
A C C E N T
R E S O U R C E S N . L .



ACN: 113 025 808

ASX : ACS

REGISTERED OFFICE

Level 9, 250 Queen Street
Melbourne, VIC 3000
Telephone: +61 3 9670 0888
Facsimile: +61 3 9670 3883
www.accentresources.com.au

EXPLORATION OFFICE

Suite 4, 29 Ord Street
West Perth, WA 6005
Telephone: +61 8 9481 3006
Facsimile: +61 8 9481 3007
www.accentresources.com.au

Quarterly Activities Report For The Period Ending 31 March 2018


Highlights for the quarter ending 31 March 2018

- Accent Resources have completed one Diamond drill hole (DD03) on the Magnetite Range Project E59/875 for a total depth of 130.7m. Logging and sampling will continue next re-reporting period. An application for E59/2303 was submitted during the reporting period and is pending grant.
- A high level technical strategic review was completed on the Norseman Gold Project (NGP); recommendations have been completed, logistics and budgets are pending approval. Mining Lease Heritage Agreement negotiations for NGP are progressing.
- The Meekatharra Gold Project has a total of 41 identified exploration targets from magnetics and historical drilling for orogenic gold, drill planning has been completed for the top ranked target, drill tenders and approval are pending.
- Siteworks were completed at Lot 163 England Crescent within the Perenjori light industrial area in preparation for the arrival of samples for storage. Shipping containers have commenced relocation from site to Lot 163 during the reporting period.
- The Company continues to concentrate on the identification of investment opportunities in the resources sector and is targeting projects which are generating or will generate positive cashflow.

Capital Structure

Ordinary Fully Paid Shares at 31 March 2018	181,000,233
12 month high-low	\$0.03 - \$0.006

Directors & Management

Yuzi (Albert) Zhou	Executive Chairman
Dianzhou He	Deputy Chairman
Jun Shang Liang (alternate Jie You)	Non Executive Director
Rob Allen	Company Secretary

Top 10 Shareholders
No.
%

Xingang Resources (HK) Limited	98,026,518	54.16%
Rich Mark Development (Group) Pty Ltd	28,218,366	15.59%
Grandmaster Fortune	21,563,603	11.91%
Sino Oriental International Limited	10,000,000	5.52%
Mr Bin Cui	9,993,998	5.52%
Mrs Li Li Zhao	2,102,500	1.16%
Mr Gregory Ian Willims & Mrs Judith Anne Willims	875,000	0.48%
Mr Tony James Pears & Mrs Lynda Pamela Pears	650,300	0.36%
Tolsutra Pty Ltd	500,000	0.28%
Brownward Pty Ltd <Brian Hayward S/F A/C>	500,000	0.28%

Corporate

In conjunction with majority shareholder Xingang Resources (HK) Limited and Rich Mark Development the Company continues to assess investment opportunities and projects for acquisition or development.

MZI Resources Ltd (ACS 4.2%)

The Company announced on 30th November 2015 that it had acquired a substantial shareholding in MZI Resources ("MZI") which is a listed West Australian mineral sands producer (ASX Code: MZI). MZI carried out a \$43 million share placement in 3 Tranches, the first 2 of which the Company participated in. The Company acquired 10m shares or 6.25% of MZI at an issue price of 40 cents for a total consideration of \$4.0 million. The third Tranche of MZI placement, which took place in late February 2016, and subsequent share issues have diluted the Company's interest to 4.2%. The Company funded its participation in the MZI placement by way of a \$4 million loan facility extended by the Company's major shareholder Xingang Resources (HK) Ltd.

In November 2015 MZI commissioned a mineral sands mine at Keysbrook which is 70kms south of Perth. During 2016 the project was expected to ramp up to its initial production target of 96ktpa of leuconite (L70 and L88) and zircon concentrate comprising 38ktpa of L88, 29ktpa of L70 and 29ktpa of zircon concentrate.

However despite the project being completed on time and within budget operating performance in 2016 was disappointing with production being at 55%-60% of design capacity and operating costs being above budget. Performance in 2016 was affected by below design level recoveries in the WCP (necessitating an additional 48 spirals to be installed) and mining problems caused by equipment breakdown, long haul distances and noise restrictions limiting 24 hour operations.

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

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

In September 2017 MZI announced a new operating plan to increase Keysbrook throughput to 5.25 mtpa by mid 2018. To finance the expansion two further funding packages of US\$5m each from RCF were announced with the second one taking short term borrowings from RCF to US\$31m in January 2018. These short term loans were to be repaid by 1st April 2018.

On 8th March 2018 MZI announced a loss of \$11.34m (\$21.12m loss) for the half year to December 2017. Half year output rose by 9% to 53kt and sales volumes increased by 47% to 39kt.

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

On 29th March 2016 MZI announced a new funding package had been provided by RCF comprising an additional US\$10m working capital loan and a new US\$61m 3 year term loan to retire short term debt and provide working capital, land access expenses and operational optimization.

Keysbrook is a high value, low cost operation and is expected to be the world's largest primary producer of leucoxene. With resources equivalent to 30 years mine life at initial production rates it has significant expansion potential. The Keysbrook project has mineral resources totalling 146.8mt at 2.0% heavy mineral content and within these resources Proved and Probable Reserves are 58 mt at 2.3% heavy mineral grade. The reserves are sufficient for 12 years at the initial production rate.

Magnetite Range Iron Ore Project (ACS 100%)

The Company's wholly owned Magnetite Range Project ('MRP') is located in the Midwest region of Western Australia, immediately adjacent to the Extension Hill iron ore mine, and contains a total JORC resource of **434.5 Mt at 31.4% Fe** at 15% weight recovery cut off, as announced to the ASX on 28 November 2012.

POW Application ID **69651** was approved on 22nd January 2018 for the use of ground disturbing equipment and activities on E59/875 and M59/166.

Westralian Diamond Drillers were contracted to complete one diamond hole DD03 (MGD045) which commenced on Monday 19th March 2018. *(See Figure 1).*

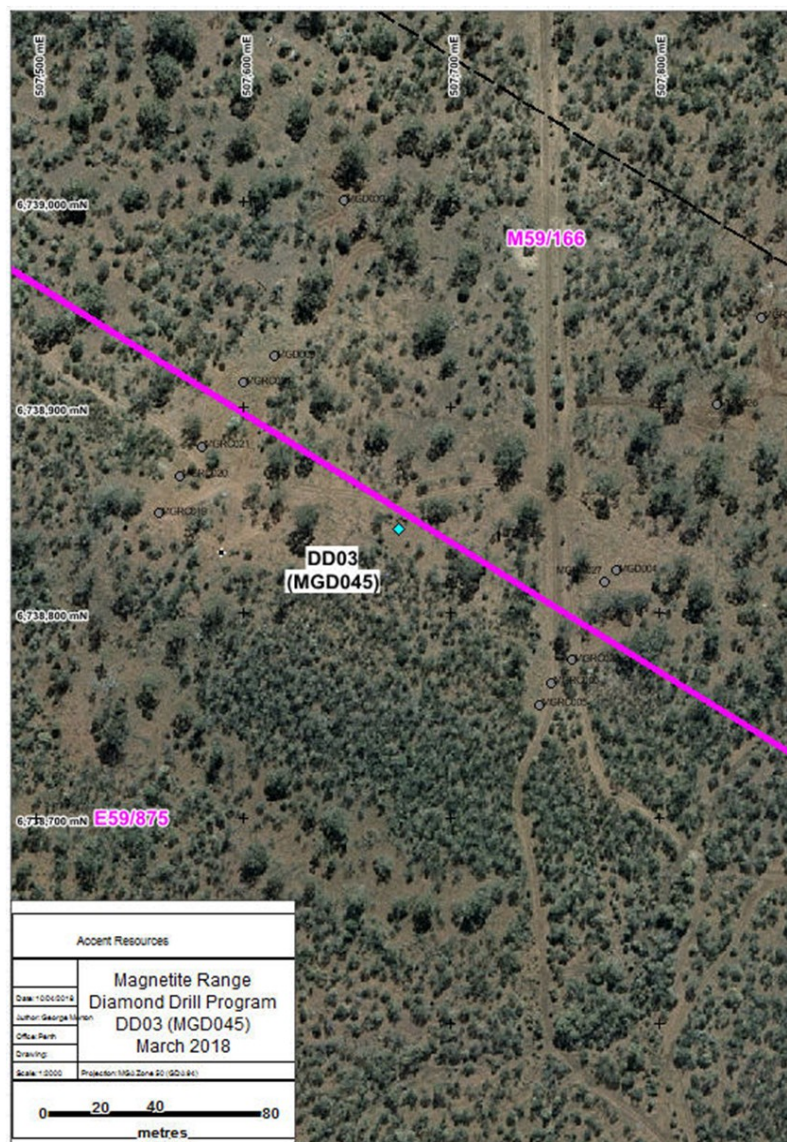


Figure 1 – Magnetite Range Diamond Drill Program 19-27th March 2018 – (POW69651) – MGD045

DD03 (MGD045) diamond hole was designed as a metallurgical test hole to complete further test work in the centre of the existing resource at the Julia Prospect and was drilled on a new sectional line between existing diamond drilling.

DD03 was completed on 27th March 2018 for a total of 130.7m. Diamond drill core has been marked up and transported from site to Perth. During the next reporting period logging will be completed with appropriate test work and sampling to follow.



A new application E59/2303 was submitted on 15th January 2018 and is currently pending, negotiations are currently underway for land access agreements to the area.

Site work was completed at Lot 163 England Crescent, Perenjori during the last reporting period which included the spreading and compaction of a 100mm layer of gravel onsite. This 3,850sqm lot is now ready to receive secure shipping containers which store project samples currently located in the field, transfer of shipping containers commenced during March 2018. The location of Lot 163 England Crescent, Perenjori is ideally placed as a regional base or hub for the future development of the Magnetite Range Iron Project.

A soils proposal has been recommended for Magnetite Range east tenements E59/1878 (491 soils), E59/2043 (231 soils) and E59/2044 (170 soils) for a total of 892 samples. Program logistics and budget has been completed and are pending decision.

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

Norseman Gold Project (ACS 100%)

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

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

The 2012 review and resource estimation exercise clearly demonstrated that additional drilling is required to test deeper potential and newly identified zones, an update of the existing 2012 optimisation studies was completed by external engineering consultants and results of the updated optimisations were used to complete a high level geological technical strategic review of the project. This high level Strategic Review was finalised on 24th December 2018 by Cube Consulting. Recommendations have been reviewed, an initial stage one relog program of historical drilling has been recommended followed by an updated geological model and targeted drill planning. Logistics and budgeting is pending.

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

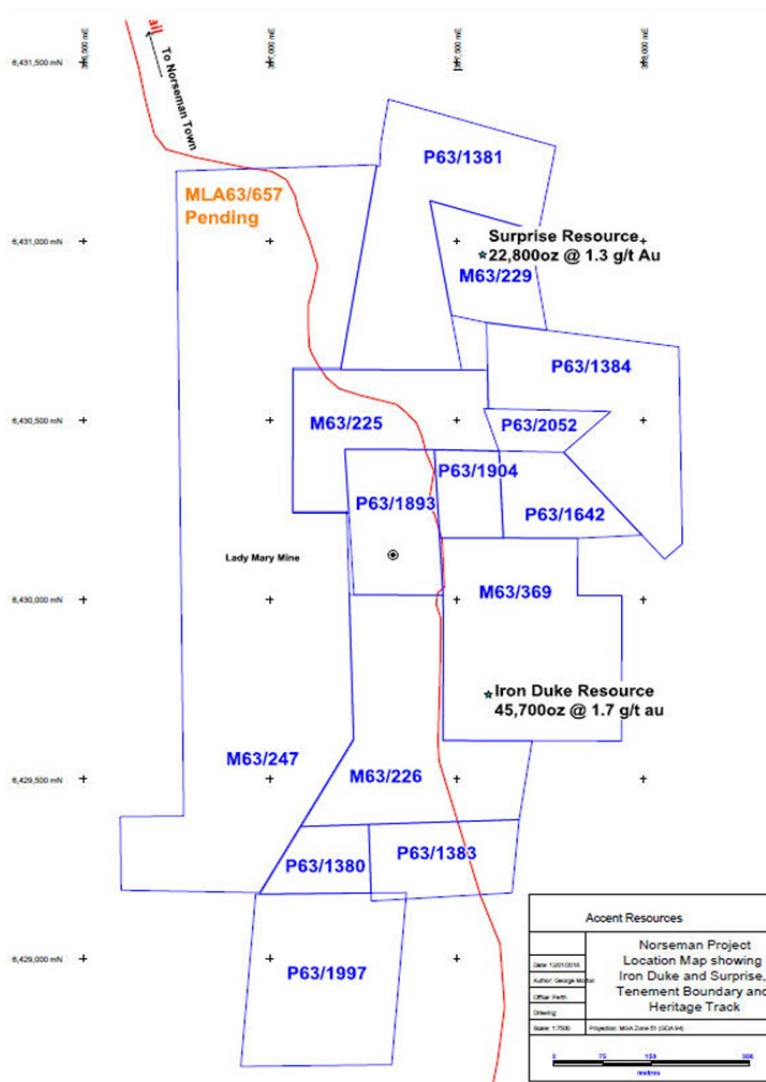


Figure 2—Norseman project tenement location map

Arcadia Gold Project - Meekatharra (ACS 100%)

The Arcadia-Meekatharra gold project (E51/1209) is located in the southern portion of the Abbots greenstone belt some 45km south west of Meekatharra and 30km south west of Bluebird gold mine (Metals X) in the Murchison district of Western Australia.

The project is an early stage exploration project with historical exploration confined to limited historical drilling at the Hope River Prospect.

Previous work on the tenement includes drilling, soil surveys, geological mapping and historical geophysical surveys over parts of the tenement. Due to the lack of subsurface information and a high proportion of salt lake cover, gravity and aerial magnetic surveys were completed during 2016 to help define geological architecture and preliminary local scale target definition.

A total of 41 targets for orogenic gold were identified and ranked, based on a combination of empirical evidence, conceptual ideas, analogous and/or unusual magnetic responses, interpreted structural settings and historical mapping. A review of this data has seen RC planning over a high priority target located on the edge of a Salt Lake and east of historical drilling. A logistics and budgeting exercise has been finalized and is pending approval.

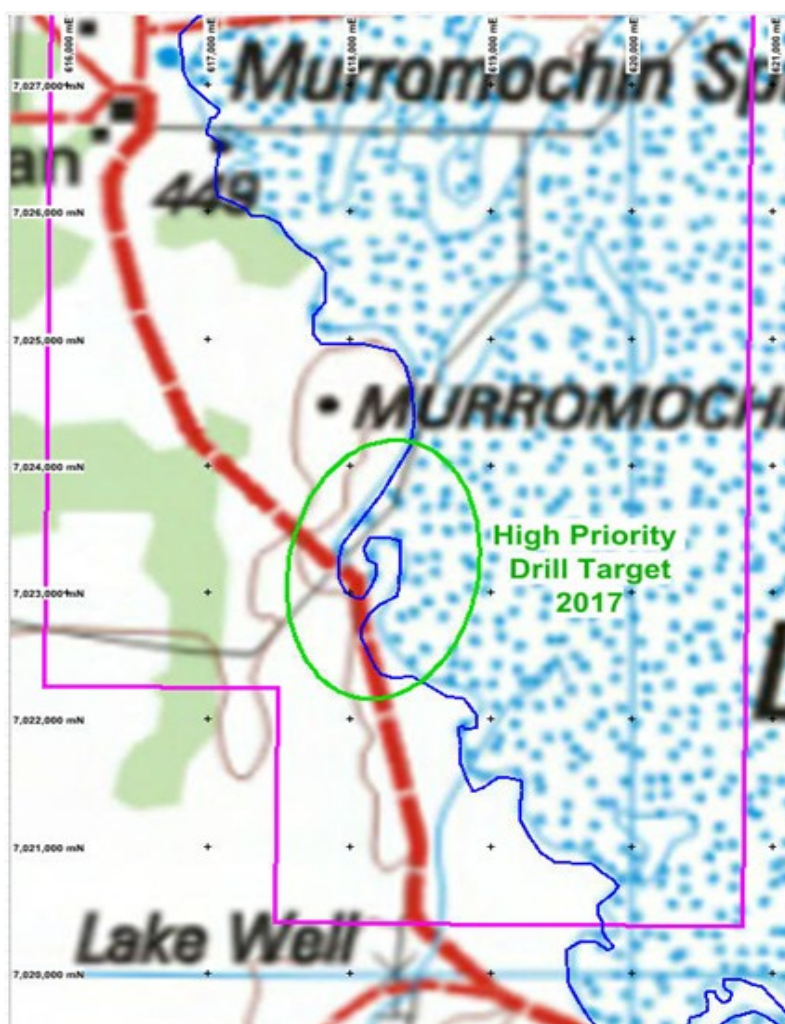
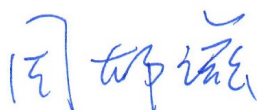


Figure 3—Meekatharra Project—showing tenement outline, topography and drill target



Yours faithfully,
Accent Resources NL

A handwritten signature in blue ink, appearing to read 'Yuzi Zhou' in Chinese characters.

Yuzi Zhou
Executive Chairman

For further details contact:
Yuzi (Albert) Zhou - Executive Chairman (08-94813006)

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resource and Ore Reserves is based on information compiled by Ms George Morton, a Competent Person who is a Member of the Australian Institute of Geoscientists. Ms Morton is a full time employee of Accent Resources NL. Ms Morton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Morton consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.