lease	86	10,000	1,608
M63/0369	Mining Lease	25	10,000	486
P63/1380	Prospecting Licence	5	2,000	28
P63/1381	Prospecting Licence	23	2,000	63
P63/1383	Prospecting Licence	9	2,000	28
P63/1384	Prospecting Licence	19	2,000	52
P63/1642	Prospecting Licence	7	2,000	28
P63/1893	Prospecting Licence	10	2,000	28
P63/1904	Prospecting Licence	5	2,000	28
M63/0657	Consolidation	225	10,000	150

Table 2-2: Tenure Details - Norseman Gold Project

Mining Lease Application (MLA63/657) was applied for on the 3rd September 2015 and is currently pending. This application includes 4 Mining Leases (M63/225; 226; 247 and 369) and 7 Prospecting Leases (P63/1380; 1381; 1383; 1384; 1642; 1893 and 1904) and will consolidate tenure for the project. Native Title negotiations are currently underway with the local Ngadju for this application. P63/1997 was granted on 4th July 2016, P63/2052 was applied for on 20th June 2016 and was granted on 26th October 2017. Both of these were subsequent to the MLA application therefore are not included in MLA63/267.

2.1.3 Geology

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 volcanic 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 predominantly 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 east northeast – west south west trending cross-cutting structures (Luck Call, Battler).

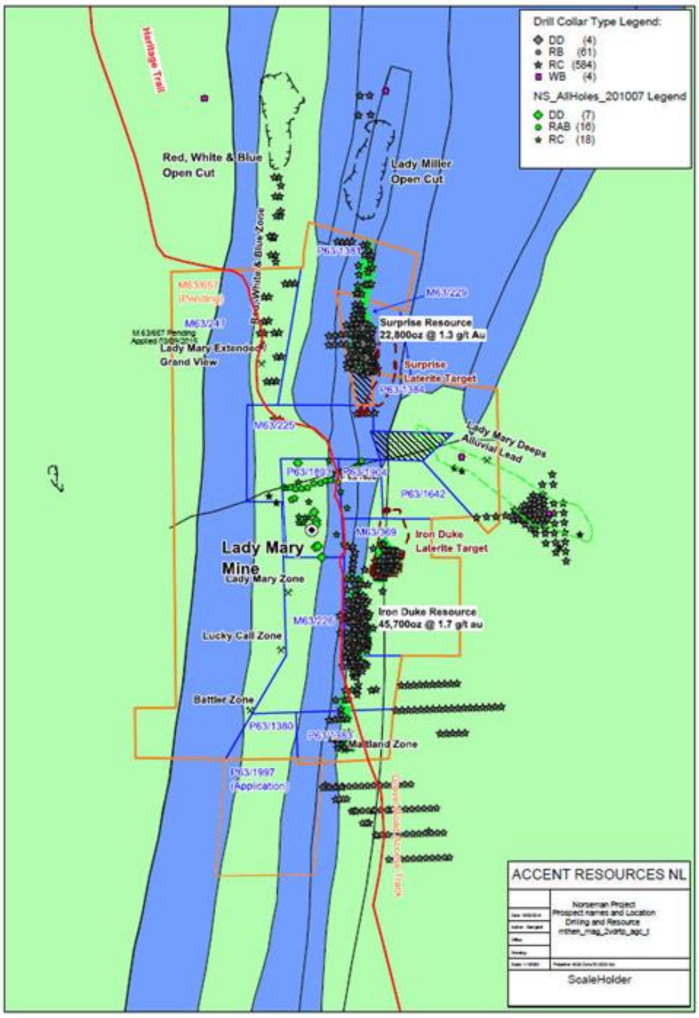

Figure 2-2: Local Geology of the Norseman Gold Project

Tenements P63/1893 and 1904 cover the historically significant Lady Mary mine. Lady Mary was the subject of sporadic mining since the early 1900's with early reported production exceeding 26,000oz at grades greater than 20g/t Au. Mineralisation is associated with the Lady Mary Shear and hosted by an east dipping northeast plunging quartz vein which occurs at the eastern contact of the Western Ironstone with gabbro.

2.1.3.1 Norseman Local Geology

The geological model of the mineralisation has been described in several historic exploration reports. At least two types of ore are reported including, one associated with a mylonitised regional shear structure and a second associated with late stage short scale quartz veining with a suggestion that the orientation of these systems may be different.

The Mineral Resource report describes the primary rock as tholeiitic basalt which has undergone shearing and selective replacement metasomatism locally producing a banded amphibolite intercalated with a banded sulphidic chert. Within this broader unit higher grades are associated dilational quartz veins which appear to have been the target of historic underground mining.

2.1.4 Mineral Resources

The current resources for Iron Duke and Surprise were estimated by Ravensgate Mining Industry Consultants in 2012 at a 1g/t cut-off grade, and have been classified and reported in accordance with the JORC Code (2004 edition). The total resource generated for both deposits was 1.04 Mt at 1.78 g/t Au at a cut-off grade of 1.0 g/t for a contained 59.5 kozs as shown in **Table 2-3** below.

		Tonnes	Grade Au g/t	Contained Gold oz
Iron Duke	Measured	328,318	2.11	22,272
	Indicated	213,733	1.82	12,506
	Inferred	111,138	1.67	5,967
	Subtotal	***653,189***	***1.94***	***40,746***
Surprise	Measured	210,747	1.60	10,841
	Indicated	111,917	1.44	5,181
	Inferred	63,533	1.36	2,778
	Subtotal	***386,197***	***1.51***	***18,800***
	Total	**1,039,386**	**1.78**	**59,547**

Table 2-3: Norseman Resource Summary

Cube Consulting undertook a high level review of the Norseman Gold Project. The drill data available is described as 15-20m spaced E-W sections with a 10-15m separation on section at best widening out to 15-40m in peripheral parts of the deposits.

A significant number of the single wireframes were interpreted on the basis of a single drill hole. All interpreted shapes show moderately poor correlation on section and from section to section. The 2013 drilling database is made up of 4 DD holes and 584 RC holes (and 61 RAB, 4 WB holes not used in the estimations).

Ravensgate chose to use down-hole composites of 1m. The underlying composite data presents a system of mineralisation characterised by moderate to high variability; variography confirms this with a high relative nugget effect and short ranges modelled. The composites were top cut and estimated into domains using Ordinary Kriging. The selected block size was chosen based on drill data spacing and to match a probable SMU. The block size used was 2.5x5x2.5m (ExNxRL). Work undertaken in November 2010 by AMMTEC on limited composites indicates that the metallurgical characteristics of the Surprise Deposit are amenable to extraction by direct cyanidation or CIL cyanidation with a fine grind.

Significant volumes of estimated mineralisation have been classified as Measured, Indicated and Inferred in accordance with JORC 2004. Cube Consulting note that some limited high grade mining has been undertaken at Iron Duke and this has the potential to impact remaining resources.

2.1.5 Pit Optimisation

Pit optimisation studies were undertaken by Entech in 2017 and Orelogy in 2012.
Whittle Pit Optimisation parameters used in the latest Entech evaluation are tabled below:

Whittle Optimisation Parameter	Unit	Value
Gold Price	AUD/oz	1,500
Royalty	%	2.5%
Processing Throughput	Mtpa	0.5
Processing Cost	$/t ore	25
Recovery	%	94%
Grade Control	$/t	1.50
Dewatering	$/t	1.0
Ore Haulage	$/t	1.5
Dilution / Mine Recovery	%	5% / 95%
Batter Angles	degrees	45

Table 2-4: Whittle Optimisation Parameters

Since publication of the Pit Optimisation study, the gold price has moved sharply higher and is currently over $2,200/oz.

2.1.5.1 Mining Parameters

The mining costs in the 2017 Study average $3.14/t which is significantly less than those proposed in the 2012 Study which range from $4.90/t at surface to $6.50 at the -120mRL. Given the relatively small scale of these operations Mining One is of the opinion that these mining costs are optimistic and recommend a value closer to $5.00/t.

No geotechnical analysis has been carried out on the deposits. Applied slope angle for optimization purposes is 45 degrees for all walls. Mining recovery and dilution factors are included in the optimization process:

- Mining Recovery has been set at 95%.
- Mining Dilution has been set at 5%.

2.1.5.2 Ore Haulage

Mine scheduling and pit optimization studies assume toll treatment of Norseman ore at one of 3 nearby mills listed below with resultant ore haulage costs.

1.	Norseman	7km	$1.05/t
2.	St Ives	110km	$16.50/t
3.	Higginsville	60km	$9.00/t

With the recent acquisition by Pantoro of a 50% stake in Central Norseman Gold Corporation and its idle mill, there is reason to consider that ore can be trucked to Norseman at a price approaching the next best alternative (being haulage to Higginsville). For the purpose of this study Mining One assumes a price of A$5/t for ore haulage.

2.1.5.3 Processing Parameters

Recovery is set at 94% for all lithologies and project areas. The processing cost of $25/t milled has been selected by Mining One.

2.1.5.4 Royalty / Sales Cost

The WA State Government Royalty of 3.5% has been applied. No assumption has been made of a payable gold factor in the Ore Tolling agreement.

2.1.5.5 General and Administration

A nominal $3/t ore charge for General and Administrative costs has been applied.

2.1.6 Capital Costs

As previously mentioned, at 60,000 contained ounces, the Norseman Gold project is unable to support a stand-alone process plant. With an expected mine life of 2 to 3 years, contract mining is the recommended approach. On this basis, capital costs are limited to Infill drilling, Feasibility Studies and Working Capital.

2.1.6.1 Process Plant

No on-site crushing or loading costs have been specifically applied. Ore to be processed off-site.

2.1.6.2 Tailings Storage Facility

Not required as all ore will be toll treated off-site.

2.2 Magnetite Range Iron Ore Project

2.2.1 Project Location

The project is located in the southeast of the developing midwest iron ore region of WA and located immediately northwest along strike of the operating Extension Hill (also known as Mt Gibson) Iron Ore project owned by Mount Gibson Iron Ltd (ASX:MGX) and unlisted Company Asia Iron Australia Pty Ltd. A further 45km to the north east is the Karara DSO and magnetite iron mine, which is a Joint Venture between Gindalbie Metals Ltd (ASX:GBG) and Chinese Steel producer Anshan Iron and Steel Group ("Ansteel").

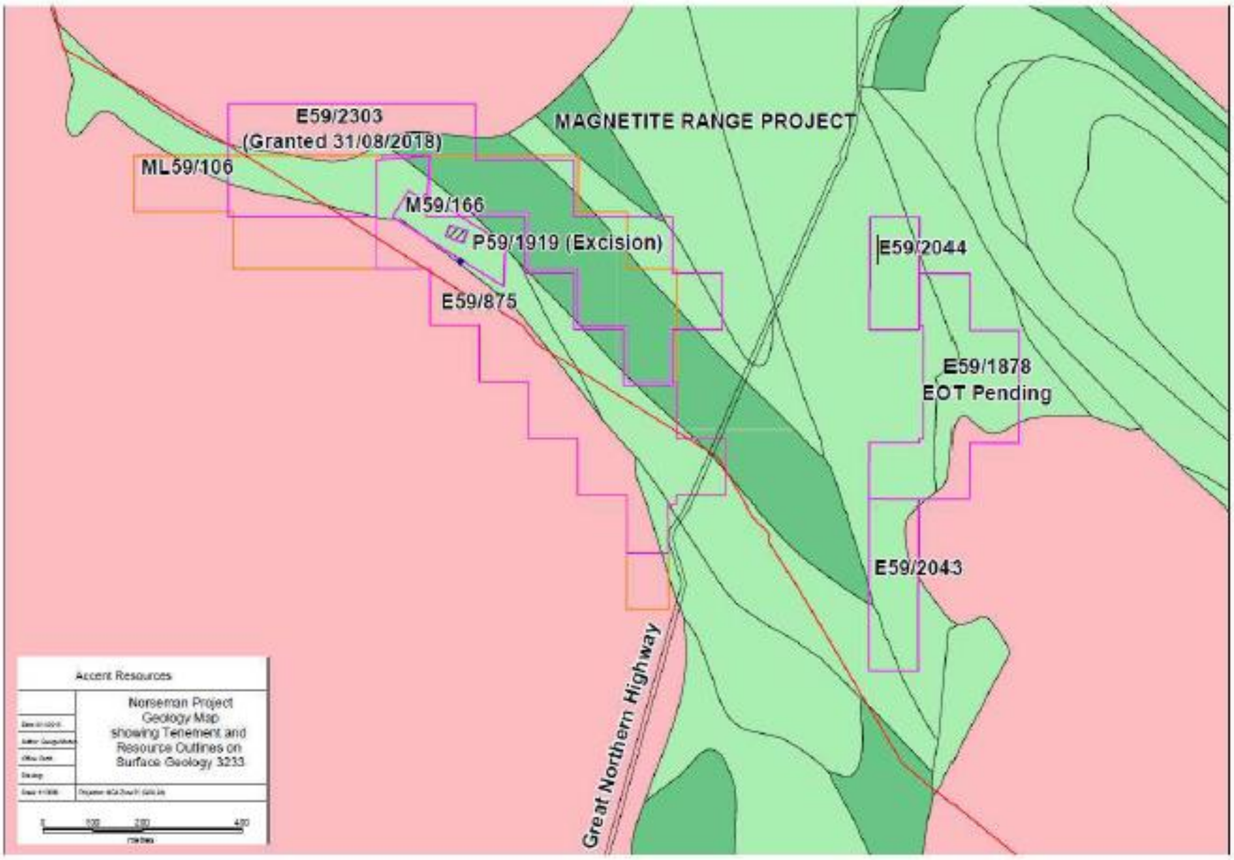

Figure 2-3: Location Plan (Source: Accent Resources Annual Report 2019)

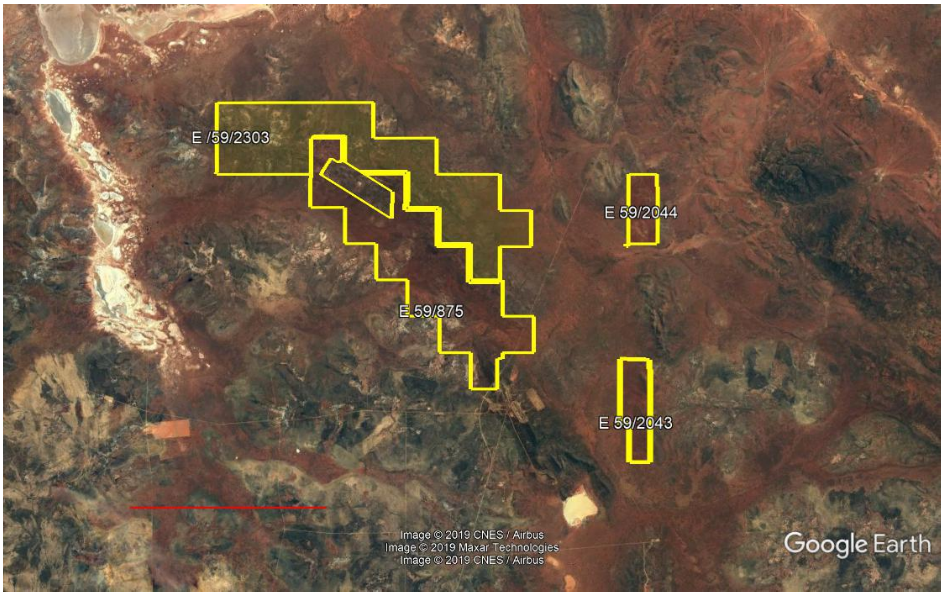

Figure 2-4 : Magnetite Range Location - Google Earth Imagery
(Scale bar 10km) Source Tengraph. Location of E 59 /2043 approximate

2.2.2 Tenure

Tenure for the Magnetite Range is held under 6 Exploration Licenses totaling an area of 218km^2. Tenure details are summarised in **Table 2-5**.

Table 2-5: Magnetite Range Prospect Tenure Details

Tenement	Name	Tenement Status	Licensees	Area (sq. km)	Tenement Start Date	Tenement Expiry Date
E59/0875	Mt Gibson Sth	Active	Accent (100%)	46	22/03/2006	21/03/2019
E59/2043	Mt Gibson Sth	Active	Accent (100%)	8	18/06/2015	17/06/2020
E59/2044	Mt Gibson Sth	Active	Accent (100%)	5	18/06/2015	17/06/2020
E59/2303	Mt Gibson Sth	Active	Accent (100%)	53	31/08/2018	30/08/2023
L59/0106	Mt Gibson Sth	Active	Accent (100%)	101	1/08/2012	31/07/2033
M59/0166	Mt Gibson Sth	Active	Accent (100%)	4	5/10/1989	4/10/2031

2.2.3 Geology

The Magnetite Range Project is situated on the western margin of the Archaean-age Retaliation Greenstone Belt of the Murchison Province, Yilgarn Craton (**Figure 2-5**). The main banded iron formation ("BIF") ridges form low topographic highs (up to 30m in the south) or otherwise are buried beneath thin superficial Cainozoic deposits including laterite and detritals. The western margin of the Retaliation Greenstone Belt is composed of thick tholeiitic and high-Mg basalt, BIF, and associated rocks which form the Luke Creek Group. Magnetite mineralization is contained within northwest and west northwest striking BIF units extending for over 14km of strike.

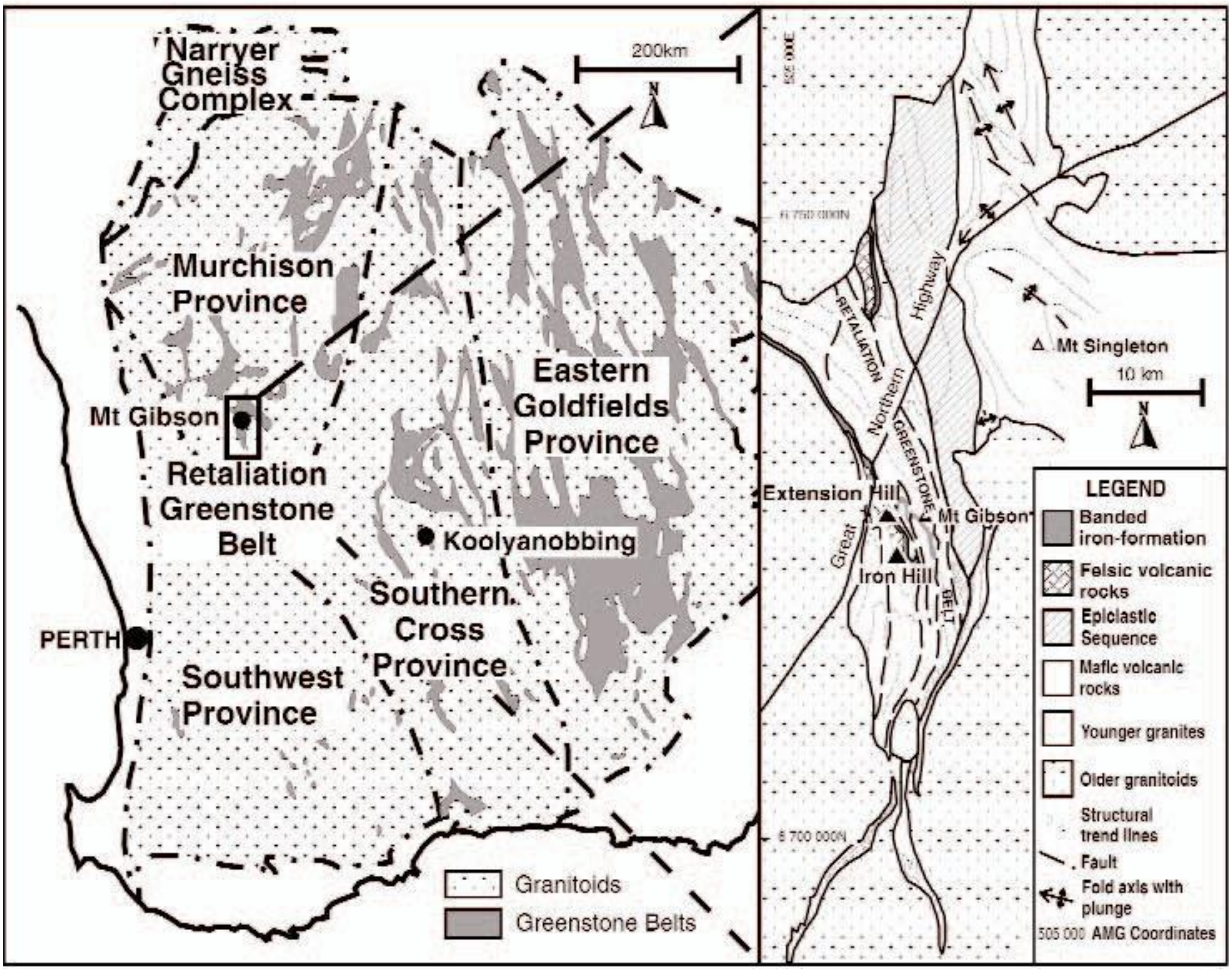

Figure 2-5: Magnetite Range Regional Geological Setting

2.2.3.1 Local Geology

The majority of the project area is within E59/875 and is characterised by two adjacent 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 to 400m true thickness. The BIF units are sub vertical to steeply dipping east between Hematite Hill and Retaliation; this can shallow to an approximately 50^{o} dipping northeast at Julia. Drilling completed indicates that the BIF units remain open at depth. The Magnetite Range magnetite-chert BIF, which is the north-western extension of the Mt Gibson BIF, lies within the Windaning Formation, which is the uppermost formation of the Luke Creek Group. The Windaning Formation at Magnetite Range trends north-westerly, younging to the north-east, and dips steeply in the south and moderately in the north towards the north-east.

2.2.3.2 Exploration History

Numerous old workings occur on E 59/ 875 including: Retaliation / Winfred Hays, Bungeye, Hayes Reward, Atlas, Pigeon Well, Haematite Hill are noted on the WA Mines Department Tengraph database.

2.2.3.3 Exploration Potential

The Magnetite Range East tenements (E 59/2043 and E 59/2044) are largely unexplored using modern methods. A geochemical soils orientation survey is pending.

2.2.3.4 Magnetic Surveys

An aeromagnetic survey has been conducted over the field which readily highlights the prospective Magnetite rich BIF units which host the Magnetite Range Resource and Mt Gibson Operations. Total strike length of the prospective unit on E 59/0875 is approximately 8km.

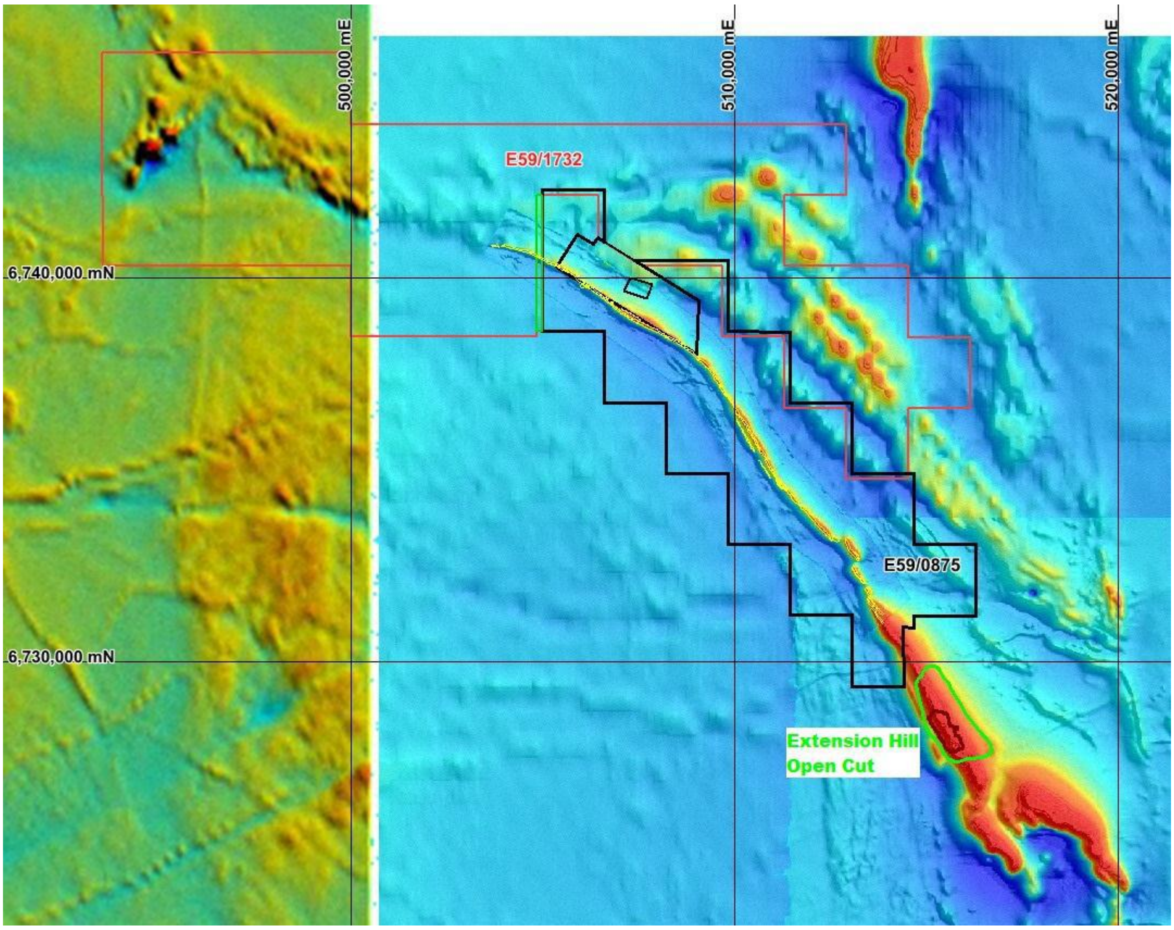

Figure 2-6: Magnetite Aeromagnetic Survey

2.2.4 Resource Estimation

2.2.4.1 Previous Estimates (JORC 2004)

A maiden resource estimate (JORC 2004) for the Magnetite Range Iron Ore Project was undertaken by Micromine Consulting on behalf of Accent Resources during February 2010. A maiden mineral resource estimate of 288.2Mt of Indicated Resources and 102.8Mt of Inferred Resources for a total JORC mineral resource of 391.1Mt grading 29.98% Fe at a Davis Tube Recovery ("DTR") cut-off value of 15% was determined.

2.2.4.2 Drilling Summary

Diamond drilling (DD), reverse circulation (RC), and air core (AC) drilling programs have been completed over multiple campaigns, by several different companies within the deposit area between 2006 and 2010. In addition, exploration drilling outside of the resource area was conducted. The Resource is defined by the following drilling

Drill Type	#	Meters
RC	83	9,625
DD	44	12,216
TOTAL		

Table 2-6: Magnetite Resource Definition Drilling

2.2.4.3 Assaying

Initial drill campaigns (2006-2008) used RC drilling sampled at 1m and 2m intervals. Sample intervals in later campaigns 2009-2010 used 4 meter sample intervals. Magnetite iron characterisation requires the determination of percentage magnetic material recovered from a Davis Tube Recovery test (DTR Weight Recovery %) followed by X-Ray Fluorescence (XRF) analysis of the Davis Tube (DT) concentrate and whole rock sample (head assay) of the same interval. DTR and whole rock geochemistry test work was completed at three Perth-based laboratories. DTR test work was conducted on the XRF pulp material and was subjected to two passes through the Davis Tube. Minor (<2%) systematic bias in assay results between laboratory duplicate results was evident. Assay data and sampling regime is reliable.

2.2.4.4 Density Samples

Four standard methods were employed to obtain Bulk Density (BD) measurements from various geological and metallurgical units at Magnetite Range. These were:

- Immersion method (water displacement / Archimedes) completed on diamond holes
- Density Tool method – down hole geophysical logging.
- Core Tray Weight method - weights of trays with uncut core were ?????
- Coated Wax method - Paraffin wax coated specific gravity (SG) measurements.

Bulk densities were assigned to all block model cells rock units on a geological domain basis. The down hole density logs were not used due to a persistent negative bias in density measurements. A total of 6,845 dry bulk density values are recorded.

2.2.4.5 Geological & Mineralization Modelling

The Magnetite Range deposit was domained into three separate area domains. The various area domains were determined largely by geological parameters such as the presence of faulting, strike changes and the relative abundance of the various geological lithologies. A plan view of the three area domains is provided in **Figure 2-7**

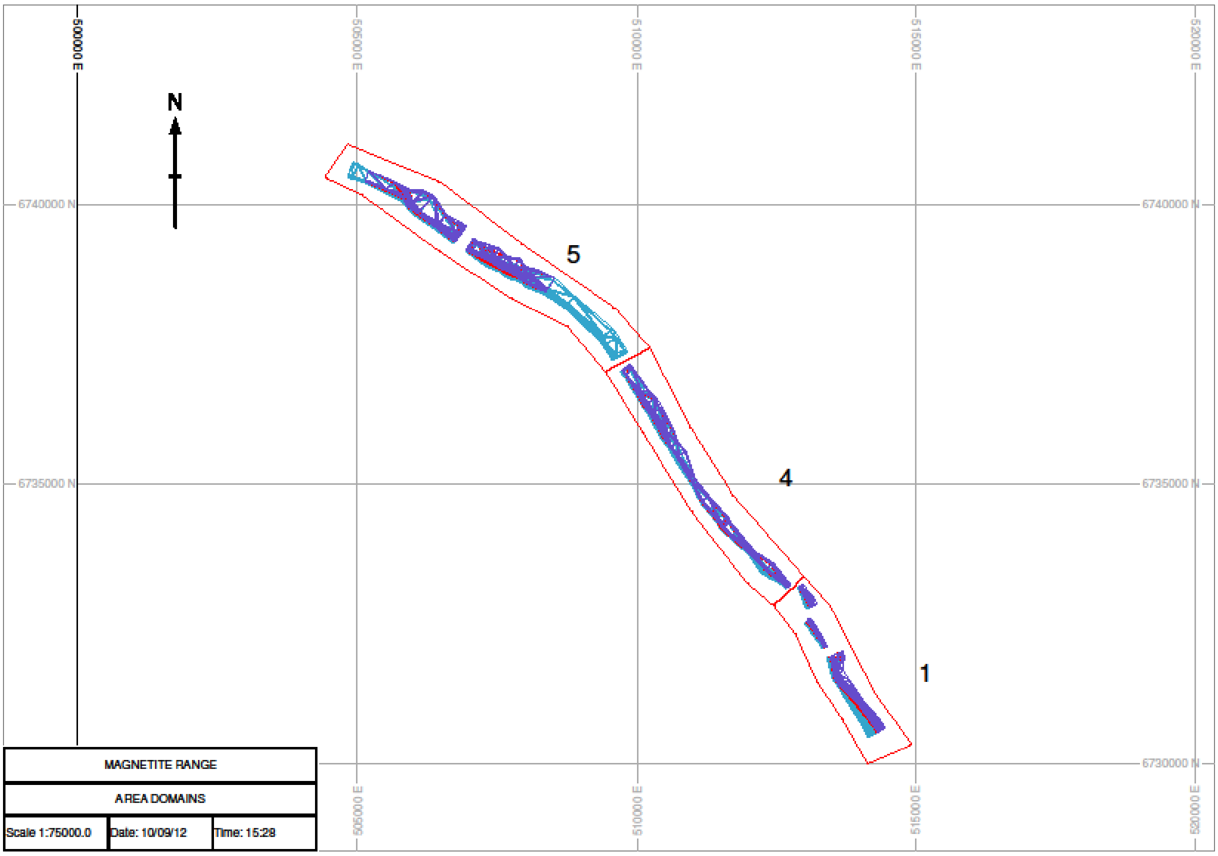

Figure 2-7: Plan View showing Area Domains for Magnetite Range

2.2.4.6 Domaining & grade capping

The imported drill hole set was assigned lithological domains, including the weathered horizon based on core logging data. Assay samples were split and composited according to changes in the lithological logs of the dataset. Lithological domains were used in grade estimation. Statistical analysis of the composite data confirmed that each domain has population distributions which differ from the others providing validity of the geological domains. The data reveals an even spread of values for the head assay and DTR assay values for Fe and SiO2 while the head assay and DTR assay values for S and Al2O3 have a high tail of high grade values. The S and Al2O3 data was subsequently top 'capped' at the 98th percentile level for both the head assay and DTR assay.

2.2.4.7 Estimation Technique

Resource estimation from the processed data was done using 'Ordinary Kriging'. This technique is appropriate for the block model interpolation of iron ore mineralisation and is a commonly used technique within these deposit styles. It is particularly appropriate for use with deposits where the mineralisation is locally constrained as a geologically similar or spatially related sample population set.

Grade Interpolation Parameters

Domain variography was carried out to determine grade interpolation parameters using the standard half of the mean of the squared differences between all pairs of composite points separated according to a set of vectors. Directional anisotropy was observed for the majority of the domain areas and lithological domains for the fresh ore types. Results of the domain variography and resultant block model parameters are provided in **Table 2-7** below. Subcell splitting was performed to a maximum of 2 x 2 splits with the 'XZ' plane being the preferred plane for splitting to take place.

Block Model Prototype Parameters			
Prototype Parameters	X	Y	Z
Model Origin	504 000	6 730 000	0
Block Size	10	50	5
Number of Blocks	1100	230	80
Rotation		No block rotation used	

Table 2-7: Block Model Parameters

Mineral Resource Classification

The Mineral Resources were classified into Indicated and Inferred categories, no measured blocks were reported within the resource area. The classification was based on confidence in geological continuity and drill data spacing.
The model was coded for resource classification as summarized in **Table 2-8** below.

Search Volume (SVOL)	**Number of Composites (NS)**	**Transformed Distance (TD)**	**Number of Drill holes (NBH)**	**Resource Category**
= 1	>20	< 1.0	>= 3	4 = MES
= 2	20 - 8	< 1.5	<= 2	3 = IND
= 3	20 - 8	< 2.0	<=1	2 = INF
= 3	20 - 1	> 2.0	<=1	1 = N/A

Table 2-8: Quality Coding used in the Classification Magnetite Range Iron Ore Project

The total fresh mineral resources at Magnetite Range is estimated at 435Mt.

3 VALUATION METHODOLOGIES

3.1 Background

Mineral assets are defined in the VALMIN Code as all property including (but not limited to) tangible property, intellectual property, mining and exploration Tenure and other rights held or acquired in connection with the exploration, development of and production from those Tenures. This may include the plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals in connection with that Tenure.

3.1.1 Mineral Asset Classification

VALMIN classifies Mineral Assets according to development status and recommends particular valuation methodologies for each. The VALMIN Mineral Asset Classifications are as follows:

Early-stage Exploration Projects – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified;

Advanced Exploration Projects – Tenure holdings where considerable exploration has been undertaken and specific targets identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category;

Pre-Development Projects – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken;

Development Projects – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a Pre-Feasibility Study;

Production Projects – Tenure holdings – particularly mines, wellfields and processing plants – that have been commissioned and are in production.

3.1.2 Valuation Approaches

Three widely accepted Valuation Approaches are:

Market-based, which is based primarily on the notion of substitution. In this Valuation Approach the Mineral Asset being valued is compared with the transaction value of similar Mineral Assets under similar time and circumstance in an open market. A variety of market-based valuation approaches are available:

a) Comparable sale transactions
b) Comparable enterprise value

Income-based, which is based on the notion of cashflow generation. In this Valuation Approach the anticipated benefits of the potential income or cash flow of a Mineral Asset are analysed. Income-based valuation approaches include, but not limited to:

c) Discounted cashflow

d) Multiples of earnings.

Cost-based, which is based on the notion of cost contribution to Value. In this Valuation Approach the costs incurred on the Mineral Asset are the basis of analysis. Cost-based approaches include

a) **Sunk cost approach**, where historic expenditure on "in-ground activities" are compiled and modified by a Project Expenditure Multiple (PEM) which multiplies or discounts the expenditure depending on the extent to which the work increased or decreased the prospectivity of the target.

b) **Replacement cost approach,** also known as the Geoscientific Factor Method or Kilburn Valuation method where the Base Acquisition Cost (BAC) of a tenement from the State is then factored by a subjective assessment of the tenement prospectivity.

Valuation Approach	Exploration Projects	Pre-development Projects	Development Projects	Production Projects
Market	Yes	Yes	Yes	Yes
Income	No	In some cases	Yes	Yes
Cost	Yes	In some cases	No	No

Table 3-1: VALMIN Preferred Valuation Method by Project Status

3.2 Methodologies Applied

In accordance with VALMIN, a variety of valuation methodologies have been used to value the Accent Resources projects. A brief description of each method used follows:

3.2.1 Discounted Cash Flow (DCF)

The DCF approach estimates the future stream of cashflows discounted for the time value of money. As it is sensitive to the primary input assumptions of revenue and costs it relies on the availability of mine production schedules derived from Mineral Resource Estimates combined with operating and capital cost estimates obtained from Scoping Studies or better. The DCF method has only been applied to the Norseman Gold mineral resource assets where the DCF method and underlying assumptions are discussed in further detail

3.2.2 Comparable Transactions

The Comparable Transactions (or JV Terms) valuation methodology estimates the value of mineral resources by comparing against the value of similar projects on a transaction value per unit of contained metal in the resource transacted.

To be comparable transactions must satisfy the following selection criteria:

- Only transactions from 2017 onwards
- Located in Australia
- Not in production at time of purchase
- Cash or cash-equivalent consideration
- JORC compliant Resources

In parallel with the equities market, the valuations in the resource sector have been in considerable flux over recent years. Furthermore the relative demand of some commodities have moved relative to others. To avoid time-lag effects on valuation transaction value metrics, only transactions occurring from 2017 onwards have been taken into account. Contained metal is normalised to take into account the quality of the resource by discounting Inferred resource tonnes to 60% of their contained amount. Only cash and near cash consideration is used for valuation purposes of development projects. Payments that rely on achievement of development or production targets are excluded, with some discretion if the qualifying condition is imminently achieved. Royalties are also excluded as contingent future payments.

3.2.3 Comparable Enterprise Value

Shares in publicly listed companies with a single comparable asset can be used as a reliable metric for asset valuation as shares trade on a daily basis at a price that reflects the Enterprise (EV) Value of the company. The EV is defined as the Market Capitalisation, plus net debt, less cash. If the company has a single dominant asset, then the EV provides a measure of the underlying asset value.

Comparable companies for EV based valuation purposes must satisfy the following criteria:

- Listed on the ASX,
- Single material project / asset of the company,
- Undeveloped project located in Australia,
- Track record of exploration and project development work.
- Comparable size JORC compliant resources.

3.2.4 Kilburn Geoscience Rating

The choice of valuation method applied to mineral assets depends on development stage of the project as defined by VALMIN and the amount and quality of data available at the time. The corresponding valuation methods used for each project are summarized in Table 3-2 below.

NORSEMAN GOLD PROJECT		
Project	Status VALMIN	Valuation Methodology
M 63/0229	Pre-Devt	DCF, Comparable Transactions, Comparable EV Yardstick Order-of-Magnitude Check ,Kilburn Geoscience
P 63/1997 & P 63/2052	Early Stage	
M 63/0657 (and precedents)	Early Stage	
MAGNETITE RANGE PROJECT		
M 59/ 0166 & E 59/0875	Adv. Exploration	Comparable Transactions, Comparable EV
E 59/2043	Early Stage	Comparable Transactions, Kilburn Geoscience
E 59/2044	Early Stage	Comparable Transactions, Kilburn Geoscience
E 59/2303	Early Stage	Comparable Transactions, Kilburn Geoscience

Table 3-2: Valuation Methodologies per Project

4 VALUATION – NORSEMAN GOLD PROJECT

The Norseman Gold Project has been valued using a combination of the DCF and comparable transaction methods. A JORC 2004 Resource and pit optimization study is available for the project that allows for the use of the DCF from the financial model provided. These technical valuations are discussed below.

4.1 Yardstick Order of Magnitude Check

Mining One has also used the Yardstick method as an order-of-magnitude check of the more detailed Norseman Gold Project valuation methodologies which follow. The Yardstick method is simplistic, very generalised and does not take into consideration value drivers that are specific to the project. Whilst not used directly in the final assessment of value, it provides a valuable cross-check and assess the reasonableness of the primary valuation methods employed.

For the Yardstick Valuation, Mining One has used the current spot gold price of A$2,200/oz.

Table 4-1 : Yardstick Valuation Norseman Gold Project

	Ounces M	%	Yardstick Valuation A$M		
			Low	High	**Preferred**
Meas + Indicated	0.051	1% - 3%	1.8	4.4	**3.1**
Inferred	0.009	0.5% - 1%	0.1	0.2	**0.1**
Total	**0.060**		**1.9**	**4.6**	**3.3**

4.2 Comparable Transaction Valuation

Mining One have identified 6 comparable transactions that have been used to ascribe a technical valuation for the Norseman Gold Project.
The comparable transactions used are summarised as follows:

4.2.1 Ramelius Resources – Marda Gold Project Acquisition (Western Australia)

*Source:*https://www.rameliusresources.com.au/wp-content/uploads/bsk-pdf-manager/20180913_Ramelius_to_Acquire_the_Marda_Gold_Project_594.pdf

On 1st November 2018 Ramelius Resources announced a transaction to acquire the Marda Gold Project from Black Oak Minerals (Administrators Appointed). The Marda project consists of four pits (Dolly Pot, Dugite, Python and Goldstream) within the Central Marda area and two outlying pits, Golden Orb and King Brown, located 13 and 20km away respectively. JORC compliant resources total 333,525 ounces at an average grade of 1.96 g/t Au are attributed to the deposits with JORC reserves also reported that total 150,900 ounces at an average grade of 2.30 g/t Au.

Consideration for the acquisition totalled $13M AUD and was funded in cash. The transaction value equates to $39 per resource ounce. The Marda Gold project JORC resources are represented by 44% as measured, 29% as indicated and 27% as inferred. Adjusting for resource quality the transaction value becomes $43 per weighted resource ounce.

Table 4-2: Marda Gold Project – Comparable Transaction Summary

Project	Transaction Date	Location	Consideration	$/Resource oz	$/Resource weighed oz
Marda	1/11/2018	WA	$13M AUD	$38.98	$43

4.2.2 Pantoro Ltd – Central Norseman Gold Company

Source: https://www.asx.com.au/asxpdf/20190514/pdf/4452zwf50tctjc.pdf
On 14th May 2019 Pantoro Ltd announced a transaction to acquire a 50% interest in the assets Central Norseman Gold Project (CNGP). The assets include a tenement package covering approximately 70 km of strike along the highly productive CNGP Wiluna greenstone belt. and 35 separate Mineral Resources modelled. A number of the Mineral Resources are near-development ready.

JORC compliant resources total 4.4M ounces at an average grade of 3.7 g/t Au are attributed to the deposits.

Consideration for 50% of the total resource includes:

- A$10M cash on completion of transaction
- A$20M equivalent in Pantoro Shares issued at VWAP
- A$15M unconditional deferred cash payments
- A$50M sole funding of project expenditure
- A$6M capped Net Smelter Royalty capped at $6M (Not included)

The transaction value equates to $45 per resource ounce of which 49% are Measured and Indicated status for a weighted resource transaction value of $59/oz.

Table 4-3: Central Norseman Gold Project – Comparable Transaction Summary

Project		Transaction Date	Location	Consideration	$/Resource oz	$/Resource oz Weighted
CNGC		114/5/2019	WA	$95M AUD	$45	$59

4.2.3 Adaman Resources – Kirkalocka Gold Project Acquisition (Western Australia)

Source:buyers-see-kirkalocka-as-new-thunderbox-ng-b888381612
On 18th March 2018 Adaman Resources announced a transaction to acquire the Kirkalocka Gold Project from Minjar Gold. The Kirkalocka project consists of an open pit project and satellite deposits that is currently being refurbished with a view to re-commencing production in Q4 2019.

JORC compliant resources total 548 koz at an average grade of 1.10 g/t Au are attributed to the deposits with JORC reserves also reported that total 382 koz at an average grade of 1.08 g/t Au. Consideration for the acquisition totalled $12M AUD and was funded in cash.

The transaction value equates to $21.90 per resource ounce or $31.41 per reserve ounce. The Kirkalocka Gold project JORC resources are represented by 75% as indicated and 25% as inferred.

Table 4-4: Kirckalocka Gold Project – Comparable Transaction Summary

Project	Transaction Date	Location	Consideration	$/Resource oz	$/Resource oz (Weighted)
Kirkalocka	18/03/2019	WA	$12M AUD	$22	$24

4.2.4 Orminex – Pennys Find Gold Project Acquisition (Western Australia)

Source: https://orminex.com.au/acquisition-completed-pennys-find-gold-mine/
On 7th May 2019 Orminex announced a transaction to acquire the Penny's Find Gold Project from Empire Resources. The Penny's Find Gold project consists of a completed open pit project and potential underground project that is currently subject to a study to determine the viability of commencing underground operations.
JORC compliant resources total 56 koz at an average grade of 7.04 g/t Au are attributed to the deposit.
Consideration for the acquisition totalled $600K AUD plus a 5% Net Smelter Royalty (NSR) on the first 50 koz produced and then reverting to a 2.5% NSR after the production milestone has been reached. The NSR is valued at $1.5M AUD and is included because the project is now in production. The transaction value equates to $37.50 per resource ounce. The Penny's Find Gold project JORC resources are represented by 59% as indicated and 41% as inferred.

Table 4-5: Penny's Find Gold Project – Comparable Transaction Summary

Project	Transaction Date	Location	Consideration	$/Resource Oz	$/Resource Oz (weighted)
Penny's Find	07/05/2019	WA	$1.0M AUD	$37	$43

*Including $1.5 NSR payments.

4.2.5 Kingwest - Menzies Gold Project Acquisition (Western Australia)

Source: https://www.asx.com.au/asxpdf/20190910/pdf/448dcx09qhtzy2.pdf
On 9th July 2019, Kingwest Resources announced a transaction to acquire the Menzies Gold Project from Horizon Minerals. The Menzies Gold Project consists of a completed open pit project and underground project that is currently subject to a study to determine the viability of commencing open-cut and underground operations.
JORC compliant resources total 171koz at an average grade of 2.2 g/t Au over 5 deposits.

Consideration for the acquisition totalled $8M AUD cash in staged payments, independent of project performance. The transaction value equates to $47 per resource ounce or $63 per weighted resource ounce. The Menzies Gold project JORC resources contain 32% Indicated and 68% Inferred ounces.

Table 4-6: Menzies Gold Project – Comparable Transaction Summary

Project	Transaction Date	Location	Consideration	$/Resource Oz	$/Resource oz (weighted)
Menzies	07/05/2019	WA	$8.0M AUD	$47.	$63

4.2.6 Northern Star - Tanami Gold Acquisition (Northern Territory)

Source: https://www.asx.com.au/asxpdf/20190910/pdf/448dcx09qhtzy2.pdf

On 27th June 2018, Northern Star Resources Limited (NST) announced that pursuant to a JV agreement with Tanami Gold NL over its Tanami Project whereby it would acquire a further 25% interest and management control over the project. The Tanami Project consists of a gold mine on care and maintenance that NST is on track to bringing back into production.
JORC compliant resources total 2.67M oz at an average grade of 3.1 g/t Au of which 59% is higher confidence Measured and Indicated resource.

Consideration paid was $11M cash and 4.3M NST shares valued at $30.5M. NST shares are liquid with the average daily trading volume of 3.6M shares. The transaction also results in a change of control in the asset, for which an industry standard 30% control premium is applied.
The transaction value equates to $43 per Total Resource ounce. The Menzies Gold project JORC resources contain 32% Indicated and 68% Inferred ounces.

Table 4-7: Central Tanami Project – Comparable Transaction Summary

Project	Transaction Date	Location	Consideration	$/Resource Oz	$/Resource oz (weighted
Central Tanami	27/07/2018	NT	$8.0M AUD	$43.	$51

4.2.7 Comparable Transaction Summary – Norseman Gold Project

The comparable transaction data show a range of values in relation to the per resource gold ounce paid for the projects. These values are influenced by the status of the project, accessibility of resources in relation to conversion to reserves and the proportions within each confidence classification. Tabled below are the low, high and average transaction values on a per ounce resource basis for the 6 comparable transactions discussed above.

Since the comparable transaction valuations have been equated to a per resource gold ounce dollar value it is important to take consideration the resource classification ratios for each project. Typically Measured and Indicated resources are weighted 40% more than Inferred resources.

Table 4-8 below contrasts the unit value of resources depending on their classification. Mining One recommends the valuations based on the use of the resource weighted average because it takes into account the whole resource and ascribes a premium to higher quality resource ounces.

Table 4-8: Comparable Transaction Values – Summary (5 Transactions)

Transactions	Value Range ($/Total Resource Oz)		
	Low	High	Average
Unweighted Total Resources	$22	$47	$39
M&I Resources Only	$28	$128	$74
Quality Weighted (Preferred)	**$24**	**$63**	**$47**

Unweighted Total Resource = Measured + Indicated + Inferred resource ounces
M & I Resources = Measured + Indicated resource ounces only
Quality Weighted = 100% Measured + 100% Indicated + 60% Inferred resources

Mining One have selected the average per ounce value from the comparable transactions to ascribe a preferred per quality-weighted resource ounce value of $47 for the Norseman Gold Project JORC Resources. The resultant valuation range for the Norseman Gold project are summarized in Table 4-9 below. Applying these comparable transaction values to the Norseman Gold Project currently stated JORC Resources gives a range of valuations between $1.3 and $3.5M with Preferred Value of $2.6M. The value is based on actual comparable transaction data that denotes what a willing buyer has paid a willing seller in an arm's length transaction for similar assets.

Table 4-9: Comparable Transaction Valuation Summary – Norseman Gold Project

Comparable Transaction Method	Norseman Gold Project Value Range		
	Low	High	Average
Norseman Total Resource	$1.3M	$2.8M	$2.3M
M&I Resources Only	$1.4M	$6.5M	$3.7M
Quality Weighted (Preferred Value)	$1.3M	$3.5M	$2.6M
PREFFERED VALUE	**$2.6M** ($A1.3M min - A$3.5M max)		

4.3 Comparable Enterprise Value Valuation

A total of 13 ASX listed gold companies have gold projects with identified resources of between 40,000oz and 100,000oz in Total Resource. The list of companies and their quoted resource base is shown in **Table 4-10** below.

Company	% in Gold Asset	Share Price (23 Sept) A$	EV attributable to gold assets	Total Gold Resource Moz	EV/oz
Ark Mines	100	0.034	1.72	0.080	**21.61**
Terrain Minerals	100	0.005	2.81	0.070	**40.14**
Nex Metals Exploration	100	0.012	2.30	0.068	**33.82**
Torian Resources	100	0.016	4.46	0.065	**68.87**
Predictive Discovery	100	0.013	2.65	0.055	**48.04**
Dampier Gold	100	0.024	2.72	0.052	**52.76**
Syndicated Metals	90	0.01	5.70	0.050	113.97
Cannindah Resources	90	0.014	2.25	0.092	24.59
First Au	75	0.015	1.27	0.068	18.64
Truscott Mining	70	0.007	0.56	0.092	6.15
Norwest Minerals	60	0.20	6.17	0.066	94.22
				EV/oz Comparable	
				EV/oz	**A$**
				Min	**69**
				Max	**22**
**Only companies with a 100% gold asset base utilised.*				Average	**44**
NORSEMAN GOLD EV COMPARABLE VALUATION					
		M oz	**Valuation**		
			Min	Max	**Pref**
Iron Duke		0.041	0.9	2.8	1.8
Surprise		0.019	0.4	1.3	0.8
Total		**0.060**	**1.3**	**4.1**	**2.6**

Table 4-10: Enterprise Value of Australian listed companies with Comparable Gold Assets

4.4 DCF Valuation – Norseman Gold Project

Pit Optimisation data and input assumptions together with minimal capital expenditure for an operation with contract mining and toll treatment of ore, allows for a high level DCF valuation of the Norseman Gold Project to estimate the value of the project.

4.4.1 Model Structure & Input Assumptions

The DCF model was developed on an Excel spreadsheet in annual increments starting in 2020. Costs and revenue are denominated in real A$ of 2020. Cashflows calculated on an after-tax basis and discounted at 15% pa. Key model assumptions are tabled below.

Table 4-11: Financial Model Inputs - Preferred case - Norseman Gold Project

Assumption	Unit	Value	Assumption	Unit	Value
Financials			**Operating Costs**		
Gold Price	A$/oz	2000	Mining ore & waste	$/t	5
Discount Rate	%	15	Processing	$/t ore	25
Royalty Rate	%	2.5	General & Admin	A$/t ore	3.0
Depreciation	$/t		Grade Control	A$/t ore	1.5
Tax Rate	**%**	30	Dewatering	A$/t ore	1.0
Tax losses applied	$	Nil	Ore Haulage	A$/t ore	5.0
Mining Contract			Toll Treatment	A$/t ore	4.0
Ore Treatment - Tolling			**Total Opex**	A$/t ore	**39.50**
Physicals			**Capital**		
Operation Start Year		Q1 2021	Ore Defn Drilling	A$M	0.5
Waste Mined (all pits)	kt	2,775	PFS /BFS	A$M	0.5
Ore Mined (all pits)	kt	851	Mobilisation	A$M	1.0
Gold Mined	koz	44.5	Working Capital	months	3
Mine Life	years	3	Working Capital	A$M	7.5
Peak Total Material mined	Ktpa	1,791	Contingency	%	30%
Peak Ore Production rate	ktpa	303			
Recovery (all ores)	%	94%			
Ore Haulage Distance	km	7			

4.4.2 Gold Price Assumption

The A$ gold price has moved significantly upward in 2019 to an all time high as a result of record low Central Bank interest rates together with "safehaven" demand as global risks increase due to the China-US trade war, tensions in the Middle East, the specter of currency devaluation caused by the rapid rise in global indebtedness and quantitative easing. Shown below is a 5 year chart of gold price in A$. We have elected to use a preferred case of A$2000 per ounce with an upside at 2200.

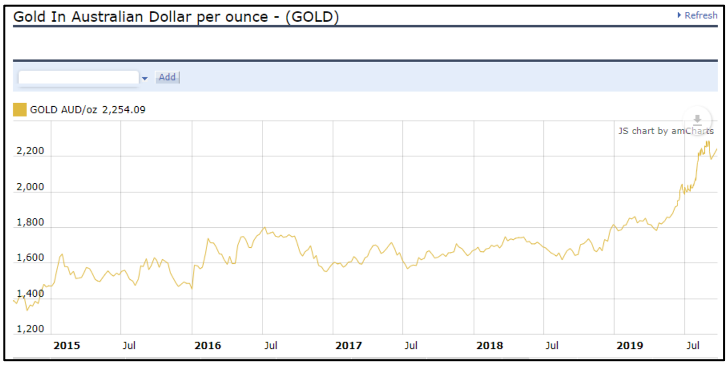

Figure 4-1: 5 year Gold Price History in A$

4.4.3 Discount Rate

The discount rate represents the rate of return that investors expect taking into account their cost of capital and their risk appetite. In selecting a discount rate appropriate to the Norseman Gold Project we note the following:

- The required rate of return of comparable gold mining companies – typically 10%
- The pre-development status of Norseman
- The lack of a BFS
- Commercial uncertainties relating to ore tolling arrangements

Taking the above factors into consideration, we believe it is appropriate to discount the Norseman Gold Project at a higher rate than the general market, in the range of 12% to 15% with our preferred value at 15%.

4.4.4 Results

Discount Cash Flow modelling of the Norseman Gold project assuming contract mining and toll treatment at the Central Norseman Gold plant yields an $NPV_{15\%}$ of A$ 9.5M based on the assumptions detailed above.

4.4.5 Sensitivity

The DCF of Norseman Gold is based on a many assumptions which are subject to significant uncertainty. To understand the impact of this uncertainty on valuation we have undertaken a basic sensitivity analysis on each key variables, changing one variable at a time in the expected range of uncertainty.

Discount Rate	**20%**	**15%**	**12%**
NPV	$8.1M	$9.5M	$10.4M
Gold Price	1800	2000	2200
NPV	$5.6M	$9.5M	$13.3M
Operating Cost	130%	100%	90%
NPV	$2.1M	$9.5M	11.9
Capital Cost	130%	100%	90%
NPV	$7.6M	$9.5M	$10.1M

5 VALUATION – MAGNETITE RANGE PROJECT

The Magnetite Range Project has been valued using a combination of the comparable Transaction, Comparable Enterprise Value Methods and Kilburn Geoscientific Method for the exploration tenements

5.1 Market Conditions

A second tragic tailings dam failure in Brazil in January 2019, and to a lesser extent, production disappointments in the Pilbara, significantly altered the dynamics of the seaborne iron ore market in a short space of time. The combination of much tighter supply and continued strong demand and steel output in China has resulted in higher average iron ore prices during 2019 and renewed interest in the sector. Conversely, narrowing steel margins have seen previously elevated high and low iron grade price spreads compress sharply. However, many industry analysts expect price premiums and discounts to the benchmark 62% Fe price will gradually widen again in the longer term.

Despite improved incentive pricing signals, larger Greenfield projects with higher capital requirements are still experiencing financing challenges, especially in the magnetite project sphere. Industry producers remain largely focused on replacement tonnage projects and favour advanced development projects close to existing production centres over greenfield developments.

5.2 Magnetite Range - Comparable Transactions

Mining One have identified two comparable transactions that have been used to estimate a technical valuation for the Magnetite Range Project. Comparable transactions satisfy the following selection criteria:

- Only transactions from 2017 onwards
- Located in Australia
- Not in production at time of purchase
- Cash or cash-equivalent consideration
- Comparable JORC compliant Resources
- Magnetite only resources.

The comparable transactions used are summarised as follows:

5.2.1 FIJV – Yalgoo / Bilberatha Hill Magnetite Project Acquisition (Western Australia)

Source: https://www.asx.com.au/asxpdf/20190606/pdf/445nbw9fhn0h51.pdf

On 6th June 2019 Iranian owned private company FIJV Pty Ltd announced a transaction to acquire the 50% stake owned by Venus Metals. The Yalgoo / Bilberatha Hill project is located 180km from Geraldton. JORC compliant resources Total 698.2 million tonnes at 29.3% of which 311.2 are classified as Inferred. Consideration for the acquisition totalled $2.5M AUD and was funded in cash. The transaction value equates to $0.007 per resource tonne.

Table 5-1: Yalgoo / Bilberatha Hill Magnetite Project – Comparable Transaction Summary

Project	Transaction Date	Location	Consideration	$/Resource Tonne
Yalgoo / Bilberatha	06/06/2019	Western Australia	$2.5M AUD	$0.007

5.2.2 Mt Alexander Iron Ore – Mt Alexander Magnetite Project Acquisition (WA)

Source: https://www.asx.com.au/asxpdf/20190604/pdf/445lq1d2lgc0nf.pdf

On 4th June 2019 Zenith Minerals announced the sale of its Mt Alexander Magnetite Project to Mt Alexander Iron Ore Pty Ltd. The Mt Alexander project consists of a magnetite hosted iron ore deposit located 120km south of Onslow in Western Australia, an isolated location with limited prospects of any access to infrastructure. JORC compliant resources total 565.7 million tonnes at 30% iron are attributed to the deposit of which 100% is classified as Inferred Resource.

Consideration for the acquisition consists of A$0.25 cash and a further $2.5M of conditional upon commencement of production and not considered in the valuation calculation. Considerable infill drilling is required to move from Inferred resources to Indicated Resources and a mining lease application needs to be applied for. The conditional payments are not considered in the valuation. The low transaction value equates to just 0.04 cents per resource tonne attributable to:

- 100% Inferred Resource classification
- Poor location with respect to Infrastructure,
- Non-core asset to Zenith
- Financial pressure on Zenith to realise cash.

Table 5-2: Mt Alexander Magnetite Project – Comparable Transaction Summary

Project	Transaction Date	Location	Consideration	$/Resource Tonne
Mt Alexander	26/06/2019	Western Australia	$0.25M AUD	$0.0004

5.2.3 Comparable Transaction Summary – Magnetite Range Deposit

The comparable transaction data show a range of values in relation to the per resource tonne paid for the projects. These values are influenced by the status of the project, accessibility of resources in relation to conversion to reserves and the proportions within each confidence classification.

Applying these comparable transaction values to the currently stated JORC Resources of the Magnetite Range deposit gives a range of valuations between $0.2M and $2.9M with an average of $1.6M, exclusive of the surrounding exploration licences which are valued separately..

Mining One considers the Magnetite Range Project to have qualities intermediate to the two projects represented in the Transactions. The number of comparable transactions in the Australian market is very limited, and there is strong evidence that the market value of magnetite projects has diminished significantly over the last two years.

Table 5-3: Comparable Transaction Valuation Summary – Magnetite Range Project

Comparable Transaction Method	Magnetite Range Project Value Range		
	Low	High	Average
Value Range ($/Resource Tonne)	$0.0004	$0.0072	$0.0038
Magnetite Range Project	$0.2M	$2.9M	$1.6M
PREFFERED VALUE	**$1.6M**		

5.3 Magnetite Range - Comparable Enterprise Valuation

A description of the comparable companies, their projects, and any qualifications to valuation are summarized below

5.3.1 Mindax Ltd <MDX.AX>

Source: https://www.asx.com.au/asxpdf/20190731/pdf/4472r3nx2wlpx0.pdf
Mindax is a resource development company listed on the ASX. Mindax's dominant project is the Mt Forrest iron project located 300km NW of Kalgoorlie in the Yilgarn province of WA where it has discovered and built a significant magnetite iron ore inventory. The JORC Mineral Resource stands at 1.71 billion tonnes @ 31.8% Fe (248.2 Mt @ 32.6% Fe Indicated and 1,462.4 Mt @ 31.6% Fe Inferred).

Recoveries from extensive Davis Tube Recovery (DTR) analysis are in the range 35-40% by weight and concentrate iron grades are of the order of 66-70% Fe, 2.5-7% SiO2.

The company has been granted Miscellaneous Licenses to allow identification of water resources for an eventual operation and for a magnetite slurry pipeline facility to Menzies on the present rail link to Esperance. Preliminary engineering and hydrology studies of these licenses have been undertaken. Drill core has been obtained from the resource for metallurgical testing, engineering logging and petrological studies.

As at September 2019, MDX had 943M shares on issue, no options, negligible cash and debt. At the current share price of $0.003 the company has an Enterprise Value of A$2.8M

Table 5-4: Mt Mindax – EV Comparable Summary

Company	Project	Loc	Shares (M)	Price (A$)	EV A$M	M&I Res MT	Valuation $/t M&I
Mindax	Mt Forrest	WA	943	0.003	2.8	248	$0.0017

5.3.2 Magnetite Mines Ltd <MGT.AX>

Source: *https://magnetitemines.com/razorback-project/*

Magnetite Mines is a resource development company listed on the ASX. The flagship asset of Magnetite Mines is its wholly owned Razorback Iron Ore Project, located 250km NE of Adelaide. The Project is 250 km northeast of Adelaide, South Australia and is located central to existing infrastructure. The Project consists of three main ore bodies, Razorback is the primary deposit followed by Iron Peak and Ironback Hill. Together these deposits constitute 3.9 Billion Tonnes of JORC 2012 Inferred to Indicated resources. Total area of exploration licences is 1772km^2

As at September 2019, MDX had 943M shares on issue, no options, negligible cash and debt. At the current share price of $0.003 the company has an Enterprise Value of A$2.8M

Table 5-5: Magnetite Mines – EV Comparable Summary

Company	Project	Int %	Loc	Shares (M)	Price (A$)	EV A$M	Res MT	Valuation $/t
Magnetite Mines	Razorback	100%	SthAus	798.7	0.006	5.0	1036	$0.0013

5.3.3 Carpentaria Resources <CAP.AX>

Carpentaria Exploration Limited (CAP) is a mineral exploration company listed on the ASX that is focused on the exploration of iron ore in eastern Australia. CAP current has 69.8% interest in the Hawsons Iron project, located 60km SW of Broken Hill in western NSW.

CAP recently completed an oversubscribed capital raising of $2.95m, has completed a PFS with favorable financial metrics, has obtained Major Project status with the Federal Government and a commitment from Mitsui Ltd to fund a BFS. High investor confidence, large resource position, advanced and progressing development studies has resulted in an above average unit valuation.

Table 5-6: Carpentaria Resources – EV Comparable Summary

Company	**Project**	**Int %**	**Loc**	**Shares (M)**	**Price (A$)**	**EV A$M**	**Res MT**	**Valuation $/t**
Carpentaria	Hawson	69.8%	NSW	275.1	0.0044	9.2	840	$0.0037

5.3.4 Comparable EV Summary - Magnetite Range Project

The current range of Enterprise Values for Magnetite dominant resource companies is wide, and reflects investor perceptions about probability of project success of developing mines, infrastructure and securing off-take.

Mining One is of the opinion that the Magnetite Range Project has characteristics which place it at the mid-point of the comparable companies given its favourable location to infrastructure and nearby operations.

Table 5-7: EV Comparable Valuation – Magnetite Range Project

EV Comparable Method	**Magnetite Range Project Value Range**		
	Low	**High**	**Average**
$/t Resource tonne	0.0013	0.0037	0.0022
Magnetite Range Project	$1.5M	$4.9M	$3.3M
PREFFERED VALUE	**$3.3M**		

6 VALUATION SUMMARY – ALL TENEMENTS

6.1.1 Technical Valuation Overview

Mining One has calculated a technical value for the mineral assets of Accent Resources. The portfolio of assets are at different stages of development and require a range of valuation techniques to define a technical value. We have used a combination of the Kilburn, Discounted Cash Flow and Comparable Transaction methods to ascribe a total technical value.

6.1.2 Technical Valuation Ranges and Preferred Value

The technical valuation ranges that were calculated for each project are summarized in Table 6-1 below. Mining One have then selected a preferred value within this range which is either derived from the average of the range or selected according to technical considerations relating to individual project areas.

The technical valuation for all tenements held by Accent Resources is $3.8M and $9.6 M.

Mining One preferred technical value for the assets

$6.8 M

SUMMARY VALUATIONS -	Magnetite Range Project	DCF Valuation		
		Min	**Max**	**Preferred**
MRP Deposit	Comparable Resource Transactions	0.2	2.9	1.6
MRP	Comparable Enterprise Valuations	1.5	4.9	3.3
Average Deposit value		0.9	3.9	2.4
Magnetite Range Exploration	Geoscientific (Kilburn) Valuation	0.1	0.4	0.3
Average Magnetite Range		**1.0**	**4.3**	**2.7**

SUMMARY VALUATIONS -	Norseman Project	Norseman Valuation		
		Min	**Max**	**Preferred**
Norseman Gold Project	Comparable Resource Transactions	1.3	3.5	2.6
Norseman Gold Project	Comparable Enterprise Valuations	1.3	4.1	2.6
Norseman Gold Project	Comparable Mining Lease Valuation	0.4	3.1	1.6
Norseman Gold Project	DCF	8.1	10.4	9.5
Average Norseman Gold Project		**2.8**	**5.3**	**4.1**
Norseman Gold Project	*Yardstick Valuation Check*	*1.9*	*4.6*	*3.3*
		Min	Max	**PREFERRED**
ACCENT RESOURCES TOTAL VALUATION		3.8	9.6	**6.8**

Table 6-1: All Projects – Technical Valuation Summary

Appendix 1
Kilburn Valuation Tables

Table A-1: Accent Resources Magnetite Range Exploration Licences - Kilburn Valuation Matrix

Tenement ID	Type	Area (Km2)	BAC	Off-Property		On-Property		Anomaly		Geology		Valuation			Notes
				Low	High	Low	High	Low	High	Low	High	Low	High	Preferred	
E59/2043	EL	8	41,374	0.5	1	1	1	1	1	1	1	20,687	41,374	31,030	
E59/2044	EL	5	38,349	0.5	1	1	1	1	1	1	1	19,175	38,349	28,762	
E59/2303	EL	27	58,603	1	1.5	1	1.5	1	1.5	1	1.5	58,603	296,679	177,641	
L59/0106	EL	101	128,602	-	-	-	-	-	-	-	-	-	-	-	1
Sub-total	**ELs**	**187**	**344,194**									**98,465**	**376,403**	237,434	
TOTAL		**192**	**605,719**												

[1] *L59/0106 is a Miscellaneous Licence which does not give the owner mineral property rights. It is used to reserve land for non-mining purposes. Consequently, it has no value as a mineral asset. I recommend that we delete the entry of L59/0106 from Table A1.*

7 REFERENCES

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2) JORC 2012: Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Prepared by Joint Ore Reserves Committee (JORC) of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia

3) VALMIN 2015: Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports. Prepared by the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Industry Consultants Association with the participation of ASIC, ASX, MCA, PESA and SAA.

4) ORELOGY 2012: Accent Resources Optimisation Study - Iron Duke and Sunrise Gold Resources. Norseman.

5) RAVENSGATE 2012: Independent Resource Model Report – Magnetite Range Iron Ore Project.

6) CSA GLOBAL 2019: Memo - Norseman Drilling Advice

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