

25th October 2019

ASX ANNOUNCEMENT

PROPOSED ISSUE OF CONVERTIBLE NOTE

The Company advises that today it has entered into a Convertible Note Deed which sets out the terms on which Accent Resources NL (**Company**) proposes, subject to shareholder approval, to issue a convertible note (**Convertible Note**) to major shareholder Rich Mark Development (Group) Pty Ltd (**Rich Mark**).

Shareholder approval for the issue of the Convertible Note to Rich Mark will be sought at the Company's Annual General Meeting to be held on 29 November 2019, notice of which will be despatched to shareholders shortly.

Rich Mark has been funding the Company's activities over the last 4 years by way of loans. The proposed 3 year Convertible Note, which will replace the loans advanced to the Company by Rich Mark, will have a face value of up to \$6.416m (comprising the \$5 million, being the total outstanding principal of the current loans, plus accrued interest) and, subject to shareholder approval, will be convertible into fully paid ordinary shares in the Company at a conversion price of 2 cents per share. This compares to the Company's current share price of 0.5 cents per share. The Convertible Note can only be converted at 6 monthly intervals and for the full amount of the face value at that time.

The issue of the Convertible Note will allow conversion of Rich Mark's debt to equity at Rich Mark's election, thereby strengthening the company's financial position.

If the issue of the Convertible Note and the issue of shares upon conversion of the Convertible Note is approved by shareholders, it could, if conversion does not take place until maturity, increase Rich Mark's percentage shareholding in the Company from the current 15.6% to 69.6%. The combined percentage shareholdings in the Company of Rich Mark and its associate Xingang Resources (HK) Ltd could increase from 69.6% to 89.1%.

Further details of the proposed issue of the Convertible Note to Rich Mark will be contained in the Notice of Annual General Meeting and accompanying Explanatory Memorandum, including an Independent Expert's Report in relation to the proposed transaction.

The Board looks forward to shareholder's supporting the Resolutions contained in the Notice of Meeting.

Yours sincerely



Albert Zhou
Executive Chairman



