

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



ACN 113 025 808

**ANNUAL REPORT**

**FOR THE YEAR ENDED  
30 JUNE 2022**

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



ACN 113 025 808

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**Directors**

Yuzi (Albert) Zhou - Executive Chairman  
Dian Zhou He - Non-Executive Director  
and Deputy Chairman  
Jun Sheng Liang - Non-Executive Director  
Jie You - Non-Executive Director

**Company Secretary**

Robert Allen

**Auditor**

Deloitte Touche Tomatsu  
Tower 2, Brookfield Place  
123 St Georges Terrace  
PERTH WA 6000

**Bankers**

Bankwest  
300 Murray Street, Perth WA 6000

**Solicitors**

House Legal  
86 First Avenue  
MT. LAWLEY, WA 6050

Lawton Macmaster Legal Level 9, 40 The Esplanade  
PERTH WA 6000

**Share Registry**

Advanced Share Registry  
150 Stirling Highway  
NEDLANDS WA 6009

**Stock Exchange Listing**

Australian Securities Exchange Limited  
(Home Branch - Perth)

ASX Code: ACS

**Registered Office**

Level 9, 250 Queen St  
MELBOURNE VIC 3000  
Telephone: +61 3 9670 0888

**Exploration and Administration Office**

Level 2, 72 Kings Park Rd  
WEST PERTH WA 6005  
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**Contacts**

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Website: [www.accentresources.com.au](http://www.accentresources.com.au)



Dear Shareholder

I am once again pleased to present this 2022 Annual Report of Accent Resources NL.

During the 2021/22 year activities at Magnetite Range increased substantially. Stage 1 RC drilling of 57 holes to update the original Julia resource model was completed. Flora and Fauna and Heritage Surveys were also completed and additional tenement applications were made. Planning of the 61 hole Stage 2 infill RC drilling program has also been completed. This program is to be followed by pit design and mine planning of the Julia deposit.

At Norseman drill targeting of the Stage 2 infill drilling program planned for 2021/22 year has been completed but lack of drill rig availability means this program will now not be carried out until the 2022/23 year.

At the December 2021 AGM shareholders approved the issue of convertible notes to Rich Mark Development (Group) Pty Ltd and Xingang Resources (HK) Ltd. The 3 year notes, if converted, will replace loans advanced by the major shareholders of up to \$5.225m and \$4.583m respectively. The notes can be converted to ordinary shares at a conversion price of 6 cents per share.

Shareholders will be aware that the major shareholders have provided significant financial support over a number of years to fund exploration and development at Magnetite Range and Norseman. They have indicated their support will continue to allow development studies and work at Magnetite Range with the aim of bringing the project into production as soon as iron ore market conditions allow. At Norseman exploration will continue to achieve a better understanding of the mineralisation with the aim of increasing the existing gold resources.

Yours Sincerely



**Yuzi Zhou**  
**Executive Chairman**

30 September 2022

**ACCENT RESOURCES NL  
DIRECTORS' REPORT**

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Your Directors present their report together with the financial statements of Accent Resources NL ("the Company" or "ACS") for the year ended 30 June 2022.

**Directors**

The Directors in office at the date of this report and at any time during the financial year are as follows. Directors were in office for the entire year unless otherwise stated.

Yuzi (Albert) Zhou – Director and Executive Chairman  
 Dian Zhou He – Non-Executive Director and Deputy Chairman  
 Jun Sheng (Jerry) Liang – Non-Executive Director  
 Jie You – Non-Executive Director

**Information on Directors and officers**

**Yuzi (Albert) Zhou**

Director and Executive Chairman – appointed 8 May 2012

**Qualifications** Bachelor of Engineering, Beijing Science and Technology University

**Experience** .

Mr Zhou majored in Metal Physics and graduated from Beijing Science and Technology University with a Diploma of Bachelor of Engineering in 1985. Mr Zhou has comprehensive experience in iron and steel industry, steel products and iron ore marketing and logistics for more than 30 years. Mr Zhou has been acting in current position for +10 years.

**Interest in Shares and Options** Mr Zhou holds 5,000,000 Performance Rights as approved at the 2021 AGM

**Other Current Directorships of Listed Companies** Nil

**Former Directorships of Listed Companies in Last Three Years** Nil

**Dian Zhou He**

Non-Executive Director and Deputy Chairman – appointed 8 May 2012

**Qualifications** Bachelor of engineering and EMBA, Baotou Iron and Steel University and Huazhong University of Science and Technology

**Experience** Mr He is the Chairman and President of Xingang Iron and Steel Company Limited ("Xingang Iron and Steel Company") of the Angang Group. He joined Xingang Iron and Steel Company after finishing his mining engineering studies in Baotou Iron and Steel University in 1985 and had further education in Huazhong University of Science and Technology where he was awarded an EMBA in 2005. He has been engaged in mining, iron making, steel production and overall Company management over the last 26 years. Xingang Iron and Steel Company is a leading steel Company in Henan Province of China with more than 6,300 employees and a total annual steel production output of 4.5 million tonnes. Mr He is also the Chairman of Xingang Resources (HK) Ltd ("Xingang Resources"), a subsidiary Company of Xingang Iron and Steel Company established in Hong Kong for Australian business. Xingang Resources is the second largest shareholder in the Company.

**Interest in Shares and Options** Shareholder of Xingang Resources (HK) Ltd which holds 98,026,518 ordinary shares (21.0%) in Accent Resources NL. Mr He holds 3,000,000 Performance Rights as approved at the 2021 AGM.



**Other Current Directorships of Listed Companies** Nil

**Former Directorships of Listed Companies in Last Three Years** Nil

### Jun Sheng (Jerry) Liang

Executive Director – appointed 8 July 2009

**Qualifications** Bachelor of Science and Engineering, Henan Agricultural University

**Experience** Mr Liang is Managing Director of Rich Mark Development (Group) Pty Ltd. He has 25 years' experience in international trade, including 11 years in COFCO, one of China's largest companies, and 12 years in iron ore and steel trading.

**Interest in Shares and Options** Controlling shareholder of Rich Mark Development (Group) Pty Ltd which holds 313,245,416 ordinary shares (67.2%) in Accent Resources NL. Mr Liang also holds 3,000,000 Performance Rights as approved at the 2021 AGM

**Other Current Directorships of Listed Companies** Nil.

**Former Directorships of Listed Companies in Last Three Years** Nil.

### Jie You

Non –Executive Director – appointed 25 February 2021, (previously Alternate Director to Jun Sheng Liang – appointed 8 September 2011)

**Qualifications** Bachelor of Science, Xiamen University

**Experience** Mr You joined Xiamen International Trade Group ("ITG") after he graduated from university in 1989 and worked in the international trade side of ITG for ten years. He was also General Manager of two ITG subsidiary companies between 1996 and 2000. Jie You works as a marketing manager for Rich Mark Development (Group) Pty Ltd (a bulk commodities Company).

**Interest in Shares and Options** Mr You holds 500,000 Performance Rights as approved at the 2021 AGM.

**Other Current Directorships of Listed Companies** Nil.

**Former Directorships of Listed Companies in Last Three Years** Nil.

### Robert Allen

Company Secretary – appointed 1 July 2013

**Qualifications** Bachelor of Science (RMIT University) and Bachelor of Business, (Macquarie University)

**Experience** Mr Allen commenced his career as an exploration geologist. Since the early 1980's he has had over 35 years' experience in stockbroking, resources finance and banking, trading and risk management. He also has had roles as CFO and Company Secretary and Director of an ASX listed Company.

**Interest in Shares and Options** Mr Allen holds 400,000 Performance Rights as approved at the 2021 AGM

### Meeting of Directors

During the year, three meetings of directors were held. Attendances were:

| Directors               | Number Eligible to Attend | Number Attended |
|-------------------------|---------------------------|-----------------|
| Jun Sheng (Jerry) Liang | 3                         | 3               |
| Dian Zhou He            | 3                         | 3               |
| Yuzi (Albert) Zhou      | 3                         | 3               |
| Jie You                 | 3                         | 3               |
|                         |                           |                 |

### Principal Activities

The principal activities of the Company entity during the financial year was the exploration and evaluation of mineral deposits.

### Results of Operations

The net loss of the Company after income tax for the year amounted to \$2,261,669 (2021: \$2,201,453).

### Dividends

No dividend has been paid or declared by the Company up to the date of this report. The Directors do not recommend that any amount be paid by way of dividend.

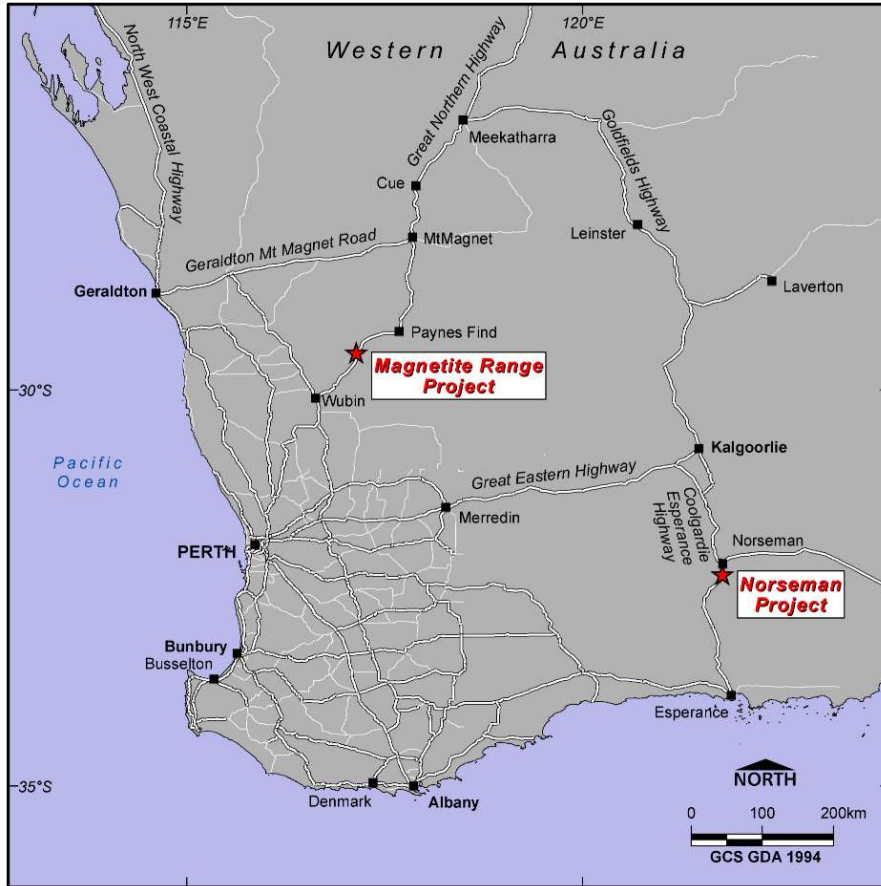
### Review of Operations

The Company continues to assess investment opportunities and projects for acquisition or development. A summary of the Company's investments and projects are provided here

#### 1. Projects

Accent Resources NL is the 100% owner of the Magnetite Range project 'MRP' located approximately 350 km north northeast of Perth and the Norseman gold project located approximately 5 km southeast of Norseman (Figures 01-4). Principal activities during the financial year include desktop project review and evaluation, field surveys, drill proposals and strategic planning over both project areas.





**Figure 01 - Magnetite Range Project – Location Map**

**Highlights include:**

**Magnetite Range Project (MRP)**

- MRP whole area spring flora and fauna level II surveys have been completed over M59/764 and M59/166, final reporting was completed May 2022;
- MRP whole area heritage surveys have been completed over M59/764 and M59/166, findings and recommendations have been received;
- Stage one RC drilling was completed during the reporting period over M59/764 and M59/166 (Julia Prospect). A total of 57 RC drill holes was completed in October 2021 for 9,861m, final samples were submitted to the labs on 6th October 2021, final head assays have been received, DTR results are pending; wireline downhole surveys were also completed;
- JORC 2012 compliant resource update has commenced over the MRP Julia Prospect;
- Several tenement applications were submitted during the reporting period including M59/764; E59/2664; E59/2666, E59/2668, E59/2686, E59/2719, L59/196, L59/197 and L59/210;

The Company has continued to focus on the Magnetite Range Project Julia Prospect during the reporting period. Hematite Hill and other priority targets have been highlighted as the next stage of targeting. The Company continues to concentrate on the identification of investment opportunities in the resources sector and are successfully targeting tenure and projects which are aligned with corporate strategy.





### **Norseman Gold Project (NGP)**

- Several low order targets were identified from desktop review, ranking of targets and RC drill targeting has been completed;
- Pegging of Collars has been completed for proposed 2022 RC drilling,
- Environmental clearance surveys took place from 28 – 30 June 2022;
- Civil works and RC drilling is scheduled next reporting period;

The Company remains committed to both projects and will continue to seek ways of progressing development in the future.

### **MAGNETITE RANGE IRON ORE PROJECT (ACS 100%)**

The Company's wholly owned Magnetite Range Project 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.

Mining Lease application M59/764 was submitted on the 18<sup>th</sup> December 2020 for a total area of 1658Ha and was granted on the 11<sup>th</sup> August 2021. M59/764 is a partial conversion of the existing E59/875 over the Julia Resource area. Accent will retain 100% of the remaining portion of E59/875.

Miscellaneous Licence applications L59/196, L59/197 and L59/210 and Exploration Lease applications for E59/2664, E59/2666, E59/2668, E59/2686 and E59/2719 were all submitted during the reporting period, L59/196 was granted on 15/11/2021, the remaining tenement applications are all currently pending including E59/2423 submitted during 2020; Refer Table 1

A total of 57 infill RC drill holes (MGRC096-152) were completed on the 19th September 2021 for 9,861m over the Julia Prospect. All head assay samples were submitted to Nagrom laboratories for iron suite XRF analysis, final results were received Feb 2022. DTR intervals have been selected and submitted for further test work, results are pending. Phase one RC drilling over the Julia prospect resulted in an approx. grid coverage of 100m x 50m over the main Julia resource area and has resulted in increased confidence in geology. An updated geological model over the prospect has been completed, an updated resource model over Julia prospect incorporating the 2021 RC drilling has commenced.

The next phase of infill RC drilling over Julia prospect is due to commence September 2022. This will increase confidence in grade continuity and domaining and test depth potential of the existing resource. A PoW for this next phase of drilling has been granted.

Ecoscope Environmental Consultants completed level II environmental flora and fauna field surveys over the Julia prospect covering M59/764 and M59/166 during the reporting period. Final reporting and recommendations have been received and reviewed. The main Julia area has been cleared, no species of threatened conservation significance were observed and/or could be managed during exploration works. All species observed have been documented and highlighted in Accents Environmental Management Plan 'EMP' with accompanying Project Flora and Fauna Field Handbook. This booklet will be available to all personal working on the MRP project area for familiarisation and active management. Additional Environmental Surveys have been planned for the 2022-2023 budget year.

Heritage Link completed a whole area ethnographic and archaeological survey over the Julia prospect covering tenements M59/764 and M59/166. A team of Badimia Native title representatives and Terra Rosa consultants completed 3 field trips to complete whole area surveys over the tenure during the reporting period. Final reporting and recommendations have been received. Several areas have been highlighted as areas of significance and will require further detailed surveys if ground disturbing activities are to take place within these areas. The main Julia area has been cleared. Additional Heritage Surveys have been planned for the 2022-2023 budget year.

A core restoration program was completed during the reporting period of all company diamond core. All company wide core samples are now stored and secured at Perenjori in the 100% Accent owned industrial yard.

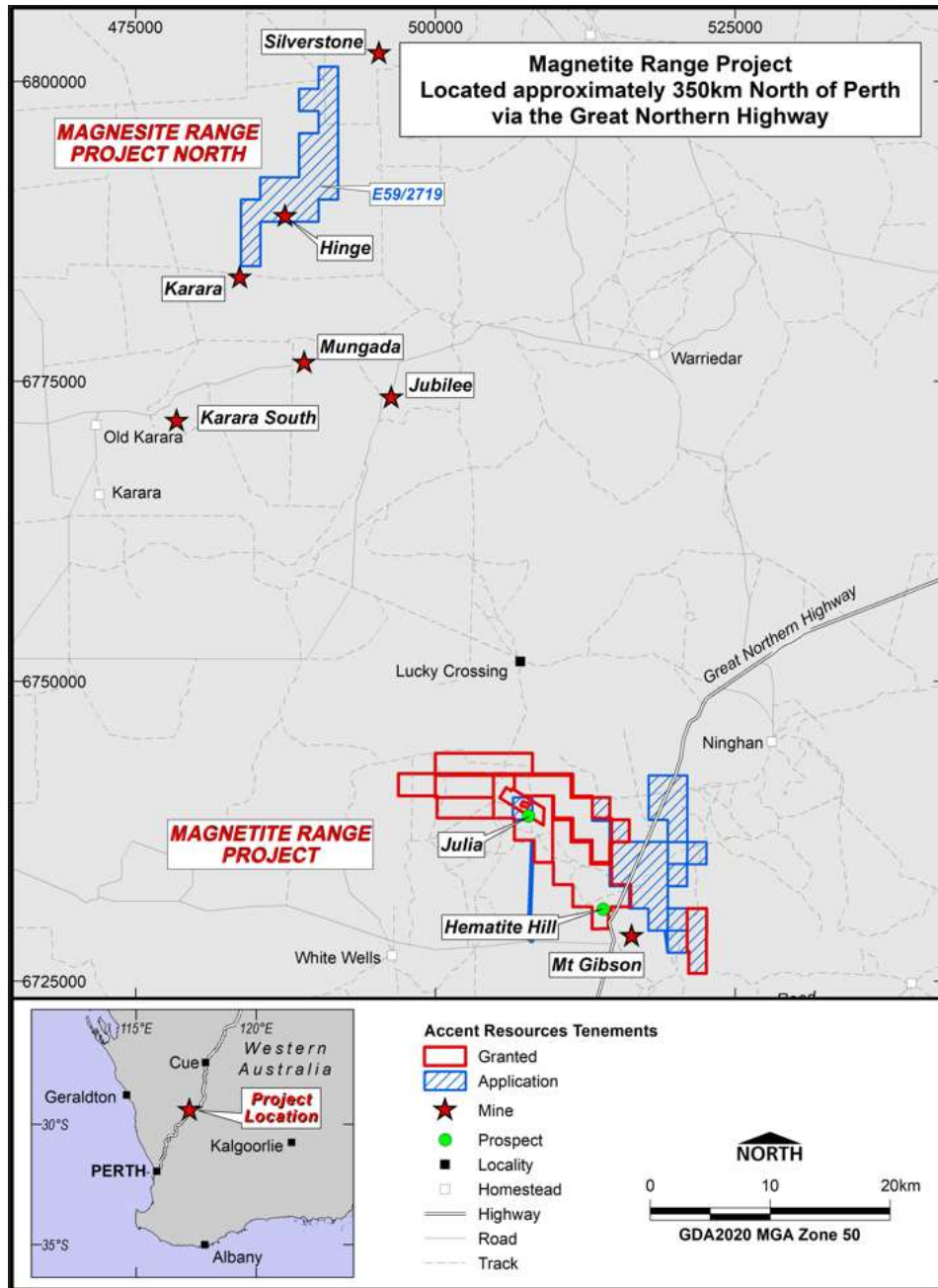


**ACCENT RESOURCES NL  
DIRECTORS' REPORT**



A desktop geophysical review has been completed by CSA global which has resulted in updated imagery over the project area. A targeting and fact mapping exercise utilising this newly acquired data is proposed next reporting period.

Further work planned for the next reporting period includes project wide logistics and strategic studies, infill RC drilling over the Julia prospect, project wide drill targeting, hydrogeological, and geochemical studies and additional environmental and heritage surveys over other areas within the project and ground truthing and fact mapping of geology based on a recent desktop geophysical review.



**Figure 02 - Magnetite Range Project – Tenement Location Map**



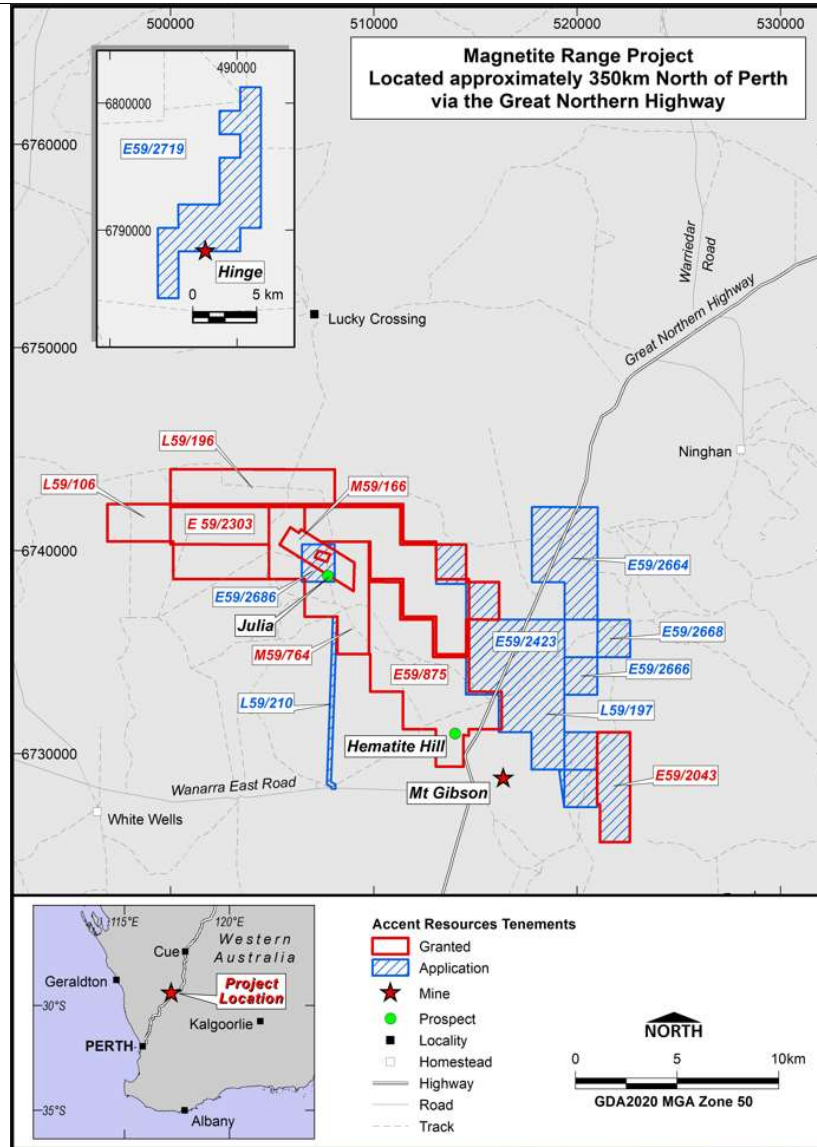


Figure 03 - Magnetite Range Project – Tenement Map

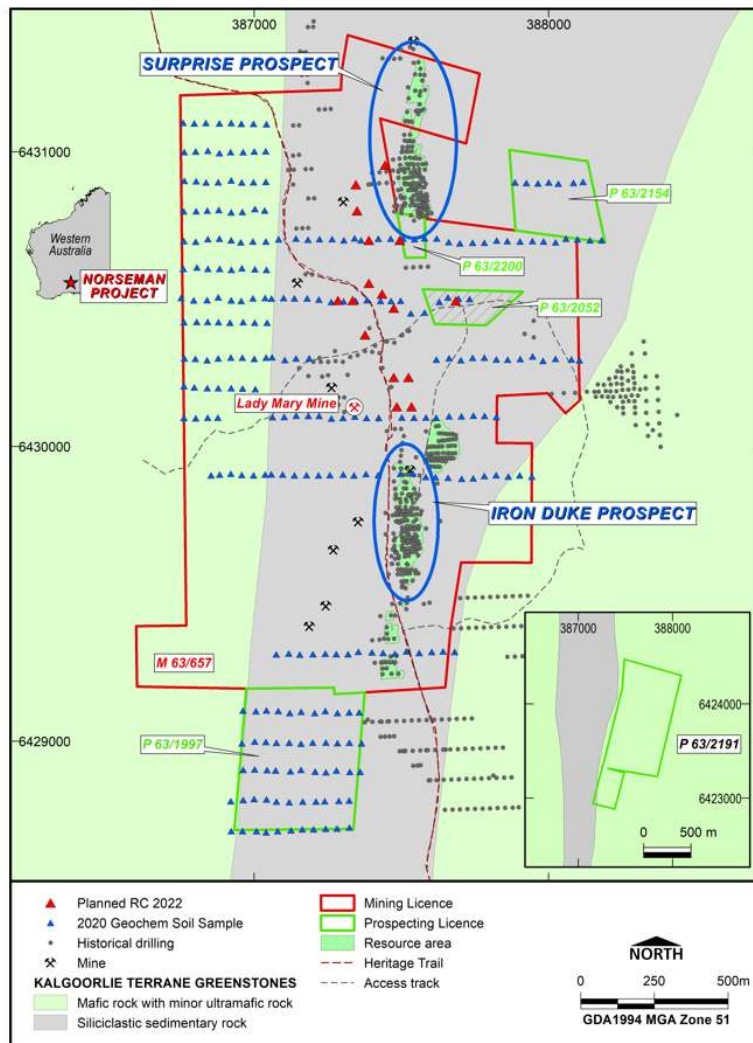
Table 01 – Tenement Applications during the 2021-2022 reporting period

| Tenement | Project | Application | Granted        | Expiry     | Term (yrs) |
|----------|---------|-------------|----------------|------------|------------|
| M59/764  | MRP     | 18/12/2020  | 11/08/2021     | 10/08/2042 | 21         |
| L59/196  | MRP     | 12/08/2021  | 15/11/2021     | 14/11/2042 | 21         |
| E59/2423 | MRP     | 17/04/2020  | <i>Pending</i> |            |            |
| E59/2664 | MRP     | 5/01/2022   | <i>Pending</i> |            |            |
| E59/2666 | MRP     | 5/01/2022   | <i>Pending</i> |            |            |
| E59/2668 | MRP     | 5/01/2022   | <i>Pending</i> |            |            |
| E59/2686 | MRP     | 16/03/2022  | <i>Pending</i> |            |            |
| E59/2719 | MRP     | 31/05/2022  | <i>Pending</i> |            |            |
| L59/197  | MRP     | 12/08/2021  | <i>Pending</i> |            |            |
| L59/210  | MRP     | 18/03/2022  | <i>Pending</i> |            |            |

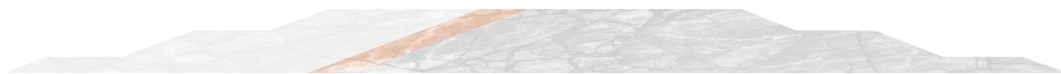
**NORSEMAN GOLD PROJECT (ACS 100%)**

The Norseman Gold Project occurs within a strongly mineralized 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.

Exploration reverse circulation infill drill targeting for 2022 has been completed. A total of 16 infill RC drill holes have been designed, field pegging and site checks taken place. An environmental drill clearance survey took place from 28 – 30 June 2022. Civil works and RC drilling is expected to commence next reporting period.



**Figure 04 – Norseman Project Activities Map for year ending 30 June 2022**



## **2. Impact of COVID-19**

The World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic in March 2020. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, which has resulted in significant volatility in Australian and international markets. The Company has responded to the emergence and continued development of the COVID-19 pandemic with a range of pre-cautionary measures on its work sites. These were in addition to government advice and included office work being conducted remotely and field programs modified to minimise risk. The Company's operations have not been materially impacted and it continues to monitor and manage the COVID-19 situation closely.

The Company was deemed eligible to receive the ATO cash boosts and received \$0 (2021: \$50,000) for the year as disclosed in Note 3(a).

### **Financial Position**

At 30 June 2022, the Company was in a net asset position of \$1,737,020 (2021: net asset position of \$1,435,849). Full details of the financial position of the Company can be found in the Financial Statements section within this Annual Report.

### **Significant Changes in State of Affairs**

At the AGM on 22 December 2021, shareholders approved the issue of convertible notes to Rich Mark Development (Group) Pty Ltd and Xingang Resources (HK) Ltd. Rich Mark and Xingang have been funding the company's activities over the last 4-5 years by way of loans. The 3 year convertible notes, if converted, will replace loans advanced by Rich Mark of up to \$5.225m and Xingang of up to \$4.583m. The notes can be converted into ordinary shares at a conversion price of 6 cents per share. At the AGM on 22<sup>nd</sup> December 2021, the issue of 11.5m Performance Rights to Directors was also approved.

The Company has changed its focus and decided to move towards development on the Magnetite Range Project in stages. The costs incurred prior to this decision are deemed to be in relation to the previous period of focus, which were based on maintaining development options on the Project and are separate to the refreshed development strategy. The Company has assessed the impairment triggers and deem the costs on the Project during from 1 July 2021 to be recoverable by mining or development of the Project.

### **After Balance Date Events**

Subsequent to the end of the financial year, the Company signed an agreement with Rich Mark Development (Group) Pty Ltd for a \$3.0 million loan available for drawdown in three tranches starting in January 2023. The loan is unsecured and subject to interest at 2.2% pa which accrues six monthly and is payable along with the principle at maturity. The loan matures on 31 December 2028.

The Company has obtained the following additional tenements since end of the financial year relating to the Magnetite Range project, being E59/2666, E59/2423 and E59/2686.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### **Future Developments, Prospects and Business Strategies**

The Company intends to continue to pursue its goals of identification of investment opportunities in the resources sector and development of existing projects.

### **Environmental Issues**

The Company is aware of its environmental obligations with regards to its exploration activities and ensures that it complies with all regulations when carrying out any exploration work.



### **Shares Under Option/Performance Rights**

There are no unissued ordinary shares of the Company under option at the date of this report. No share options were granted during the financial year (2021: Nil)

Following shareholder approval at the 2021 AGM the Company issued 13.1m Performance Rights to 10 individuals on 14<sup>th</sup> February 2022 and 18<sup>th</sup> February 2022 respectively. The Rights will vest 1 year after grant on 14<sup>th</sup> February 2023 and 18<sup>th</sup> February 2023 except for those issued to Mr He and Mr Liang which will vest 3 years after grant.

### **Proceedings on Behalf of the Company**

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

### **Indemnification and Insurance of Officers**

In accordance with the constitution, except as may be prohibited by the *Corporations Act 2001* every Officer of the Company shall be indemnified out of the property of the Company against any liability incurred by him in his capacity as Officer, auditor or agent of the Company or any related corporation in respect of any act or omission whatsoever and howsoever occurring or in defending any proceedings, whether civil or criminal. Accordingly, the Company has in place Directors and Officers Insurance and the total amount of insurance contract premiums paid was \$14,550 (2021: \$12,850).

### **Auditor's Independence Declaration**

The auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 61 of the Financial Statements.

### **Non-audit Services**

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

No fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2022 (2021: nil).

### **Corporate Governance**

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Accent Resources NL support and adhere to the principles of corporate governance. The Company's Corporate Governance Statement is contained in the subsequent section of this report and on its website at [www.accentresources.com.au](http://www.accentresources.com.au).



### **Remuneration Report (Audited)**

The Remuneration Report is set out under the following main headings:

- A Directors and Key Management Personnel
- B Principles Used to Determine the Nature and Amount of Remuneration
- C Service Agreements
- D Details of Remuneration
- E Share-based Compensation
- F Equity Instrument Disclosures Relating to Key Management Personnel
- G Other Transactions

The information provided in this Remuneration Report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

### **Voting and Comments made at the Company's 2021 Annual General Meeting**

The Company received 100 % of "yes" votes on its remuneration report for the 2021 financial year.

#### **A. Directors and Key Management Personnel**

The remuneration arrangements detailed in this report relate to the following Directors and key management personnel as per the below. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Yuzi (Albert) Zhou – Executive Chairman  
Dian Zhou He – Non-Executive Director and Deputy Chairman  
Jun (Jerry) Sheng Liang – Executive Director  
Jie You – Non – Executive Director  
Robert Allen – Company Secretary

All directors and key management personnel held their roles for the entire year.

#### **B. Principles Used to Determine the Nature and Amount of Remuneration**

The Board recognises that Accent Resources NL operates in a global environment. To prosper in this environment we must attract, motivate and retain key executive staff.

In determining competitive remuneration rates, the Board, acting in its capacity as the remuneration committee, seeks independent advice on local and international trends among comparative companies and the mining and exploration sector generally. It examines terms and conditions for employee incentive schemes benefit plans and share plans. Independent advice may be obtained to confirm that executive remuneration is in line with market practice and is reasonable in the context of Australian executive reward practices.

No remuneration consultants were utilised in the current year to determine remuneration.

#### **Board Remuneration**

Shareholders approve the maximum aggregate remuneration for Non-Executive Directors. The Board determines actual payments to directors and reviews their remuneration annually.



### Performance-based Remuneration

At this stage of the Company's life cycle and being an exploration Company, there are no remuneration policies which link remuneration to Company performance. The only performance requirements relate to service conditions.

The principles supporting our remuneration policy are that:

- Reward reflects the competitive global market in which the Company operates.
- Remuneration arrangements are equitable and facilitate the development of senior management across the Company.

The tables below set out summary information about the Company's movements in shareholder wealth for the five years to 30 June 2022:

|                     | <b>30 June<br/>2022</b> | <b>30 June<br/>2021</b> | <b>30 June<br/>2020</b> | <b>30 June<br/>2019</b> | <b>30 June<br/>2018</b> |
|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                     |                         | \$                      | \$                      | \$                      | \$                      |
| Revenue             | 3,893                   | 52,652                  | 55,562                  | 12,762                  | 13,932                  |
| Net loss before tax | (2,261,669)             | (2,201,453)             | (2,018,997)             | (2,758,530)             | (2,574,485)             |
| Net loss after tax  | (2,261,669)             | (2,201,453)             | (2,018,997)             | (2,758,530)             | (2,574,485)             |

|                              | <b>30 June<br/>2022</b> | <b>30 June<br/>2021</b> | <b>30 June<br/>2020</b> | <b>30 June<br/>2019</b> | <b>30 June<br/>2018</b> |
|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                              |                         | \$                      | \$                      | \$                      | \$                      |
| Share price at start of year | 0.050                   | 0.005                   | 0.006                   | 0.01                    | 0.03                    |
| Share price at end of year   | 0.046                   | 0.050                   | 0.005                   | 0.006                   | 0.01                    |
| Basic earnings per share     | (0.48)                  | (0.64)                  | (1.12)                  | (1.52)                  | (1.42)                  |

No dividends have been declared.

### C. Service Agreements

#### Employment Contracts of Directors and Senior Executives

The Executive Chairman, Mr Yuzi Zhou, has an ongoing arrangement with the Company which was put in place with effect on 1 July 2014. Mr Zhou receives a salary of \$185,000 (excluding superannuation) per annum and either party may terminate this agreement at any time by giving a three month's written notice.

The Non-Executive Directors and Company Secretary have been appointed on an ongoing basis and have no retirement benefit allowances (neither current nor accrued), and the Company has no obligations to Directors upon their cessation from office.

There are no additional employment contracts relating to Directors or the Company Secretary other than what is outlined above.





**D. Details of Remuneration**

The remuneration for each Director and other members of key management personnel during the year was as follows:

**2022**

| Key Management Personnel | Short-term Benefits        |                  |       | Long-Term Benefits       |                    | Share based Payment |                                 | Total               | Performance Related |
|--------------------------|----------------------------|------------------|-------|--------------------------|--------------------|---------------------|---------------------------------|---------------------|---------------------|
|                          | Salary & Fees <sup>1</sup> | Non-cash benefit | Other | Post employment benefits | Long Service Leave | Equity              | Options and rights <sup>3</sup> |                     |                     |
|                          | \$                         | \$               | \$    | \$                       | \$                 | \$                  | \$                              |                     |                     |
| Dian Zhou He             | 55,000                     | -                | -     | -                        | -                  | -                   | 28,604                          | 83,604              | -                   |
| Jun Sheng (Jerry) Liang  | 36,164                     | -                | -     | 3,616                    | -                  | -                   | 28,604                          | 68,384              | -                   |
| Yuzi (Albert) Zhou       | 184,800                    | -                | -     | 18,480                   | 3,119              | -                   | 143,151                         | 349,550             | -                   |
| Robert Allen             | 37,390 <sup>2</sup>        | -                | -     | -                        | -                  | -                   | 8,101                           | 45,491 <sup>2</sup> | -                   |
| Jie You                  | 25,000                     | -                | -     | 2,500                    | -                  | -                   | 14,315                          | 41,815              | -                   |
|                          | 338,554                    | -                | -     | 24,596                   | 3,119              | -                   | 222,775                         | 588,844             | -                   |

**2021**

| Key Management Personnel | Short-term Benefits        |                  |       | Long-Term Benefits       |                    | Share based Payment |                    | Total   | Performance Related |
|--------------------------|----------------------------|------------------|-------|--------------------------|--------------------|---------------------|--------------------|---------|---------------------|
|                          | Salary & Fees <sup>1</sup> | Non-cash benefit | Other | Post employment benefits | Long Service Leave | Equity              | Options and rights |         |                     |
|                          | \$                         | \$               | \$    | \$                       | \$                 | \$                  | \$                 |         |                     |
| Dian Zhou He             | 50,000                     | -                | -     | -                        | -                  | -                   | -                  | 50,000  | -                   |
| Jun Sheng (Jerry) Liang  | 32,877                     | -                | -     | 3,123                    | -                  | -                   | -                  | 36,000  | -                   |
| Yuzi (Albert) Zhou       | 182,151                    | -                | -     | 15,960                   | 3,119              | -                   | -                  | 198,111 | -                   |
| Robert Allen             | 28,100 <sup>2</sup>        | -                | -     | -                        | -                  | -                   | -                  | 28,100  | -                   |
| Jie You                  | 8,333                      | -                | -     | 792                      | -                  | -                   | -                  | 9,125   | -                   |
|                          | 301,461                    | -                | -     | 19,875                   | 3,119              | -                   | -                  | 324,455 | -                   |

**E. Share-based Compensation**

**Share-based Compensation – Key Management Personnel**

As mentioned, following shareholder approval at the 2021 AGM, 11.5m Performance Rights were issued to Directors and executives on 14<sup>th</sup> February 2022. There were no other shares issued (2021: nil) and no other share options granted (2021: nil) as compensation to Directors and executives during the financial year.

<sup>1</sup> Includes accrued amounts for annual leave.

<sup>2</sup> Mr Robert Allen invoices the Company as a contractor for his services.

<sup>3</sup> The value of rights granted to key management personnel as part of their remuneration is calculated at the grant date based on the share price at that date. The amount disclosed as part of remuneration for the year have been determined by allocating the grant date value on a straight-line basis over the period from grant date to vesting date.

|                            | Number<br>Granted <sup>1</sup> | Number<br>Vested | Forfeited | % Vested | Vesting period |
|----------------------------|--------------------------------|------------------|-----------|----------|----------------|
| Dian Zhou He               | 3,000,000                      | -                | -         | -        | 36 months      |
| Jun Sheng (Jerry)<br>Liang | 3,000,000                      | -                | -         | -        | 36 months      |
| Yuzi (Albert) Zhou         | 5,000,000                      | -                | -         | -        | 12 months      |
| Robert Allen               | 400,000                        | -                | -         | -        | 12 months      |
| Jie You                    | 500,000                        | -                | -         | -        | 12 months      |
|                            | 11,900,000                     | -                | -         | -        |                |

No consideration to be paid for any of the above rights to be exercised.

#### Shares Issued Upon Exercise of Remuneration Options

No shares have been issued upon exercise of options granted as compensation in prior years to key management personnel. (2021: nil).

#### F. Equity Instrument Disclosures Relating to Key Management Personnel

- (i) Options /Performance Rights provided as remuneration and shares issued on any exercise of such options

No share options were granted to Key Management Personnel as remuneration during the financial year (2021: nil). 11.5m Performance Rights were granted to Key Management Personnel (2021:Nil)

- (ii) Option /Performance Rights holdings

There are no options on issue (2021: nil). There are 11.5m Performance Rights on issue (2021:Nil)

- (iii) Share holdings

The number of ordinary shares in the Company held during the financial year by each Director and any other Key Management Personnel of the Company, including related parties, are set out below.

#### Number of Shares Held by Key Management Personnel

| 30 June 2022               | Balance at<br>beginning of year | Received as<br>Compensation | Options<br>Exercised | Net Change<br>Other | Balance<br>at end of year |
|----------------------------|---------------------------------|-----------------------------|----------------------|---------------------|---------------------------|
| Dian Zhou He               | 98,026,518                      | -                           | -                    | -                   | 98,026,518                |
| Jun Sheng (Jerry)<br>Liang | 313,245,416                     | -                           | -                    | -                   | 313,245,416               |
| Yuzi (Albert) Zhou         | -                               | -                           | -                    | -                   | -                         |
| Jie You                    | -                               | -                           | -                    | -                   | -                         |
| Robert Allen               | -                               | -                           | -                    | -                   | -                         |
|                            | 411,271,934                     | -                           | -                    | -                   | 411,271,934               |

| 30 June 2021            | Balance at beginning of year | Received as Compensation | Options Exercised | Net Change Other   | Balance at end of year |
|-------------------------|------------------------------|--------------------------|-------------------|--------------------|------------------------|
| Dian Zhou He            | 98,026,518                   | -                        | -                 | -                  | 98,026,518             |
| Jun Sheng (Jerry) Liang | 28,218,366                   | -                        | -                 | 285,027,050        | 313,245,416            |
| Yuzi (Albert) Zhou      | -                            | -                        | -                 | -                  | -                      |
| Jie You                 | -                            | -                        | -                 | -                  | -                      |
| Robert Allen            | -                            | -                        | -                 | -                  | -                      |
|                         | <u>126,244,844</u>           | <u>-</u>                 | <u>-</u>          | <u>285,027,050</u> | <u>411,271,934</u>     |

Note: On 6 December 2020 Rich Mark Development (Group) Pty Ltd exercised the convertible note granted to it following shareholder approval on 29 November 2019. An additional 285,027,050 shares were issued to Rich Mark Development (Group) Pty Ltd as a result of the conversion. Mr Jerry Liang owns a controlling share in Rich Mark Development (Group) Pty Ltd and therefore has an indirect controlling interest in the Company.

**G. Other Transactions**

There are no other transactions or balances to disclose.

**End of the Audited Remuneration Report**

Signed in accordance with a resolution of the Board of Directors made pursuant to s.298(2) of the *Corporations Act 2001*.



Yuzi Zhou  
Executive Chairman  
Dated this 30<sup>th</sup> day of September 2022



## ACCENT RESOURCES NL CORPORATE GOVERNANCE STATEMENT

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The Board of Accent Resources N.L. (“ACS” or the “Company”) is committed to providing its security holders a satisfactory return and fulfilling its corporate governance obligations in the best interests of the Company and its stakeholders.

This Corporate Governance Statement outlines the key aspects and approach that ACS takes in respect of its governance arrangements and practices. The Board reviews the governance framework on a regular basis to ensure a consistent and appropriate standard of practice is in place and meets security holder and market expectations.

The ACS Board has formed a view which was approved by them that for the reporting period ended 30 June 2022, based on its current size, scope and activities, it has in all material respects complied with or had an equivalent process in place to meet the ASX Corporate Governance Council’s 4th edition Principles and Recommendations<sup>3</sup>.

### PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

#### Recommendation 1.1

*A listed entity should have and disclose a board charter setting out:*

- (a) The respective roles and responsibilities of its board and management and*
- (b) Those matters expressly reserved to the board and those delegated to management.*

ACS has in place a Board Charter which sets out, amongst other things:

- a. The role of the Board to undertake all of the following:
  - i. Appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
  - ii. Driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management’s performance;
  - iii. Reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
  - iv. Approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
  - v. Approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
  - vi. Approving the annual, half yearly and quarterly accounts;
  - vii. Approving significant changes to the organisational structure;
  - viii. Approving the issue of any shares, options, equity instruments or other securities in the Company;
  - ix. Ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
  - x. Recommending to security holders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them;
  - xi. Meeting with the external auditor, at their request, without management being present; and
  - xii. Any matter that the Board determines to reserve to itself for the purposes of decision making.
- b. The role and responsibility of management as follows:
  - i. The Board delegations to the relevant appointed CEO or other appointed management, the management of the day-to-day operations and administration of the Company, consistent with the objectives and policies set down by the Board.
  - ii. The CEO or appointed management is directly accountable to the Board for the performance of the management team.

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<sup>3</sup> A full copy of the ASX Corporate Governance Council Principles and Recommendations, 4<sup>th</sup> Edition, February 2019 can be found at: <https://www.asx.com.au/regulation/corporate-governance-council.htm>

Recommendation 1.2

*A listed entity should:*

- (a) Undertake appropriate checks before appointing a director or senior executive or putting someone forward for election as a director; and*
- (b) Provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.*

ACS completes a due diligence process prior to the appointment of a new director or senior executive, and where a person is standing for re-election to the Board, including background screening and ensuring the individual meets the knowledge, skills and experience requirements set out by ACS for that position.

The due diligence process includes, but is not limited to, background screening, confirmation of qualifications, prior roles held and whether the person has been the subject of any regulatory enforcement action (such as a banning order or similar).

In the case of security holder election or re-election of directors, relevant information is provided as part of the Resolution for that election, and includes:

- i. Details of the director for election or re-election (full name)
- ii. Relevant experience, skills and knowledge of the director for election or re-election including current and prior board expertise
- iii. The requirements of the ACS Constitution in respect of the director nomination (terms and conditions of appointment, whether new or re-appointment of an existing director); and
- iv. The recommendation of the ACS Board other than the person standing for re-election, or the full board where it is a new director appointment.

Recommendation 1.3

*A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.*

The Directors' terms of appointment are governed by the Constitution of the Company. A Director appointed to fill a casual vacancy, or as an addition to the Board, only holds office until the next general meeting of members and must then retire. After providing for the foregoing, one-third of the remaining Directors (excluding the Managing Director) must retire at each annual general meeting of members. The term of office held by each director in office at the date of this Annual Report is set out in the Directors Report.

All Directors of the Company have direct access to the management of the Company and, where necessary, to external advisers.

Each Director has the right to request independent professional advice at the expense of the Company, which request is not to be unreasonably withheld.

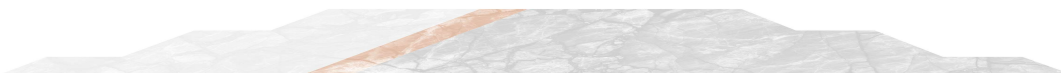
Senior executive appointments are made under negotiated contract terms and set out the minimum requirements of the role, conduct expectations and where appropriate those matters that deal with performance and remuneration, particularly in circumstances where there is an equity-based remuneration component.

Recommendation 1.4

*The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.*

The ACS Company Secretary is directly accountable to the Board through the Chair of the Board, in relation to those matters that relate to the functioning of the Board.

For all other matters, the Company Secretary reports directly to the Executive Chairman.



Recommendation 1.5

*A listed entity should:*

- (a) *Have and disclose a diversity policy;*
- (b) *Through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and*
- (c) *Disclose in relation to each reporting period:*
  - 1. *The measurable objectives set for that period to achieve gender diversity;*
  - 2. *The entity's progress toward achieving those objectives; and*
  - 3. *Either:*
    - A. *The respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or*
    - B. *If the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality indicators", as defined in and published under that Act.*

ACS has adopted a Diversity Policy, which deals with, amongst other things, the following:

- i. Our approach to diversity;
- ii. Roles and responsibilities of the Board;
- iii. Setting measurable objectives consistent to our diversity strategy;
- iv. Monitoring and evaluation of how the diversity strategy and objectives have been performed; and
- v. Reporting on diversity on an annual basis

The Board has reserved to itself all aspects of the Diversity Policy.

Due to the size, scale and activities of ACS at the current time, no measurable objectives have been set for gender diversity, noting that the total workforce of the Company is five personnel (excluding the Board). The Board is currently comprised of all male directors.

Recommendation 1.6

*A listed entity should:*

- (a) *Have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and*
- (b) *Disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

ACS has in place a Remuneration and Nomination Committee that arranges a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used. The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review includes:

- i. Comparing the performance of the Board with the requirements of its Charter;
- ii. Examination of the Board's interaction with management;
- iii. The nature of information provided to the Board by management; and
- iv. Management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

Having regard to the current size and activities of the Company, the Board has retained responsibility for the duties outlined in respect of the Remuneration and Nomination Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Committee.

The appropriate processes for such evaluations have been initiated but the intended evaluation processes did not occur during the reporting period due to operational priorities and changes in Board structure.

Recommendation 1.7

*A listed entity should:*

- (a) *Have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and*
- (b) *Disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.*

The Remuneration and Nomination Committee of the Board has been delegated the responsibilities of formulating, implementing and reporting upon results of the appropriate processes for the evaluation of performance of senior executives, directors and Board committees.

In the case of senior executives an informal process of Business Plan Objectives, Key Performance Indicators and Annual Targets has been put in place, the results of which are reviewed on a half yearly basis.

Having regard to the current size and activities of the Company, the Board has retained responsibility for the duties outlined in respect to a Remuneration and Nomination Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Committee.

The appropriate processes for such evaluations have been initiated but the intended evaluation processes did not occur during the reporting period due to operational priorities.

**PRINCIPLE 2: STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

Recommendation 2.1

*The board of a listed entity should:*

- (a) *Have a nomination committee which:*
  - 1. *Has at least three members, a majority of whom are independent directors; and*
  - 2. *Is chaired by an independent director,*

*And disclose:*

- 3. *The charter of the committee;*
- 4. *The members of the committee; and*  
*As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or*
- (b) *If it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.*

ACS has a Remuneration and Nomination Committee to which the Board has delegated the responsibilities of formulating, implementing and reporting upon results of the appropriate processes for the evaluation of performance of senior executives, directors and Board committees.

The Charter deals with matters such as the composition of the Committee, its chair, its scope and objectives, decision powers delegated from the full Board, and the reporting requirements of the Committee to the Board.

In the case of senior executives an informal process of Business Plan Objectives, Key Performance Indicators and Annual Targets has been put in place, the results of which are reviewed on a half yearly basis.

Having regard to the current size and activities of the Company, the Board will retain responsibility for the duties outlined in respect to a Remuneration and Nomination Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Committee.



Recommendation 2.2

A listed entity should have and disclose its board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

The skills, experience and expertise relevant to the position of director held by each director in office is included in the Director's Report in the Company's annual reports and website.

Recommendation 2.3

*A listed entity should disclose:*

- (a) The names of the directors considered by the board to be independent directors;*
- (b) If a director has an interest, position or relationship of the type described<sup>4</sup>, but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and*
- (c) The length of service of each director.*

ACS discloses information regarding its directors in this Corporate Governance Statement, the Annual Report and on the ACS website (see About Us), in addition to the statutory disclosure of directors made to ASX and available on the Company information pages (<https://www.asx.com.au/asx/share-price-research/company/ACS/details>)

Included in this information is the classification of directors as either executive or non-executive. ACS defines these categories as:

- a. An independent Director is a non-executive Director (i.e. is not a member of management) and:
  - i. holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a security holder of more than 5% of the voting shares of the Company;
  - ii. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
  - iii. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
  - iv. is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
  - v. has no material contractual relationship with the Company or another group member other than as a Director of the Company;
  - vi. has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
  - vii. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

An executive director is any director who is not an independent director, and may hold a role within the senior management of ACS.

Recommendation 2.4

*A majority of the board of a listed entity should be independent directors.*

The current Board comprises four directors. Currently, three are non-executive directors, including the Deputy Chair. The majority of these would be considered independent. One non-executive director who is also the Chair would not be considered independent.

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<sup>4</sup> Refer to Box 2.3, page 14 of the ASX Corporate Governance Council Principles and Recommendations, 4<sup>th</sup> Ed., February 2019



Recommendation 2.5

*The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.*

The roles of the chair and the CEO is currently performed by the same person. This reflects the current size and activities of ACS, and the Board maintains oversight of this arrangement with a view to formally appointing a CEO at such time the growth of operations necessitates that appointment.

Recommendation 2.6

*A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.*

As part of the review of Board performance, ACS considers the skills, knowledge and experience of directors, both new and ongoing, to ensure it maintains an appropriate capability to perform the role effectively. To the extent that any professional development may be required, directors will access relevant programs to update their skills.

**PRINCIPLE 3: INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

Recommendation 3.1

*A listed entity should articulate and disclose its values.*

ACS defines its values as a commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders.

ACS discloses its values through the Code of Conduct which is available to all ACS directors, senior executives and personnel and is supported by a set of policies, procedures and oversight controls.

ACS also articulates its mission for security holders, by intending to maximise security holder value by evaluating potential to develop both short term and long cash flow through these assets and to make additional value-adding mineral discoveries – see the ACS homepage at [www.accentresources.com.au](http://www.accentresources.com.au)

Recommendation 3.2

*A listed entity should:*

- (a) Have and disclose a Code of Conduct for its directors, senior executives and employees; and*
- (b) Ensure that the board or a committee of the board is informed of any material breaches of that code.*

ACS has adopted a Code of Conduct. The Board receives reporting on adherence to the Policy, including details of any potential or actual incidents of non-conformance with the requirements of the Code of Conduct as part of the periodic management reporting to the Board.



Recommendation 3.3

*A listed entity should:*

- (a) Have and disclose a whistleblower policy; and*
- (b) Ensure that the board or a committee of the board is informed of any material incidents reported under that policy.*

ACS has adopted a Whistleblower Policy. Amongst other things, the Policy requires reporting to the Board of incidents that may arise in relation to the Policy.

Recommendation 3.4

*A listed entity should:*

- (a) Have and disclose an anti-bribery and corruption policy; and*
- (b) Ensure that the board or a committee of the board is informed of any material breaches of that policy.*

ACS has adopted an Anti-Bribery and Corruption Policy which requires reporting to the Board of incidents that may arise in relation to the Policy.

**PRINCIPLE 4: SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

Recommendation 4.1

*The board of a listed entity should:*

- (a) Have an audit committee which:*
  - 1. Has at least three members, all of whom are non-executive directors, and a majority of whom are independent directors; and*
  - 2. Is chaired by an independent director, who is not the chair of the board,*

*And disclose:*

- 3. The charter of the committee;*
  - 4. The relevant qualifications and experience of the members of the committee; and*
  - 5. In relation to each reporting period, the number of times the committee met through the reporting period and the individual attendance of the members at those meetings; or*
- (b) If it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.*

It is the Board's responsibility to ensure that an effective internal control framework is in place within ACS. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of asset, the maintenance of proper accounting records and the reliability of financial information as well as non-financial considerations.

Having regard to the current size and activities of ACS, the Board has retained responsibility for the duties outlined in the Audit and Risk Committee Charter, such Charter being available on the ACS website. As the size and composition of the Board increases over time, the Board will delegate these duties to an Audit and Risk Management Committee.



The Audit and Risk Committee has been mandated under its Charter as follows:

- i. The Committee must comprise at least three members.
- ii. All members of the Committee must be non-executive Directors.
- iii. A majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A.
- iv. The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- v. All members of the Committee must be able to read and understand financial statements.
- vi. The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent.
- vii. The Chairman shall have leadership experience and a strong finance, accounting or business background.
- viii. The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

The Board is satisfied that it has sufficient financial, public company, industry sector and business expertise to discharge its duties in respect of audit and risk management activities at this stage of the Company's development.

ACS has appointed external auditors who demonstrate independence, quality and performance. The performance of the external auditor is reviewed on an annual basis.

#### Recommendation 4.2

*The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.*

The Managing Director, or equivalent, and the Chief Financial Officer, or equivalent, have provided to the Board a declaration in accordance with section 295A of the Corporations Act that the integrity of the Company's financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies of the Board; and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

#### Recommendation 4.3

*A listed entity should disclose its processes to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.*

ACS has in place policies and procedures to manage the issuing of periodic reports it releases that have not been audited or reviewed by the external auditor – these processes are outlined in the Markets Disclosure Policy and Investor Communications policies.

### **PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE**

#### Recommendation 5.1

*A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.*

ACS acknowledges its obligations to comply with continuous disclosure requirements arising from the Corporations Act and the Listing Rules of the Australian Securities Exchange (**ASX**).

ACS has adopted a Markets Disclosure Policy that deals with information disclosure and relevant procedures. The focus of these procedures is on continuous disclosure compliance and improving access to information for investors.

The Company Secretary is responsible for:



- i. overseeing and co-ordinating disclosure of information to the relevant stock exchanges and security holders; and
- ii. providing guidance to Directors and employees on disclosure requirements and procedures.

Price sensitive information is publicly released through ASX before it is disclosed to security holders and market participants. Distribution of other information to security holders and market participants is also managed through disclosure to the ASX.

Information is posted on the Company's website after the ASX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

#### Recommendation 5.2

*A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.*

The ACS Board has reserved the approval of market announcements to itself, so is aware of all such releases prior to and at the time of those being made, which is part of the procedures set out in the Markets Disclosure Policy.

The Company Secretary provides confirmation of the release through the ASX announcements platform and the ACS website.

#### Recommendation 5.3

*A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.*

ACS has in place procedures in each of the Markets Disclosure Policy and Investor Communications Policy that require all presentation materials or other similar materials to be released through the ASX announcements platform prior to presenting such materials.

Additionally, those materials are made available on the ACS website once they have been released through the ASX platform.

### **PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS**

#### Recommendation 6.1

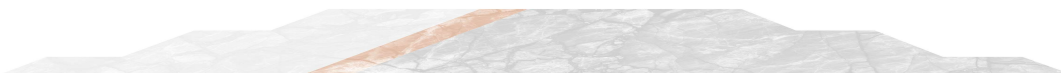
*A listed entity should provide information about itself and its governance to investors via its website.*

ACS has a dedicated section on its website that address matters relating to the Company, its Board and corporate governance matters in order to facilitate security holders being kept informed of all major developments affecting ACS.

Information is communicated to security holders through:

1. The Annual Report delivered available on both the website and in physical (postal) delivery mode;
2. The half yearly report which is available on the website;
3. The quarterly reports which are available on the website;
4. Disclosures and announcements made to ASX, copies of which are available website;
5. Notices and explanatory memoranda of Annual General Meetings (**AGM**) and Extraordinary General Meetings (**EGM**) copies of which are available on the website;
6. The Chairman's address and the Managing Director's address made at the AGMs and the EGMs, copies of which are available on the website; and
7. Results of AGM and EGM being available on the website.

ACS periodically reviews the website to identify ways in which it can promote its greater use by security holders and make it more informative. At least three historical years of the Company's Annual Report is provided on the Company's website. Queries from security holders should be referred to the Company Secretary in the first instance.



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Recommendation 6.2

*A listed entity should have an investor relations program that facilitates effective two-way communication with investors.*

ACS has adopted an Investor Communications Policy to facilitate the manner in which it engages with stakeholders, and actively promotes security holders to engage with ACS through a range of channels, including the Company Secretary, registry services and management. A copy of the Policy is available on the website at [www.accentresources.com.au](http://www.accentresources.com.au) (see the Corporate Governance Plan).

Recommendation 6.3

*A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.*

ACS has adopted an Investor Communications Policy which, amongst other things, includes details as to engagement by security holders. In addition, Notice of Meetings for AGM and EGM include participation through different media, including personal attendance, written and electronic formats and telephone access.

Recommendation 6.4

*A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.*

ACS provides security holders options for resolutions that include personal attendance, and through proxy voting (directed or vested to the Chair). Currently, the Company utilises show of hands for voting purposes, including at its last AGM held in December 2021.

ACS will review the options for voting on resolutions with the intent to utilise poll voting as part of its approach to the next AGM.

Recommendation 6.5

*A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.*

ACS provides securityholders physical and electronic communication options, both directly and through the Registry.

**PRINCIPLE 7: RECOGNISE AND MANAGE RISK**

Recommendation 7.1

*The board of a listed entity should:*

- (a) *Have a committee of committees to oversee risk, each of which:*
  - 1. *Has at least three members, a majority of whom are independent directors; and*
  - 2. *Is chaired by an independent director,*

*And disclose*

- 3. *The charter of the committee;*
  - 4. *The members of the committee; and*
  - 5. *As at the end of each reporting period, the number of times the committee has met throughout the reporting period and the individual attendances of the members at those meetings; or*
- (b) *If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.*
  - (c)



The Board determines the ACS risk profile and is responsible for overseeing and approving risk management strategy and policies, compliance arrangements and internal control.

The Board has reserved to itself the role of overseeing the adequacy of risk management and internal control arrangements that would ordinarily be assumed by an Audit and Risk Committee, including the responsibility for implementing the risk management system.

The Board has in place an Audit and Risk Committee Charter to guide its operations.

The Audit and Risk Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- a. Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- b. Assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- c. Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- i. Identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives and monitoring the environment for emerging factors and trends that affect these risks;
- ii. Formulating risk management strategies to manage identified risks and designing and implementing appropriate risk management policies and internal controls;
- iii. Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, comprehensive practises are in place that are directed towards achieving the following objectives:

- Compliance with applicable laws and regulations;
- Preparation of reliable published financial information;
- Implementation of risk transfer strategies where appropriate e.g. insurance.

#### Recommendation 7.2

*The board or a committee of the board should:*

- (a) *Review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and*
- (b) *Disclose, in relation to each reporting period, whether such a review has taken place.*

The ACS Board undertakes an at least annual review of the risk management arrangements of the Company, its assets, investments and projects, business operations, financial and accounting matters and its broader governance arrangements. This review is conducted alongside the corporate strategy and business plans, objectives and key performance measures to ensure operations are consistent to, and appropriately reflect, the risks of the business, key decisions and disclosed information provided to security holders, ASX and other stakeholders.

The day-to-day responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report quarterly to the Board.

The review of the ACS risk management framework has been completed for the reporting period.

#### Recommendation 7.3

*A listed entity should disclose:*

- (a) *If it has an internal audit function, how the function is structured and what role it performs; or*
- (b) *If it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.*

Due to the current size, scale and activities of ACS, there is no dedicated internal audit function. The evaluation of the effectiveness of current governance, risk management and internal control processes are subject to oversight by management, the Board and external auditors. The Board may, at its discretion, engage external specialists and subject matter experts from time to time to undertake targeted reviews of key areas of the overarching corporate governance and related processes to ensure the continued integrity of those control measures.

Recommendation 7.4

*A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks.*

ACS has formed the view that it does not have a material exposure to environmental or social risks; however ACS acknowledges that climate change risk is an emergent risk that may, at a future time, have an impact on the Company, its assets, investments, projects and business operations, and potentially affect the medium to longer term financial performance of the Company in respect of security holders.

In order to deal with such circumstances, ACS has in place a Climate Change Policy which can be found on the website [www.accentresources.com.au](http://www.accentresources.com.au) (see the Corporate Governance Plan).

**PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY**

Recommendation 8.1

*The board of a listed entity should:*

*(a) Have a remuneration committee which:*

- 1. Has at least three members, a majority of whom are independent directors; and*
- 2. Is chaired by an independent director,*

*And disclose:*

- 3. The charter of the committee; and*
- 4. As at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or*

*(b) If it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.*

The ACS Board has established a Remuneration and Nomination Committee; the Charter of the Committee is available in the Corporate Governance Plan on Company website at [www.accentresources.com.au](http://www.accentresources.com.au) (see ACS Corporate Governance Plan).

Having regard to the current size and activities of the Company, the Board has retained responsibility for the duties of the Remuneration and Nomination Committee. As the size and composition of the Board increases over time, the Board will delegate these duties to a separately formed Remuneration and Nomination Committee. The Charter may be subject to review by the Board at any time.

Recommendation 8.2

*A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.*

The Constitution of the Company provides that the aggregate remuneration of all Directors, in their capacity as Directors, must not exceed such sum as the Company in general meeting may approve and is to be apportioned

## **ACCENT RESOURCES NL CORPORATE GOVERNANCE STATEMENT**

amongst them in such manner as the Directors agree and, in default of agreement, equally. Non-Executive Directors who chair any of the Board committees do not receive additional remuneration for such duties.

The remuneration arrangements of the non-executive Directors, executive Directors and senior executives (collectively, Key Management Personnel) are disclosed in the annual report and subject to security holder resolutions.

### Recommendation 8.3

*A listed entity which has an equity-based remuneration scheme should:*

- (a) Have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and*
- (b) Disclose that policy or a summary of it.*

## **ADDITIONAL RECOMMENDATIONS THAT APPLY ONLY IN CERTAIN CASES**

### Recommendation 9.1

*A listed entity with a director who does not speak the language in which the board or security holder meetings are held or key corporate documents are written should disclose the processes it has in place to ensure the director understands and can contribute to the discussions at those meetings and understands and can discharge their obligations in relation to those documents.*

ACS provides all papers and documentation for Directors in English and where required, Mandarin for those Directors whom require it. Meetings are held in both languages (bilingual documentation and discussion), and all Minutes of Board Meetings are available in both English and Mandarin.

### Recommendation 9.2

*A listed entity established outside Australia should ensure that meetings of security holders are held at a reasonable place and time.*

ACS is established in Australia; however, meetings of security holders do take into account both geographic location for physical attendance and timing of meetings between Perth W.A., AEST (and AEDST as needed), as well as those security holders in foreign countries to the extent reasonable.

### Recommendation 9.3

*A listed entity established outside Australia, and an externally managed listed entity that has an AGM, should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.*

ACS is established in Australia; however, the external auditor is available for the purposes of the AGM to respond to security holder queries, and provide assistance to the Directors and senior management as necessary.





**ACCENT RESOURCES NL**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2022**



|   | Note | 2022<br>\$             | 2021<br>\$             |
|---|------|------------------------|------------------------|
| Other income  | 3(a) | 3,893                  | 52,652                 |
| Administration expenses   |      | (728,097)              | (399,747)              |
| Depreciation  | 3(d) | (47,068)               | (48,194)               |
| Occupancy expenses  |      | (64,323)               | (46,193)               |
| Directors fees  |      | (338,917)              | (275,740)              |
| Finance costs   | 3(e) | (1,045,336)            | (806,744)              |
| Other expenses  |      | (31,683)               | (37,411)               |
| Impairment of exploration expenditure                                     | 9    | (10,138)               | (640,076)              |
| Loss before income tax expense from continuing operations                 |      | (2,261,669)            | (2,201,453)            |
| Income tax expense  | 5(a) | -                      | -                      |
| <b>Loss for the year attributable to members of the Company</b>           |      | <b>(2,261,669)</b>     | <b>(2,201,453)</b>     |
| <b>Items that will not be reclassified subsequently to profit or loss</b> |      |                        |                        |
| Total other comprehensive income  |      | -                      | -                      |
| <b>Total comprehensive loss for the year</b>                              |      | <b>(2,261,669)</b>     | <b>(2,201,453)</b>     |
| <b>Total comprehensive loss attributable to members of the Company</b>    |      | <b>(2,261,669)</b>     | <b>(2,201,453)</b>     |
|   |      | <b>Cents Per Share</b> | <b>Cents Per Share</b> |
| Basic and diluted loss per share from continuing operations               | 4    | (0.49)                 | (0.64)                 |

The accompanying notes form part of these financial statements.



**ACCENT RESOURCES NL**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2022**



|                                      | Note    | 2022<br>\$        | 2021<br>\$       |
|--------------------------------------|---------|-------------------|------------------|
| <b>ASSETS</b>                        |         |                   |                  |
| <b>Current Assets</b>                |         |                   |                  |
| Cash and cash equivalents            | 6       | 3,008,482         | 1,851,034        |
| Other receivables and other Assets   | 7       | 128,587           | 162,132          |
| <b>Total Current Assets</b>          |         | <b>3,137,069</b>  | <b>2,013,166</b> |
| <b>Non-Current Assets</b>            |         |                   |                  |
| Property, plant and equipment        | 8       | 514,444           | 246,868          |
| Exploration and evaluation assets    | 9       | 6,758,677         | 3,749,719        |
| <b>Total Non-Current Assets</b>      |         | <b>7,273,121</b>  | <b>3,996,587</b> |
| <b>Total Assets</b>                  |         | <b>10,410,190</b> | <b>6,009,753</b> |
| <b>LIABILITIES</b>                   |         |                   |                  |
| <b>Current Liabilities</b>           |         |                   |                  |
| Trade and other payables             | 11      | 152,301           | 363,893          |
| Provisions for employee entitlements | 12      | 269,159           | 211,479          |
| Lease liabilities                    | 10      | 39,536            | 35,789           |
| <b>Total Current Liabilities</b>     |         | <b>460,995</b>    | <b>611,161</b>   |
| <b>Non-Current Liabilities</b>       |         |                   |                  |
| Borrowings                           | 13      | 1,646,914         | 3,822,405        |
| Convertible loan notes               | 16      | 6,459,180         | -                |
| Provisions for employee entitlements | 12      | 16,798            | 11,520           |
| Lease liabilities                    | 10      | 89,283            | 128,818          |
| <b>Total Non-Current Liabilities</b> |         | <b>8,212,175</b>  | <b>3,962,743</b> |
| <b>Total Liabilities</b>             |         | <b>8,673,170</b>  | <b>4,573,904</b> |
| <b>NET ASSETS</b>                    |         | <b>1,737,020</b>  | <b>1,435,849</b> |
| <b>EQUITY</b>                        |         |                   |                  |
| Contributed equity                   | 14      | 33,665,126        | 33,665,126       |
| Shareholder contribution             | 13 & 16 | 6,528,807         | 6,512,607        |
| Convertible note reserve             |         | 2,299,059         | -                |
| Financial asset reserve              | 15      | -                 | (760,000)        |
| Share based payment reserve          | 24      | 247,581           | -                |
| Accumulated losses                   |         | (41,003,553)      | (37,981,884)     |
| <b>TOTAL EQUITY</b>                  |         | <b>1,737,020</b>  | <b>1,435,849</b> |

The accompanying notes form part of these financial statements.



**ACCENT RESOURCES NL**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2022**



|   | Note  | Contributed<br>Equity<br>\$ | Accumulated<br>Losses<br>\$ | Financial<br>Assets<br>Reserve<br>\$ | Convertible<br>Note<br>Reserve<br>\$ | Shareholder<br>Contribution<br>\$ | Share Based<br>Payment<br>Reserve<br>\$ | Total<br>Equity<br>\$ |
|---|-------|-----------------------------|-----------------------------|--------------------------------------|--------------------------------------|-----------------------------------|---|-----------------------|
| <b>Balance at 30 June 2020</b>  |       | <b>29,058,955</b>           | <b>(35,780,431)</b>         | <b>(760,000)</b>                     | <b>61,497</b>                        | <b>3,430,441</b>                  | <b>-</b>                                | <b>(3,989,538)</b>    |
| <b>Comprehensive Income</b>   |       |                             |                             |                                      |                                      |                                   |   |                       |
| Loss for the year   |       | -                           | (2,201,453)                 | -                                    | -                                    | -                                 | -                                       | (2,201,453)           |
| <b>Total comprehensive loss for the year</b>  |       | <b>-</b>                    | <b>(2,201,453)</b>          | <b>-</b>                             | <b>-</b>                             | <b>-</b>                          | <b>-</b>                                | <b>(2,201,453)</b>    |
| <b>Transactions with owners in their capacity as owners</b>   |       |                             |                             |                                      |                                      |                                   |   |                       |
| Contribution from shareholder   | 13    | -                           | -                           | -                                    | -                                    | 3,082,166                         | -                                       | 3,082,166             |
| Conversion of convertible note  | 16    | 4,606,171                   | -                           | -                                    | (61,497)                             | -                                 | -                                       | 4,544,674             |
| Equity component of convertible note  | 16    | -                           | -                           | -                                    | -                                    | -                                 | -                                       | -                     |
| <b>Balance at 30 June 2021</b>  |       | <b>33,665,126</b>           | <b>(37,981,884)</b>         | <b>(760,000)</b>                     | <b>-</b>                             | <b>6,512,607</b>                  | <b>-</b>                                | <b>1,435,849</b>      |
| <b>Comprehensive Income</b>   |       |                             |                             |                                      |                                      |                                   |   |                       |
| Loss for the year   |       | -                           | (2,261,669)                 | -                                    | -                                    | -                                 | -                                       | (2,261,669)           |
| Transfer of investment revaluation reserve upon disposal of investments in equity instruments designated at FVOCI |       |                             | (760,000)                   | 760,000                              |                                      |                                   |   | -                     |
| <b>Total comprehensive loss for the year</b>  |       | <b>-</b>                    | <b>(3,021,669)</b>          | <b>-</b>                             | <b>-</b>                             | <b>-</b>                          | <b>-</b>                                | <b>(2,261,669)</b>    |
| <b>Transactions with owners in their capacity as owners</b>   |       |                             |                             |                                      |                                      |                                   |   |                       |
| Contribution from shareholder on convertible note   | 16,13 | -                           | -                           | -                                    | -                                    | (2,032,735)                       | -                                       | (2,032,735)           |
| Contribution from shareholder on borrowings   | 13    |                             |                             |                                      |                                      | 2,048,935                         |   | 2,048,935             |
| Share based payments  | 24    | -                           | -                           | -                                    | -                                    | -                                 | 247,581                                 | 247,581               |
| Convertible note reserve  | 16    | -                           | -                           | -                                    | 2,299,059                            | -                                 | -                                       | 2,299,059             |
| <b>Balance at 30 June 2022</b>  |       | <b>33,665,126</b>           | <b>(41,003,553)</b>         | <b>-</b>                             | <b>2,299,059</b>                     | <b>6,528,807</b>                  | <b>247,581</b>                          | <b>1,737,020</b>      |

The accompanying notes form part of these financial statements.

**ACCENT RESOURCES NL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2022**



|  | Note  | 2022<br>\$              | 2021<br>\$              |
|--|-------|-------------------------|-------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |       |                         |                         |
| Payments to suppliers and employees                              |       | (666,334)               | (824,592)               |
| Interest received  |       | 549                     | 2,652                   |
| ATO Stimulus receipts  |       | -                       | 50,000                  |
| Net cash used in operating activities                            | 18(a) | <u>(665,785)</u>        | <u>(771,940)</u>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |       |                         |                         |
| Payments for plant and equipment                                 |       | (318,118)               | (7,941)                 |
| Payments for exploration and evaluation                          |       | (3,308,429)             | (911,818)               |
| Net cash used in investing activities                            |       | <u>(3,626,547)</u>      | <u>(919,759)</u>        |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                      |       |                         |                         |
| Proceeds from borrowings   |       | 5,500,000               | 2,500,000               |
| Repayment of lease liabilities                                   |       | (35,789)                | (32,396)                |
| Interest on lease liability                                      |       | (14,431)                | (17,824)                |
| Net cash from financing activities                               | 18(b) | <u>5,449,780</u>        | <u>2,449,780</u>        |
| Net increase in cash and cash equivalents held                   |       | 1,157,448               | 758,081                 |
| Cash and cash equivalents at the beginning of the financial year |       | <u>1,851,034</u>        | <u>1,092,953</u>        |
| Cash and cash equivalents at the end of the financial year       | 6     | <u><b>3,008,482</b></u> | <u><b>1,851,034</b></u> |

The accompanying notes form part of these financial statements.



## 1. GENERAL INFORMATION

Accent Resources NL (the Company) is a Company limited by shares incorporated and registered in Australia. The address of the Company's registered office is shown on page 1.

The principal activities of the Company and the nature of the Company's operations are explained on page 5.

The functional currency and presentation currency of Accent Resources NL is Australian dollars.

## 2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law. Australian Accounting Standards ensure compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements cover the individual entity of Accent Resources NL. Accent Resources NL is a listed public company incorporated and domiciled in Australia.

The financial statements were authorised for issue on 30 September 2022.

### Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Company incurred a net loss of \$2,261,669 (2021: \$2,201,453) and experienced net cash outflows from operating and investing activities of \$4,292,332 for the year ended 30 June 2022 (2021: \$1,691,699). As at 30 June 2022, the Company had a cash balance of \$3,008,482 (June 2021: \$1,851,034), a working capital surplus of \$2,676,074 (June 2021: \$1,402,005) and a net asset position of \$1,737,020 (June 2021: \$1,435,849).

During the period the Shareholders of the Company approved the issuance and conversion of the existing debt from its major shareholders Rich Mark Development (Group) Pty Ltd and Xingang Resources (HK) Ltd into convertible notes, with a subscription price of \$4,848,981 and \$4,500,778 respectively.

The Company also entered into a new loan agreement with Rich Mark Development (Group) Pty Ltd maturing on 30 November 2026, amounting to \$7,500,000, of which \$3,200,000 was drawn as at 30 June 2022, with further staged quarterly drawdowns up to and including 31 March 2023.

Subsequent to year end, the Company entered into a new loan agreement with Rich Mark Development (Group) Pty Ltd maturing on 31 December 2028, amounting to \$3,000,000, with staged quarterly drawdowns from 1 January 2023 up to and including 30 June 2023.

The directors have prepared a cash flow forecast for the period ending 30 September 2023 which indicates current cash resources will not meet expected cash outflows in relation to the Company's planned exploration and evaluation program and working capital requirements without receipt of the abovementioned funding from Rich Mark Development (Group) Pty Ltd. Consequently the ability of the Company to continue as a going concern is dependent on:

- Progressively receiving the remaining tranche drawdowns totalling \$4,300,000 under its current loan agreement both with Rich Mark Development (Group) Pty Ltd as detailed in Notes 13 ;
- Receiving the additional funding from Rich Mark Development (Group) Pty Ltd of \$3,000,000 under its new loan entered into subsequent to year end; and
- Managing and deferring costs where applicable to coincide with the funding to be received outlined above to ensure all obligations can be met.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

The Company has received a letter of support from its ultimate parent entity, Rich Mark Development (Group) Pty Ltd to continue to provide funding to the Company in accordance with their approved cash flow forecast for the period ending 30 September 2023.

The directors are satisfied that they will achieve the matters set out above and therefore the going concern basis of preparation is appropriate.

Should the Company be unable to achieve the matters listed above, a material uncertainty would exist that may cast significant doubt as to whether the Company will be able to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

### Adoption of new and revised Accounting Standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to their operations and are effective for the current financial reporting period, being the year end 30 June 2022. New and revised standards and amendments thereof and interpretations effective for the current reporting period that are relevant to the Company include:

*AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures*

*AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2*

*AASB 2021-3 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions beyond 31 June 2021*

The adoption of these have not had any material impact on the disclosures or on the amounts reported in these financial statements.

### **Standards and Interpretations issued but not yet effective**

Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Company for the year ending 30 June 2022. Management is in the process of assessing the impact of the adoption of these standards and interpretations on the Company:

*AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (applicable to annual reporting periods beginning on or after 1 January 2022).

*AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and AASB 2017-5 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections* (applicable to annual reporting periods beginning on or after 1 January 2022).

*AASB 2020-1: Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* (applicable to annual reporting periods beginning on or after 1 January 2022).

*AASB 2020-3: Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments* (applicable to annual reporting periods beginning on or after 1 January 2022)

*AASB 2021-2: Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* (applicable to annual reporting periods beginning on or after 1 January 2023).

*AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a single transaction* (applicable to annual reporting periods beginning on or after 1 January 2023).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### Summary of Significant Accounting Policies

The accounting policies described below have been applied consistently to both financial years.

#### (a) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

#### (b) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on a reducing balance basis to write off the net cost of each item of plant and equipment over its expected useful life commencing from the time the asset is ready for use.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|----------------------|-------------------|
| Plant and Equipment  | 7.5 – 40%         |
| Right of Use Asset   | 6 years           |
| Vehicles             | 5 years           |

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

#### (c) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is capitalised at cost and include acquisition of rights to explore, studies, exploratory drilling, sampling and associated activities. Costs are accumulated in respect of each identifiable area of interest. General and administrative expenses are only included in the measurement of exploration and evaluation costs where they relate directly to operational activities in a particular area of interest.

These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and the following conditions are satisfied:

- (i) the rights to tenure of the area of interest are current; and
- (ii) at least one of the following conditions is also met:
  - (a) the exploration and evaluation expenditures is expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  - (b) exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Accumulated costs in relation to an abandoned area are written off in full in the profit or loss for the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are reclassified to development assets and amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable and a management decision to invest further has been made, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property under development.

### **Impairment of Assets**

At each reporting date, the Company reviews the carrying values of its exploration and evaluation assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset carrying value. Any excess of the asset carrying value over its recoverable amount is expensed to the income statement of profit or loss.

In addition to abandoned areas resulting in impairment assessments, the Company also considers whether any of the following facts or circumstances applies:

- (i) The period for which the Company has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- (ii) Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (iii) Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area.
- (iv) Sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

### **(d) Financial Instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### **(e) Financial Assets**

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **a. Classification of financial assets**

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount of outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Despite the foregoing, the Company may make the following irrevocable election at initial recognition of the financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

b. Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

c. Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination. A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not be reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings. Dividends on these investments in equity instruments are recognised in profit or loss in accordance with AASB 9, unless the dividends clearly represent a recovery of part of the cost of the investment. The Company has designated all investments in equity instruments that are not held for trading as at FVTOCI on initial application of AASB 9.

d. Impairment of other receivables

The Company recognises a loss allowance for expected credit losses on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

e. Derecognition

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**(f) Financial Liabilities**

**Financial liabilities measured subsequently at amortised cost**

Financial liabilities are measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

*Derecognition*

The company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognised in profit or loss as the modification gain or loss within other gains and losses.

**Compound Financial Instrument**

Compound financial instruments issued by the Company comprise convertible notes denominated in Australian dollar that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with the changes in fair value.

The liability component of the compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

On conversion of a convertible instrument, the Company derecognises the liability component and recognises it as issued capital. The equity component remains as equity until conversion, in which case the balance is transferred to issued capital. Where the conversion option remains unexercised at the maturity date, the balance recognised in equity will be transferred to retained earnings. There is no gain or loss on conversion upon conversion or expiration of the conversion option.

### **Shareholder contribution**

Loans received from related parties at concessional or zero interest rates are initially recognised at their fair value. Fair value is determined as the present value of the future contractual cash flows discounted using their effective interest rate. Any difference between the fair value determined on initial recognition and the amount borrowed is recognised as a shareholder contribution in equity. Such amounts are not re-measured in subsequent reporting periods.

### **(g) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits expected to be settled wholly within one year including entitlements arising from wages and salaries and annual leave, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs.

Other employee benefits expected to be wholly settled later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

### **(h) Revenue recognition**

#### *Interest Revenue*

Interest income is recognised using the effective interest method.

#### *Government Grants*

The Company recognises stimulus package from the Australian Taxation Office ("ATO") as a government grant when there is reasonable assurance that the entity will comply with the conditions attached to them, and the grant will be received. The amount is recognised as other income in profit or loss.

### **(i) Income Tax**

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Deferred income tax is calculated on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss, nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred income tax asset relating to the deductible temporary difference

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit or loss nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse changes occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised directly in equity and not in the income statement.

### **(j) Other Taxes – Goods and Services (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### **(k) Issued Capital**

Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

### **(l) Earnings Per Share**

Basic EPS is calculated as net profit/(loss) attributable to members, adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is determined when the Company has on issue potential ordinary shares which are dilutive. It is calculated by dividing net profit attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and any expenses associated with dividends and interest of dilutive potential ordinary shares, by the weighted average number of ordinary shares (both issued and potentially dilutive) adjusted for any bonus element.

### **(m) Leases**

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset as property, plant and equipment and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers,

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The right-of-use assets are presented as 'Property, Plant and Equipment' in the statement of financial position.

The Company applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy (note 2d)).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Occupancy expense" in the profit or loss.

### **(n) Share-based payments**

Equity-settled share-based payments to employees and other providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of fair value of equity-settled share-based transactions are set out in note 24.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimate, if any, is recognised in profit of loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

### **(o) Critical Accounting Estimates and Judgments**

The Directors evaluate estimates and judgments incorporated into the Financial Statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

#### **(i) Exploration and Evaluation Assets**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are carried forward in respect of an area that has not at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

reserves and active and significant operations in, or relating to, the area of interest are continuing. Refer to Note 9 for impairment losses incurred during the year.

The recoverability of these assets depends on the Company's ability to realise their values either through future development or sale.

### (ii) Market interest rate

AASB 9 requires all financial instruments to be measured on initial recognition at fair value. This will normally be the transaction price in a transaction between unrelated parties. If a loan is made on normal commercial terms, no specific accounting issues arise and the fair value at inception will usually equal the loan amount. Based on current loan and convertible note agreements, interest rates are 2.2% - 2.5% per annum which is lower than current Company borrowing rates, which have been determined to equate to 18.09% (2021 : 18.09%). As the current loan amount does not represent the fair value, the loan is split into the element that represents the below-market element of the loan and the remainder of the loan that is on market terms.

|   | 2022<br>\$       | 2021<br>\$     |
|---|------------------|----------------|
| <b>3. REVENUE AND EXPENSES</b>  |                  |                |
| <b>(a) Other income</b>   |                  |                |
| Interest income   | 549              | 2,652          |
| ATO stimulus package  | -                | 50,000         |
| Other income  | 3,344            | -              |
| <b>Total other income</b>   | <b>3,893</b>     | <b>52,652</b>  |
| <b>(b) Impairment of exploration expenditure</b>  |                  |                |
| Impairment of exploration expenditure   | 10,138           | 640,076        |
| During the year ended 30 June 2022, \$10,138 was written off of exploration expenditure relating to pending tenements (2021: \$nil). No amount (2021: \$640,076) of expenditure relating to the impairment of the Mount Gibson project. The prior year impairment was considered for reversal, with the outcome being not to reverse this amount. |                  |                |
| <b>(c) Employee benefits expense</b>  |                  |                |
| Defined contribution expense  | 56,150           | 44,269         |
| Other employee benefits   | 616,498          | 558,182        |
|   | <b>672,648</b>   | <b>560,223</b> |
| The employee benefits expense shown here includes amounts that have been capitalised to exploration expenditure and amounts paid to directors of the Company disclosed as Directors Fees.   |                  |                |
| <b>(d) Depreciation expense</b>   |                  |                |
| Depreciation  | 7,667            | 8,793          |
| Amortisation on right of use asset  | 39,401           | 39,401         |
| <b>Total depreciation expense</b>   | <b>47,068</b>    | <b>48,194</b>  |
| <b>(e) Finance costs</b>  |                  |                |
| Interest accrued on borrowings  | 459,259          | 456,947        |
| Borrowing costs   | 417              | -              |
| Interest on lease liabilities   | 14,431           | 17,824         |
| Interest accrued on convertible loan notes  | 571,228          | 331,973        |
| <b>Total finance costs</b>  | <b>1,045,336</b> | <b>806,744</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**

| <b>4. LOSS PER SHARE</b>   | <b>2022<br/>Cents per<br/>share</b> | <b>2021<br/>Cents per<br/>share</b> |
|--|-------------------------------------|-------------------------------------|
| Basic and diluted loss per share   | (0.49)                              | (0.64)                              |
|  | \$                                  | \$                                  |
| Loss attributable to ordinary equity holders of the Company used in calculating basic and diluted earnings per share                   | (2,261,669)                         | (2,201,453)                         |
|  | <b>Number of<br/>shares</b>         | <b>Number of<br/>shares</b>         |
| Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share | 466,027,283                         | 341,864,815                         |
| <br>   |                                     |                                     |
| <b>5. INCOME TAX</b>   | <b>2022<br/>\$</b>                  | <b>2021<br/>\$</b>                  |
| <b>(a)</b> The prima facie tax expense/(benefit) on loss before tax is reconciled to the income tax as follows:                        |                                     |                                     |
| Prima facie tax benefit on loss before tax at 25% (2021: 26%)  | (565,417)                           | (572,378)                           |
| Add:   |                                     |                                     |
| Tax effect of:   |                                     |                                     |
| - non-allowable items  | 2,377                               | 3,344                               |
| - movement in deferred tax balances not recognised   | 563,040                             | 569,034                             |
| Income tax benefit/(expense) attributable to loss  | <u>-</u>                            | <u>-</u>                            |
| <br>   |                                     |                                     |
| Deferred tax assets arising from tax losses that have not been recognised at 25% (2021: 26%):  |                                     |                                     |
| Tax losses carried forward   | 10,293,180                          | 10,194,205                          |
| Temporary differences – exploration costs  | (1,689,669)                         | (974,927)                           |
| Temporary differences – other  | 118,096                             | 89,085                              |
| Capital losses recognised  | 1,000,000                           | -                                   |
| Total deferred tax assets not recognised   | <u>9,721,607</u>                    | <u>9,308,363</u>                    |
| Balance of franking account at year end  | <u>-</u>                            | <u>-</u>                            |

The tax rate used in the above reconciliation is the small business tax rate of 25% (2021: small business tax rate of 26%) payable by Australian corporate entities on taxable profits under Australian tax law. At 30 June 2022, legislation will keep the tax rate at the current level.

Potential deferred tax assets attributable to tax losses carried forward and temporary differences have not been brought to account because the Directors do not believe realisation of the deferred tax assets is probable. These benefits will only be obtained if:

- (i) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;
- (ii) the Company continue to comply with the conditions for deductibility imposed by law, and
- (iii) no changes in tax legislation adversely affect the Company in realising the benefit from the deductibility for the loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**

| <b>6. CASH AND CASH EQUIVALENTS</b>          | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| <b>Current</b>                               |                  |                  |
| Cash at bank                                 | 3,008,482        | 1,851,034        |
|  | <u>3,008,482</u> | <u>1,851,034</u> |
| <br>   |                  |                  |
| <b>7. OTHER RECEIVABLES AND OTHER ASSETS</b> | <b>2022</b>      | <b>2021</b>      |
|  | <b>\$</b>        | <b>\$</b>        |
| <b>Current</b>                               |                  |                  |
| Goods and services tax refunds               | 31,689           | 38,540           |
| Other current assets                         | 96,899           | 123,592          |
|  | <u>128,587</u>   | <u>162,132</u>   |
| <br>   |                  |                  |
| <b>8. PROPERTY, PLANT AND EQUIPMENT</b>      | <b>2022</b>      | <b>2021</b>      |
|  | <b>\$</b>        | <b>\$</b>        |
| <b>PROPERTY</b>                              |                  |                  |
| Freehold land                                |                  |                  |
| At cost                                      | 50,007           | 50,007           |
| Accumulated depreciation                     | -                | -                |
|  | <u>50,007</u>    | <u>50,007</u>    |
| <b>RIGHT-OF-USE ASSET</b>                    |                  |                  |
| Right-of-use asset                           |                  |                  |
| At cost                                      | 197,003          | 197,003          |
| Accumulated depreciation                     | (78,801)         | (39,401)         |
|  | <u>118,202</u>   | <u>157,602</u>   |
| <br>   |                  |                  |
| <b>PLANT AND EQUIPMENT</b>                   |                  |                  |
| Plant and equipment                          |                  |                  |
| At cost                                      | 615,347          | 297,384          |
| Accumulated depreciation                     | (269,112)        | (258,125)        |
|  | <u>346,235</u>   | <u>39,259</u>    |
| <br>   |                  |                  |
| Total Property, Plant and Equipment          | <u>514,444</u>   | <u>246,868</u>   |





**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**
**Movements in Carrying Amounts**

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

| <b>2022</b>                        | <b>Freehold<br/>Land</b> | <b>Plant and<br/>Equipment</b> | <b>Right of Use<br/>Asset</b> | <b>Total</b> |
|------------------------------------|--------------------------|--------------------------------|-------------------------------|--------------|
|                                    | <b>\$</b>                | <b>\$</b>                      | <b>\$</b>                     | <b>\$</b>    |
| Balance at the beginning of year   | 50,007                   | 39,259                         | 157,602                       | 246,868      |
| Additions                          | -                        | 314,643                        | -                             | 314,643      |
| Disposals                          | -                        | -                              | -                             | -            |
| Depreciation expense               | -                        | (7,667)                        | (39,401)                      | (47,068)     |
| Depreciation capitalised           | -                        | -                              | -                             | -            |
| Carrying amount at the end of year | 50,007                   | 346,235                        | 118,202                       | 514,444      |

| <b>2021</b>                        | <b>Freehold<br/>Land</b> | <b>Plant and<br/>Equipment</b> | <b>Right of Use<br/>Asset</b> | <b>Total</b> |
|------------------------------------|--------------------------|--------------------------------|-------------------------------|--------------|
|                                    | <b>\$</b>                | <b>\$</b>                      | <b>\$</b>                     | <b>\$</b>    |
| Balance at the beginning of year   | 50,007                   | 40,833                         | -                             | 90,840       |
| Additions                          | -                        | 7,219                          | 197,003                       | 204,222      |
| Disposals                          | -                        | -                              | -                             | -            |
| Depreciation expense               | -                        | (8,793)                        | (39,401)                      | (48,194)     |
| Depreciation capitalised           | -                        | -                              | -                             | -            |
| Carrying amount at the end of year | 50,007                   | 39,259                         | 157,602                       | 246,868      |

In the year ended 30 June 2022, \$nil (2021: \$nil) of the depreciation expense was capitalised in relation to expenditure and evaluation activities.

**9. EXPLORATION AND EVALUATION ASSETS**

|  | <b>2022</b> | <b>2021</b> |
|--|-------------|-------------|
|  | <b>\$</b>   | <b>\$</b>   |
| Carrying amount at the beginning of the year (net of R&D incentives <sup>5</sup> ) | 3,749,719   | 3,537,795   |
| Deferred exploration expenditure incurred during the year                          | 3,019,096   | 852,000     |
| Impairment of capitalised expenditure  | (10,138)    | (640,076)   |
| Carrying amount at the end of the year   | 6,758,677   | 3,749,719   |

The Company continues to hold tenure on all tenements.

The Company has changed its focus and decided to move towards development on the Magnetite Range Project in stages. The costs incurred prior to this decision are deemed to be in relation to the previous period of focus, which were based on maintaining development options on the Project and are separate to the refreshed development strategy. The Company has assessed the impairment triggers and deem the costs on the Project from 1 July 2021 to be recoverable by mining or development of the Project.

<sup>5</sup> No R&D incentives have been claimed in 2022 or 2021

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**
**10. LEASE LIABILITIES**

|                                    | <b>2022</b>     | <b>2021</b>     |
|------------------------------------|-----------------|-----------------|
|                                    | \$              | \$              |
| <b>Maturity analysis</b>           |                 |                 |
| Within 1 year                      | 50,220          | 50,220          |
| Within 2 years                     | 50,220          | 50,220          |
| Within 3 years                     | 50,220          | 50,220          |
| Within 4 years                     | -               | 50,220          |
|                                    | <u>150,660</u>  | <u>200,880</u>  |
| <b>Less: impact of discounting</b> | <u>(21,842)</u> | <u>(36,273)</u> |
|                                    | <u>128,818</u>  | <u>164,607</u>  |
| <b>Analysed as:</b>                |                 |                 |
| Non-current                        | 89,283          | 128,818         |
| Current                            | 39,536          | 35,789          |
|                                    | <u>128,819</u>  | <u>164,607</u>  |

On 1 July 2020, the Company entered into a 5-year lease to rent property. The aggregate future cash outflows to which the Company is exposed in respect of this contract is fixed payments of \$87,327 per year, for the next 5 years with 4% annual increases. There are no termination options on the lease. There is an option to extend for another 5 years, which has not been taken up in lease calculations.

The Company received a rent reduction to \$50,220 per annum resulting in the lease liability and right-of-use asset reducing.

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

**11. TRADE AND OTHER PAYABLES**

|                                | <b>2022</b>    | <b>2021</b>    |
|--------------------------------|----------------|----------------|
|                                | \$             | \$             |
| <b>Current</b>                 |                |                |
| Trade creditors                | 25,659         | 124,268        |
| Accruals and other liabilities | 126,642        | 239,625        |
|                                | <u>152,301</u> | <u>363,893</u> |

All payables are denominated in AUD. The average credit period is 30 days. No interest is charged on other payables.

**12. PROVISIONS**

|                                     | <b>2022</b>    | <b>2021</b>    |
|-------------------------------------|----------------|----------------|
|                                     | \$             | \$             |
| <b>Current</b>                      |                |                |
| Provision for employee entitlements | <u>269,159</u> | <u>211,479</u> |
| <b>Non-Current</b>                  |                |                |
| Provision for employee entitlements | <u>16,798</u>  | <u>11,520</u>  |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**

|                       |             |             |
|-----------------------|-------------|-------------|
| <b>13. BORROWINGS</b> | <b>2022</b> | <b>2021</b> |
|                       | <b>\$</b>   | <b>\$</b>   |
| <b>Non-Current</b>    |             |             |
| Borrowings            | 1,646,914   | 3,822,405   |

In the 2016 year the major shareholder of the Company, Xingang Resources (HK) Ltd, extended a loan facility of \$4 million to enable the Company to participate in a placement of shares by MZI Resources Ltd. On 4 March 2021, the original loan facility of \$4 million and the accrued interest was extended for further 4 years, repayable at 31 December 2025. The fair value of the loan was measured based on an effective interest rate of 18.09%.

On 23 December 2021, following shareholder approval at the AGM on 22 December 2021, the loan was then converted to a convertible note. Consequently, the carrying value of the loan facility is \$nil (30 June 2021: \$2,157,806). Details of the convertible note are shown in note 16.

During the current period \$2,300,000 of the original Rich Mark Development (Group) Pty Ltd loan was drawn down. On 23 December 2021, following shareholder approval at the AGM on 22 December 2021, the loan was then converted to a convertible note. Following the conversion, there was a final drawdown of \$300,000 on 31 March 2022, which is included in the convertible note balance. Consequently, the carrying value of the loan facility is \$nil (30 June 2021: \$1,664,599). Details of the convertible note are shown in note 16.

On 19 November 2021, a new loan agreement of \$7,500,000 was entered into with Rich Mark Development (Group) Pty Ltd which matures on 30 November 2026. In accordance with the loan agreement, the Company will receive the loan funding quarterly over 6 tranches to 31 March 2023 and in accordance with the Company's cash flow forecast to the period ending 31 March 2023. The loan is unsecured and subject to interest of 2.2%, which accrues six monthly and is payable along with the principal at maturity and matures on 30 November 2026. During the current period, the Company drew down \$3,200,000 of this loan. The tranche drawdowns of \$3,200,000 to 30 June 2022 resulted in an additional shareholder contribution of \$1,602,471 based on the fair value of the loan being measured based on an effective interest rate of 18.09%. At June 2022, the carrying value of the liability is \$1,646,914 (30 June 2021: \$nil). The loan carries the option to convert the principal and interest in part or whole into Company shares. This will be subject to ASIC and ASX regulations, an independent expert report and shareholder approval. Because of the approval required, the loan is therefore accounted for as financial liability.

As at 30 June 2022 there is accrued interest owing to Rich Mark Development (Group) Pty Ltd of \$254,985 (2021: \$45,434) and Xingang Resources (HK) Ltd of \$204,274 (2021: \$124,477) included in borrowings.

**14. ISSUED CAPITAL**
**(a) Shares on issue**

|  | <b>2022</b>                 | <b>2021</b>        | <b>2022</b>               | <b>2021</b>       |
|--|-----------------------------|--------------------|---------------------------|-------------------|
|  | Number of Securities<br>No. |                    | Value of Securities<br>\$ |                   |
| <u>Issued Shares</u>                                   |                             |                    |                           |                   |
| Fully paid ordinary shares                             |                             |                    |                           |                   |
| <b>Ordinary shares on issue at beginning of period</b> | 466,027,283                 | 181,000,233        | 33,665,126                | 29,058,955        |
| <u>Movements during the period:</u>                    |                             |                    |                           |                   |
| <b>Shares issued:</b>                                  |                             |                    |                           |                   |
| In the previous period (value net of costs)            |                             |                    |                           |                   |
| 6 December 2020  | -                           | 285,027,050        | -                         | 4,606,171         |
| Transaction costs relating to issues                   | -                           | -                  | -                         | -                 |
| <b>Shares on issue at end of period</b>                | <b>466,027,283</b>          | <b>466,027,283</b> | <b>33,665,126</b>         | <b>33,665,126</b> |

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**
**(b) Options**

There are no options on issue (2021: nil).

There were no options exercised during the financial year (2021: nil).

Performance Rights were issued to Directors and executives on 14<sup>th</sup> February 2022 (2021: nil), and to employees and service providers on 18 February 2022. Details of the rights have been disclosed in Note 24.

**(c) Terms and Conditions of Issued Capital**

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

At the shareholders' meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

**(d) Capital Risk Management**

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities, being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programs and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required. The working capital position of the Company at 30 June 2022 is as follows:

|   | <b>2022</b>      | <b>2021</b>      |
|---|------------------|------------------|
|   | <b>\$</b>        | <b>\$</b>        |
| Cash and cash equivalents               | 3,008,482        | 1,851,034        |
| Trade and other receivables             | 128,587          | 162,132          |
| Trade and other payables and provisions | (421,460)        | (544,696)        |
| Lease liability – current               | (39,536)         | (35,789)         |
| Working capital position                | <u>2,676,075</u> | <u>1,432,681</u> |

**15. FINANCIAL ASSETS RESERVES**

|  | <b>2022</b> | <b>2021</b>      |
|--|-------------|------------------|
|  | <b>\$</b>   | <b>\$</b>        |
| Opening balance                          | (760,000)   | (760,000)        |
| Impairment to other comprehensive income | -           | -                |
| Loss on disposal of financial asset      | 760,000     | -                |
| Closing Balance                          | <u>-</u>    | <u>(760,000)</u> |

The financial assets reserve represents the cumulative gains and losses arising on the revaluation of other financial assets that have been recognised in other comprehensive income.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**
**16. CONVERTIBLE NOTES**

| <b>Non-Current</b>                       | <b>2022</b>      | <b>2021</b> |
|--|------------------|-------------|
|  | <b>\$</b>        | <b>\$</b>   |
| Proceeds from issue of convertible notes | 6,429,434        | -           |
| Shareholder contribution (equity)        | 2,413,801        | -           |
| Convertible note reserve (equity)        | (2,299,059)      | -           |
| Borrowing costs                          | (84,996)         | -           |
| Carrying amount at end of financial year | <b>6,459,180</b> | -           |

On 22 December 2021, the shareholders approved the Company to issue a convertible note to Rich Mark Development (Group) Pty Ltd and Xingang Resources (HK) Ltd, which replaced the loans advanced to the Company as well as further advances to be drawn down progressively to 31 March 2023, as detailed in Note 14. Interest related to the financial liability before conversion was recognised in profit or loss at an interest rate of 18.09% per annum.

The convertible notes have a subscription price of \$4,848,981 and \$4,500,778, respectively and subject to shareholder approval:

- Will be convertible into fully paid ordinary shares in the Company at a conversion price of 6 cents per share.
- The Convertible Note can only be converted at 6 monthly intervals through to, and including, the redemption date of 23 December 2024 and for the full amount of the face value at that time.
- Have a nominal interest rate at 2.5%.
- The conversion of the convertible note is at Rich Mark Development (Group) Pty Ltd and Xingang Resources (HK) Ltd's election.

Rich Mark Development (Group) Pty Ltd have the option to convert the principal and interest in part or whole into Company shares. This will be subject to ASIC and ASX regulations, an independent expert report and shareholder approval.

As at 30 June 2022 there is accrued interest owing to Rich Mark Development (Group) Pty Ltd of \$299,312 (2021: nil) and Xingang Resources (HK) Ltd of \$271,916 (2021:nil) included in convertible notes.

**17. COMMITMENTS AND CONTINGENT LIABILITIES**
**Tenement Expenditure Commitments:**

The Company is required to maintain current rights of tenure to tenements, which require outlays of expenditure in 2021/2022. Under certain circumstances these commitments are subject to the possibility of adjustment to the amount and/or timing of such obligations, however, they are expected to be fulfilled in the normal course of operations.

|  | <b>2022</b>      | <b>2021</b>      |
|--|------------------|------------------|
|  | <b>\$</b>        | <b>\$</b>        |
| The Company also has tenement rental and expenditure commitments of: |                  |                  |
| Payable:   |                  |                  |
| – not later than 12 months   | 497,744          | 265,390          |
| – between 12 months and 5 years                                      | 1,485,500        | 621,936          |
| – greater than 5 years   | 4,021,208        | 897,108          |
|  | <b>6,004,452</b> | <b>1,784,434</b> |

**Other Commitments:**
**Other Operating Commitments:**

The Company currently has a contractual commitment in place for substitutable office space at 9/250 Queen Street, Melbourne. The agreement runs on a month-by-month basis at \$500 per month plus \$200 per month for outgoings.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### Contingencies:

It is possible that native title, as defined in the *Native Title Act 1993*, might exist over land in which the Company has an interest. It is not possible at this stage to quantify the impact (if any) that the existence of native title may have on the operations of the Company. The Directors are aware that applications for native title claims have been accepted by the Native Title Tribunal over tenements held by the Company.

### 18. CASH FLOW INFORMATION

|  | 2022<br>\$       | 2021<br>\$       |
|--|------------------|------------------|
| <b>(a) Reconciliation of loss after tax to the net cash flows used in operating activities</b> |                  |                  |
| Loss after income tax  | (2,261,669)      | (2,201,453)      |
| Non-Cash Items:  |                  |                  |
| Depreciation   | 47,068           | 48,194           |
| Write-off capitalised expenditure  | 10,138           | 640,076          |
| Interest on borrowings   | 1,045,336        | 806,744          |
| Share based payments   | 247,581          | -                |
| Changes in assets and liabilities:   |                  |                  |
| (Increase)/decrease in trade and other receivables   | 200,972          | (89,594)         |
| Increase/(decrease) in trade and other payables  | 44,788           | 24,093           |
| Net Cash flows used in operating activities  | <u>(665,785)</u> | <u>(771,940)</u> |

### (b) Changes in liabilities arising from financing activities

| 2022              | Balance at 1<br>July 2021<br>\$ | Financing<br>Cash flows<br>\$ | Non-cash<br>changes<br>\$ | Balance at<br>30 June 2022<br>\$ |
|-------------------|---------------------------------|-------------------------------|---------------------------|----------------------------------|
| Borrowings        | 3,822,405                       | 5,500,000                     | (7,675,491) <sup>6</sup>  | 1,646,914                        |
| Convertible note  | -                               | -                             | 6,459,180                 | 6,459,180                        |
| Lease liabilities | 164,607                         | (50,220)                      | 14,432                    | 128,818                          |
| Total             | <u>3,987,012</u>                | <u>5,449,780</u>              | <u>(1,201,879)</u>        | <u>8,234,912</u>                 |

| 2021              | Balance at 1<br>July 2020<br>\$ | Financing<br>Cash flows<br>\$ | Non-cash<br>changes<br>\$ | Balance at<br>30 June 2021<br>\$ |
|-------------------|---------------------------------|-------------------------------|---------------------------|----------------------------------|
| Borrowings        | 4,117,534                       | 2,500,000                     | (2,795,129)               | 3,822,405                        |
| Convertible note  | 3,846,139                       | -                             | (3,846,139)               | -                                |
| Lease liabilities | -                               | (50,220)                      | 214,827                   | 164,607                          |
| Total             | <u>7,963,673</u>                | <u>2,449,780</u>              | <u>(6,426,441)</u>        | <u>3,987,012</u>                 |

### (c) Non-Cash Transactions

There were no other non-cash transactions during the financial year (2021: nil).

<sup>6</sup> Includes movement to convertible note and shareholder contribution

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**
**19. KEY MANAGEMENT PERSONNEL COMPENSATION**
**(a) Details of Directors and Key Management Personnel**

## (i) Directors

The following persons were Directors of Accent Resources NL during the financial year:

Yuzi (Albert) Zhou – Executive Chairman  
 Dian Zhou He – Non Executive Director and Deputy Chairman  
 Jun Sheng (Jerry) Liang – Executive Director  
 Jie You - Non Executive Director (previously alternate Director to Jun Sheng Liang)

## (ii) Other Key Management Personnel

Robert Allen – Company Secretary

**(b) Key Management Personnel Compensation**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's Key Management Personnel for the year ended 30 June 2022. The totals of remuneration paid to key management personnel of the Company during the year are as follows:

|                              | <b>2022</b>    | <b>2021</b>    |
|------------------------------|----------------|----------------|
|                              | <b>\$</b>      | <b>\$</b>      |
| Short-term employee benefits | 338,354        | 301,461        |
| Long-term employee benefits  | 3,119          | 3,119          |
| Post-employment benefits     | 24,596         | 19,875         |
| Share based payment          | 222,775        | -              |
|                              | <u>588,844</u> | <u>324,455</u> |

**(c) Equity Instrument Disclosures Relating to Key Management Personnel**

## (i) Options provided as remuneration and shares issued on any exercise of such options

No share options were granted to Key Management Personnel as remuneration during the financial year (2021: nil).

## (ii) Option holdings

There are no options on issue.

## (iii) Share holdings

The number of ordinary shares in the Company held during the financial year by each Director and any other key management personnel of the Company, including related parties, are set out in the Remuneration Report contained in the Directors Report.

## (iv) Performance Rights

Performance Rights were issued to Directors and executives on 14<sup>th</sup> February 2022 (2021: nil). Details of the rights have been disclosed in Note 24.

**(d) Other Transactions with Key Management Personnel**

There were no other transactions with Key Management Personnel during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**
**20. RELATED PARTY TRANSACTIONS**
**(a) Loans from Related Parties**

The loans from Rich Mark Development (Group) Pty Ltd and Xingang Resources (HK) Ltd were converted to a convertible note on 23 December 2021, following shareholder approval at the AGM on 22 December 2021, with a subscription price of \$4,848,981 and \$4,500,778 respectively. Details of the convertible note have been disclosed in Note 16. During the current period and after to the conversion of the pre-existing debt to the convertible note, 3,200,000 of the original Rich Mark Development (Group) Pty Ltd loan was drawn down.

The Company also signed a new loan agreement with Rich Mark Development (Group) Pty Ltd on 19 November 2021 for \$7,500,000. The loan is available for drawdown in 6 tranches through to 31 March 2023. The loan is unsecured and subject to interest of 2.2%, which accrues six monthly and is payable along with the principal at maturity and matures on 30 November 2026. During the current period, the Company drew down \$3,200,000 of this loan. Rich Mark Development (Group) Pty Ltd have the option to convert the principal and interest in part or whole into Company shares. This will be subject to ASIC and ASX regulations, an independent expert report and shareholder approval.

| Party                                 | Description      | Balance as at 30 June 2021 | Shareholder contribution | Interest expense for period | Balance as at 30 June 2022 |
|---------------------------------------|------------------|----------------------------|--------------------------|-----------------------------|----------------------------|
| Xingang Resources (HK) Ltd.           | Loan 1           | \$nil                      | \$nil                    | \$nil                       | \$nil                      |
|                                       | Loan 2           | \$2,157,806                | \$nil                    | \$204,274                   | \$nil                      |
|                                       | Convertible Note | \$nil                      | (\$1,600,889)            | \$271,916                   | \$3,157,485                |
| Rich Mark Development (Group) Pty Ltd | Previous loans   | \$nil                      | \$nil                    | \$nil                       | \$nil                      |
|                                       | Convertible Note | \$nil                      | (\$431,846)              | \$299,312                   | \$3,386,692                |
|                                       | Loan 5           | \$1,664,599                | \$447,523                | \$206,150                   | \$nil                      |
|                                       | Loan 6           | \$nil                      | \$1,601,412              | \$48,835                    | \$1,646,914                |

As at 30 June 2022 there is accrued interest owing to Rich Mark Development (Group) Pty Ltd of \$554,297 (2021: \$45,434) and to Xingang Resources (HK) Ltd of \$476,190 (2021: \$124,477).

Disclosures surrounding the shareholder contributions are set out in Note 13.

**(b) Transactions with Related Parties**

The Company also pays rent of \$500 (2021: \$500) and \$200 (2021: \$200) in outgoings per month for the lease of the Melbourne office from Rich Mark Development (Group) Pty Ltd totalling \$8,400 (2021: \$8,400). The Company also pays rent of \$4,185 (2021: 4,185) per month for the lease of the West Perth Office from Rich Mark Development (Group) Pty Ltd totalling \$50,220 (2021: \$50,220). Both arrangements are not at arm's length.

Disclosures relating to Key Management Personnel are set out in Note 19 and the Remuneration Report in the Directors Report in compliance with Australian Accounting Standards AASB 124: *Related Party Disclosures*, the *Corporations Act 2001* and the *Corporations Regulations 2001*.

Transactions with Arthur Zhou amounted to \$18,960.

There are no other related party transactions.



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**

| 21. AUDITOR'S REMUNERATION                        | 2022              | 2021              |
|---|-------------------|-------------------|
|   | \$                | \$                |
| Remuneration of the auditor of the Company for:   |                   |                   |
| - auditing and reviewing the financial statements | 94,562            | 53,674            |
| - other services                                  | -                 | -                 |
|   | <u>          </u> | <u>          </u> |

The auditor of Accent Resources NL is Deloitte Touche Tohmatsu (2021: Deloitte Touche Tohmatsu).

**22. SEGMENT INFORMATION**
**Identification of Reportable Segments**

The Company identifies its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources.

The Company operates in mineral exploration in Australia as the single segment currently. The financial information in the Statement of Profit or Loss and Other Comprehensive Income and the Statement of Financial Position is the same as that presented to the chief operating decision maker.

**23. FINANCIAL RISK MANAGEMENT**
**(a) Financial Risk Management**

The Company's financial assets and liabilities consist mainly of deposits with banks and accounts and related party borrowings.

The main purpose of non-derivative financial assets and liabilities is to raise finance for the Company's operations.

Derivatives are not currently used by the Company for hedging purposes. The Company does not speculate in the trading of derivative instruments.

**(i) Treasury Risk Management**

The Board of the Company meets on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

**(ii) Financial Risks**

The main risks the Company is exposed to through its financial assets and liabilities are interest rate risk, liquidity risk and credit risk.

***Interest Rate Risk***

The Company does not have any debt that may be affected by interest rate risk as the loan and convertible notes from the parent entity and loans from other shareholders are at a fixed interest rate. The Company seeks to utilise fixed interest rate products to assist in managing its deposit funds and is subject to interest rate risk as detailed below in *sensitivity analysis*.

***Sensitivity Analysis***

At 30 June 2022, if interest rates had changed by +/- 100 basis points from the weighted average rate for the year with all other variables held constant, post-tax loss for Company would have been \$12,267 lower/higher (2021: \$6,986 lower/higher) as a result of lower/higher interest income from cash and cash equivalents.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**
*Liquidity Risk*

Liquidity risk arises from the possibility that the Company may encounter difficulty in settling its debts or otherwise meeting its financial obligations related to financial liabilities. The Company manages liquidity risk by monitoring forecast cash flows.

*Financial Liability and Financial Asset Maturity Analysis:*

|   | Within 1 Year |            | 1 to 5 Years |             | Total       |             |
|---|---------------|------------|--------------|-------------|-------------|-------------|
|   | 2022<br>\$    | 2021<br>\$ | 2022<br>\$   | 2021<br>\$  | 2022<br>\$  | 2021<br>\$  |
| <b>Financial liabilities due for payment</b>    |               |            |              |             |             |             |
| Trade and other payables                        | (152,301)     | (363,893)  | -            | -           | (152,301)   | (363,893)   |
| Lease liabilities                               | (50,220)      | (50,220)   | (100,440)    | (150,660)   | (150,660)   | (200,880)   |
| Borrowings <sup>7</sup>                         | -             | -          | (1,646,914)  | (6,916,323) | (1,646,914) | (6,916,323) |
| Convertible note <sup>8</sup>                   | -             | -          | -            | -           | -           | -           |
| Total Expected outflows                         | (202,521)     | (414,113)  | (1,747,354)  | (7,066,983) | (1,949,875) | (7,481,096) |
| <b>Financial assets – cash flows realisable</b> |               |            |              |             |             |             |
| Cash and cash equivalents                       | 3,008,482     | 1,851,034  | -            | -           | 3,008,482   | 1,851,034   |
| Other Receivables and Other Assets              | 128,587       | 162,132    | -            | -           | 128,587     | 162,132     |
| Financial assets                                | -             | -          | -            | -           | -           | -           |
| Total Anticipated Inflows                       | 3,137,069     | 2,013,166  | -            | -           | 3,137,069   | 2,013,166   |
| Net inflow/(outflow) on financial instruments   | 2,934,548     | 1,599,053  | (1,747,354)  | (7,066,983) | 1,187,194   | (5,467,930) |

There are no assets or liabilities that have a maturity date greater than five years.

*Credit Risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

Credit risk on liquid funds is limited because counter parties are banks with high credit rating.

The Company does not have any material credit risk exposure to any single receivable or group of receivables under financial assets entered into by the economic entity.

*Price Risk*

Price risk relates to the risk that the fair value or future cash flows of a financial assets will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

<sup>7</sup> These are the non-discounted balances. The values in the balance sheet are discounted using an effective interest rate of 18.09%.

<sup>8</sup> These are the non-discounted balances. The values in the balance sheet are discounted using an effective interest rate of 18.09%.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

### (b) Fair value of assets and liabilities

#### Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

The Directors are of the opinion that the carrying value of the following financial instruments approximates the fair value of these instruments:

- trade and other receivables
- trade and other payables
- loan from related parties (refer note 13 for details).
- Convertible note (refer note 16 for details)

### (c) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate for each class of financial assets and financial liabilities comprises:

|                                    | Floating Interest Rate |                  | Fixed Interest Rate |               |                  |                  | Non-Interest Bearing |                | Total            |                  | Weighted Effective Interest Rate |            |
|------------------------------------|------------------------|------------------|---------------------|---------------|------------------|------------------|----------------------|----------------|------------------|------------------|----------------------------------|------------|
|                                    | 2022<br>\$             | 2021<br>\$       | 1 Year or Less      |               | 1 to 5 Years     |                  | 2022<br>\$           | 2021<br>\$     | 2022<br>\$       | 2021<br>\$       | 2022<br>\$                       | 2021<br>\$ |
|                                    |                        |                  | 2022<br>\$          | 2021<br>\$    | 2022<br>\$       | 2021<br>\$       |                      |                |                  |                  |                                  |            |
| Financial Assets                   |                        |                  |                     |               |                  |                  |                      |                |                  |                  |                                  |            |
| Cash                               | 3,008,482              | 1,851,034        | -                   | -             | -                | -                | -                    | -              | 3,008,482        | 1,851,034        | 1.02                             | 1.02       |
| Trade and other receivables        | -                      | -                | -                   | -             | -                | -                | 128,587              | 162,132        | 128,587          | 162,132          | N/A                              | N/A        |
| Financial assets                   | -                      | -                | -                   | -             | -                | -                | -                    | -              | -                | -                | N/A                              | N/A        |
| <b>Total Financial Assets</b>      | <b>3,008,482</b>       | <b>1,851,034</b> | <b>-</b>            | <b>-</b>      | <b>-</b>         | <b>-</b>         | <b>128,587</b>       | <b>162,132</b> | <b>3,137,069</b> | <b>2,013,166</b> | <b>-</b>                         | <b>-</b>   |
| Financial Liabilities              |                        |                  |                     |               |                  |                  |                      |                |                  |                  |                                  |            |
| Trade and other payables           | -                      | -                | -                   | -             | -                | -                | 152,301              | 363,893        | 152,301          | 363,893          | N/A                              | N/A        |
| Convertible note                   | -                      | -                | -                   | -             | 6,459,180        | -                | -                    | -              | 6,459,180        | -                | N/A                              | N/A        |
| Lease liabilities                  | -                      | -                | 39,536              | 35,789        | 89,283           | 128,818          | -                    | -              | 128,819          | 164,607          | 4.0%                             | 4.0%       |
| Borrowings                         | -                      | -                | -                   | -             | 1,646,914        | 3,822,405        | -                    | -              | 1,646,914        | 3,822,405        | 18.09%                           | 18.09%     |
| <b>Total Financial Liabilities</b> | <b>-</b>               | <b>-</b>         | <b>39,536</b>       | <b>35,789</b> | <b>8,195,377</b> | <b>3,951,223</b> | <b>152,301</b>       | <b>363,893</b> | <b>8,387,214</b> | <b>4,350,905</b> | <b>-</b>                         | <b>-</b>   |

## 24. SHARE BASED PAYMENT

The Company has begun operating an equity settled share plans as detailed below.

The Company's Performance Rights Plan has made awards to the Executive Chairman, Company Directors, employees and consultants for the 2022 financial year. This plan focuses efforts on longer-term performance achievement with a focus on relative shareholder returns to support the creation of sustainable long-term shareholder value.

Participants are awarded performance rights, which may convert into ACS shares on a one-for-one basis. The rights granted may vest after 12 months and 36 months as the end of a performance period. These rights are not subject to the satisfaction of any other performance measures.

The following table provides details of outstanding awards of performance rights granted under this award.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2022**

| Holders                  | Period | Outstanding<br>1 July 2021 | Granted    | Forfeited | Vested | Exercised | Expired | Outstanding<br>30 June 2022 | Exercisable<br>30 June 2022 | Expense   |
|--------------------------|--------|----------------------------|------------|-----------|--------|-----------|---------|-----------------------------|-----------------------------|-----------|
| Key management personnel | 2022   | Nil                        | 11,500,000 | Nil       | Nil    | Nil       | Nil     | 11,500,000                  | Nil                         | \$215,178 |
| Other                    | 2022   | Nil                        | 1,600,000  | Nil       | Nil    | Nil       | Nil     | 1,600,000                   | Nil                         | \$32,403  |
| Total                    |        | Nil                        | 13,100,000 | Nil       | Nil    | Nil       | Nil     | 13,100,000                  | Nil                         | \$247,581 |

The fair value at the grant date was \$0.055 for the share price at grant date for key management personnel and \$0.056 for other recipients.

**25. EVENTS AFTER THE BALANCE SHEET DATE**

Subsequent to the end of the financial year, the Company signed an agreement with Rich Mark Development (Group) Pty Ltd for a \$3.0 million loan available for drawdown in three tranches starting January 2023. The loan is unsecured and subject to interest at 2.2% pa which accrues six monthly and is payable along with the principle at maturity. The loan matures on 31 December 2028.

The Company has obtained the following additional tenements since end of the financial year relating to the Magnetite Range project, being E59/2666, E59/2423 and E59/2686.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**26. ULTIMATE PARENT COMPANY**

The Ultimate Parent Company of Accent Resources NL is Rich Mark Development (Group) Pty Ltd ("Rich Mark").

**27. COMPANY DETAILS**

The registered office of the Company is: 9/250 Queen Street, Melbourne VIC 3000.

The principal place of business of the Company is: Level 2, 72 Kings Park Road, West Perth WA 6005.

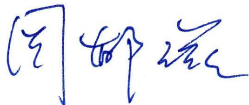


**ACCENT RESOURCES NL  
DIRECTORS' DECLARATION**

The Directors of the Company declare that:

1. the attached financial statements and notes are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Australian Accounting Standards, which, as stated in accounting policy Note 2 to the financial statements, constitutes compliance with International Financial Report Standard (IFRS) and *Corporations Regulations 2001*, and
  - b. giving a true and fair view of the Company's financial position at 30 June 2022 and of its performance for the year ended on that date; and
2. the directors have been given the declarations required by s.295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to section 295(5) of the *Corporations Act 2001*.



Yuzi Zhou  
Executive Chairman

Dated this 30<sup>th</sup> day of September 2022

## Independent Auditor's Report to the members of Accent Resources NL

### Report on the Audit of the Financial Report

#### *Opinion*

We have audited the financial report of Accent Resources NL (the Company) which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### *Basis for Opinion*

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Material Uncertainty Related to Going Concern*

We draw attention to Note 2 in the financial report which indicates that the Company incurred a net loss of \$2,261,669 and experienced net cash outflows from operating and investing activities of \$4,292,332 during the year ended 30 June 2022. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our procedures in relation to going concern included, but were not limited to:

- Inquiring of management and the directors in relation to events and conditions that may impact the assessment of the Company's ability to pay its debts as and when they fall due;
- Challenging the assumptions reflected in management's cash flow forecast, including the timing of expected cash flows;
- Assessing the letter of support from its ultimate parent entity;
- Assessing the impact of events occurring after balance date on the financial report; and
- Assessing the adequacy of the disclosures related to going concern in Note 2 to the financial report.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

| Key Audit Matter  | How the scope of our audit responded to the Key Audit Matter   |
|---|--|
| <p><b>Carrying value of Exploration and Evaluation Assets</b></p> <p>As at June 2022 the Company has \$6,758,677 of capitalised exploration and evaluation expenditure as disclosed in Note 9.</p> <p>Judgement is applied in determining the treatment of exploration expenditure including:</p> <ul style="list-style-type: none"> <li>• Whether the conditions for capitalisation are satisfied;</li> <li>• Which elements of exploration and evaluation expenditures qualify for recognition; and</li> <li>• Whether facts and circumstances indicate that the exploration and expenditure assets should be tested for impairment.</li> </ul> | <p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of management's process for assessing the recoverability of exploration and evaluation assets;</li> <li>• Obtaining a schedule of the areas of interest held by the Company and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Holding discussions with management as to the status of ongoing exploration programmes in the respective areas of interest;</li> <li>• Assessing whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Testing on a sample basis, evaluation expenditure capitalised during the year for compliance with the relevant accounting standards; and</li> <li>• Assessing whether any facts or circumstances existed to suggest impairment testing was required.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 9 to the financial report.</p> |

| Key Audit Matter  | How the scope of our audit responded to the Key Audit Matter  |
|---|---|
| <p><b>Classification and Valuation of Convertible Notes</b></p> <p>As at June 2022, the Company has \$6,459,180 of convertible notes interest as disclosed in Note 16.</p> <p>There is complexity involved in the treatment of convertible notes in particular;</p> <ul style="list-style-type: none"> <li>• Determining the fair value at initial recognition of the convertible notes following the conversion of loans previously advanced to the Company;</li> <li>• Determining whether the convertible notes should be classified as equity, a liability or a combination of both; and</li> <li>• Determining whether the effective interest rate used is appropriate.</li> </ul> | <p>Our audit procedures, performed in conjunction with our Treasury and Capital Market Specialists, included but were not limited to:</p> <ul style="list-style-type: none"> <li>• Assessing whether the convertible note should be treated as a modification or an extinguishment of loans previously advanced to the Company;</li> <li>• Developing an understanding of the terms and conditions of the convertible note agreement to determine if the convertible notes are to be accounted for as equity, a liability or a combination of both;</li> <li>• Assessing the Company's consideration of the accounting classification of the option embedded in the instrument;</li> <li>• Assessing the appropriateness of the valuation methodology for compliance with the applicable accounting standards;</li> <li>• Assessing the appropriateness of the effective interest rate used;</li> <li>• Agreeing the funds received under the convertible notes; and</li> <li>• Assessing the amortisation of the convertible note following initial recognition for compliance with the applicable accounting standards.</li> </ul> <p>We also assessed the appropriateness of the disclosures in Note 16 to the financial report.</p> |

### *Other Information*

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



## *Responsibilities of the Directors for the Financial Report*

The directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## *Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 3 to 17 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Accent Resources NL, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

### *Responsibilities*

The directors of Accent Resources NL are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



### **Penelope Pink**

Partner

Chartered Accountants

Perth, 30 September 2022

The Board of Directors  
Accent Resources NL  
Level 9, 250 Queen Street  
MELBOURNE, VIC 3000

30 September 2022

Dear Board Members

### **Auditor's Independence Declaration to Accent Resources NL**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Accent Resources NL.

As lead audit partner for the audit of the financial report of Accent Resources NL for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



**Penelope Pink**  
Partner  
Chartered Accountants

As at 19<sup>th</sup> August 2022

**1. Numbers of Holders of Equity Securities**

**a. Ordinary Share Capital**

466,027,283 fully paid ordinary shares are held by 342 individual shareholders.

**b. Listed Options**

There are no listed options.

**c. Unlisted Options**

There are no unlisted options.

**d. Performance Rights**

There are 13,100,000 Performance Rights issued to 10 individuals on 18th February 2022. The Rights vest (convert to ordinary shares) subject to certain conditions on 18th February 2023 except for the rights issued to Messrs Liang and He which vest 3 years after issue (18th February 2025)

**e. Distribution of Holders of Equity Securities**

|                       | <b>Fully Paid<br/>Ordinary<br/>Shares</b> | <b>Listed<br/>Options</b> | <b>Unlisted<br/>Options</b> |
|-----------------------|---|---------------------------|-----------------------------|
| 1 - 1,000             | 9,970                                     | -                         | -                           |
| 1,001 – 5,000         | 182,253                                   | -                         | -                           |
| 5,001 – 10,000        | 573,347                                   | -                         | -                           |
| 10,001 –<br>100,000   | 3,913,445                                 | -                         | -                           |
| 100,001 – and<br>over | 461,348,268                               | -                         | -                           |
| <b>Total</b>          | <b>466,027,283</b>                        | -                         | -                           |

**f. Substantial Share Holders**

The names of the substantial shareholders listed in the Company's register as at 19th August 2022:

|  | <b>Number</b> | <b>Percentage</b> |
|--|---------------|-------------------|
| 1. Rich Mark Development (Group) Pty Ltd | 313,245,410   | 67.20%            |
| 2. Xingang Resources (HK) Limited        | 98,026,518    | 21.03%            |

**g. Other Information**

The voting rights attached to ordinary shares are governed by the Constitution of the Company. On a show of hands every person present who is a Member or representative of a Member shall have one vote on a poll, every Member present in person or by proxy or by attorney or duly authorised representative shall have one vote for each share held. None of the options have any voting rights.



**Unmarketable Parcels**

At the date of this report, there were 208 holders who held shares that were unmarketable parcels.

**2. Twenty Largest Shareholders**

|   | <b>Number</b>      | <b>Percentage</b> |
|---|--------------------|-------------------|
| RICH MARK DEVELOPMENT (GROUP) PTY LTD         | 313,245,410        | 67.20%            |
| XINGANG RESOURCES (HK) LIMITED                | 98,026,518         | 21.03%            |
| GRANDMASTER FORTUNE LIMITED                   | 21,563,603         | 4.63%             |
| MR BIN CUI                                    | 10,115,470         | 2.17%             |
| SINO ORIENTAL INTERNATIONAL LIMITED           | 10,000,000         | 2.15%             |
| MR LI ZHAO                                    | 2,102,500          | 0.45%             |
| WILLIMS SUPER FUND A/C                        | 852,500            | 0.18%             |
| DONG LIANG                                    | 583,959            | 0.13%             |
| BROWNWARD PTY LTD <BRIAN HAYWARD SF A/C>      | 500,000            | 0.11%             |
| TOLSUTRA PTY LTD                              | 500,000            | 0.11%             |
| TONY JAMES PEARS & LYNDA PAMELA PEARS         | 463,500            | 0.10%             |
| DESKGLEN PTY LTD <HEILBRONN'S SUPER FUND A/C> | 400,000            | 0.09%             |
| XIA LI  | 320,156            | 0.07%             |
| BACARRO PTY LTD                               | 287,322            | 0.06%             |
| TOLSUTRA PTY LTD                              | 250,000            | 0.05%             |
| KHEE KWONG LOO                                | 250,000            | 0.05%             |
| JF APEX SECURITIES BERHAD <CLIENT A/C>        | 232,150            | 0.05%             |
| MAGNIM PTY LTD <THE COX SUPER FUND A/C>       | 223,880            | 0.05%             |
| TONY JAMES PEARS & LYNDA PAMELA PEARS         | 186,800            | 0.04%             |
| MR ROLF MYER                                  | 150,000            | 0.03%             |
|   | <b>460,256,268</b> | <b>98.75%</b>     |

**3. Twenty Largest Option Holders**

There were no listed or unlisted options as at 19<sup>th</sup> August 2022.

**4. Restricted Securities**

At 19th August 2022 there were 13,100,000 Performance Rights issued to 10 individuals. The Rights, subject to certain conditions, vest (convert to ordinary shares) on 18th February 2023 except for the Rights issued to Messrs Liang and He which vest 3 years after issue ( 18th February 2024)



For the Year ended 30 June 2022

**WESTERN AUSTRALIA**

All of the Company's Mineral resources and Ore Reserves are located within Western Australia.

**IRON (MAGNETITE) RESOURCES**

There was no change to the Company's iron (magnetite) resources during FY2022.

**Table: Magnetite Range Project**

| JORC 2004 Category | Tonnes (Mt)  | DTR Wt Recovery (%) | Whole Rock Assay |                                    |             |                      | DTR Concentrate Assay |                                    |             |                      |             |              |              |
|--------------------|--------------|---------------------|------------------|------------------------------------|-------------|----------------------|-----------------------|------------------------------------|-------------|----------------------|-------------|--------------|--------------|
|                    |              |                     | Fe (%)           | Al <sub>2</sub> O <sub>3</sub> (%) | S (%)       | SiO <sub>2</sub> (%) | Fe (%)                | Al <sub>2</sub> O <sub>3</sub> (%) | S (%)       | SiO <sub>2</sub> (%) | P (%)       | FeO (%)      | LOI (%)      |
| Measured           | 6.8          | 41.66               | 33.86            | 0.86                               | 0.11        | 46.92                | 69.61                 | 0.1                                | 0.16        | 2.93                 | 0.01        | 24.53        | -3.08        |
| Indicated          | 305.7        | 37.26               | 31.82            | 1.92                               | 0.33        | 46.27                | 67.32                 | 0.24                               | 0.49        | 5.32                 | 0.01        | 27.37        | -2.77        |
| Inferred           | 122          | 32.57               | 30.28            | 2.34                               | 0.41        | 47.12                | 67.6                  | 0.24                               | 0.62        | 4.91                 | 0.01        | 27.43        | -2.68        |
| <b>Total</b>       | <b>434.5</b> | <b>36.01</b>        | <b>31.42</b>     | <b>2.02</b>                        | <b>0.35</b> | <b>46.52</b>         | <b>67.43</b>          | <b>0.24</b>                        | <b>0.52</b> | <b>5.17</b>          | <b>0.01</b> | <b>27.34</b> | <b>-2.75</b> |

- Source: ACS 28/11/12 ASX Announcement
- Small discrepancies may occur due to rounding effects
- Calculated on the fresh zone, 15% DTR weight recovery cut off

**GOLD RESOURCES**

There was no change to the Company's gold resources during FY2022.

**Table: Norseman Project (at 0.5 g/t Au lower cut off)**

| Deposit      | JORC 2004 Category |             |               |                |             |               |                |             |               |                  |             |               |
|--------------|--------------------|-------------|---------------|----------------|-------------|---------------|----------------|-------------|---------------|------------------|-------------|---------------|
|              | Measured           |             |               | Indicated      |             |               | Inferred       |             |               | Total            |             |               |
|              | Ore (t)            | Grade (g/t) | Total (Oz)    | Ore (t)        | Grade (g/t) | Total (Oz)    | Ore (t)        | Grade (g/t) | Total (Oz)    | Ore (t)          | Grade (g/t) | Total (Oz)    |
| Iron Duke    | 450,900            | 1.8         | 25,300        | 272,500        | 1.6         | 14,000        | 126,500        | 1.6         | 6,400         | 850,000          | 1.7         | 45,700        |
| Surprise     | 299,200            | 1.4         | 13,300        | 137,600        | 1.3         | 5,900         | 94,300         | 1.2         | 3,600         | 531,100          | 1.3         | 22,800        |
| <b>Total</b> | <b>750,100</b>     | <b>1.6</b>  | <b>38,600</b> | <b>410,100</b> | <b>1.5</b>  | <b>19,900</b> | <b>220,800</b> | <b>1.4</b>  | <b>10,000</b> | <b>1,381,000</b> | <b>1.5</b>  | <b>68,500</b> |

**Table: Norseman Project (at 1 g/t Au lower cut off)**

| Deposit      | JORC 2004 Category |             |               |                |             |               |                |             |              |                  |             |               |
|--------------|--------------------|-------------|---------------|----------------|-------------|---------------|----------------|-------------|--------------|------------------|-------------|---------------|
|              | Measured           |             |               | Indicated      |             |               | Inferred       |             |              | Total            |             |               |
|              | Ore (t)            | Grade (g/t) | Total (Oz)    | Ore (t)        | Grade (g/t) | Total (Oz)    | Ore (t)        | Grade (g/t) | Total (Oz)   | Ore (t)          | Grade (g/t) | Total (Oz)    |
| Iron Duke    | 328,300            | 2.1         | 22,200        | 213,700        | 1.8         | 12,500        | 111,100        | 1.7         | 6,000        | 653,200          | 1.9         | 40,700        |
| Surprise     | 210,800            | 1.6         | 10,900        | 111,900        | 1.4         | 5,200         | 63,500         | 1.4         | 2,800        | 386,200          | 1.5         | 18,800        |
| <b>Total</b> | <b>539,100</b>     | <b>1.9</b>  | <b>33,100</b> | <b>325,600</b> | <b>1.7</b>  | <b>17,700</b> | <b>174,600</b> | <b>1.6</b>  | <b>8,800</b> | <b>1,039,400</b> | <b>1.8</b>  | <b>59,500</b> |

- Source: ACS 26/11/2012 ASX Announcement
- Small discrepancies may occur due to rounding effects



The Mineral Resource estimate for the Magnetite Range and Norseman Gold Projects was prepared and first disclosed under the JORC Code 2004. They have not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

#### **MINERAL RESOURCE AND ORE RESERVE CORPORATE GOVERNANCE**

Due to the nature, stage and size of the Company's existing projects, ACS believe there would be no efficiencies gained by establishing a separate committee responsible for reviewing and monitoring the Company's processes for calculating Mineral Resources and Ore Reserves and for ensuring that the appropriate internal controls are applied to such calculations.

However, the Company ensures that data collected and utilised, and all Mineral Resource or Ore Reserve Estimations, are supervised and prepared by Competent Persons in accordance with JORC Code.

The Company will report any future Mineral Resource and Ore Reserves updates in accordance with the 2012 JORC Code.

#### **COMPETENT PERSONS STATEMENTS**

For the Year Ended 30 June 2022

##### **Competent Persons Statement – Magnetite Range Project**

The information that relates to Mineral Resources at the Magnetite Range Iron (magnetite) Ore Project is based on a resource estimate that was prepared by Mr Stephen Hyland of Ravensgate Mineral Industry Consultants. Mr Hyland is a Fellow of the Australasian Institute of Mining and Metallurgy. The preparation was supervised by Mr G Rodney Dale FRMIT of PROMET Engineers Pty Ltd. Mr Dale is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hyland takes overall responsibility for the Resource Estimate; Mr Dale takes responsibility for the geological model. Mr Hyland and Mr Dale have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hyland and Mr Dale consent to the inclusion in this report of the matters based on their information (and the public reporting of these statements) in the form and context that the information appears.

##### **Competent Persons Statement – Norseman Project**

The information that relates to Mineral Resources at the Norseman Gold Project is based on a resource estimate that was prepared by Mr Stephen Hyland of Ravensgate Mining Industry Consultants. Mr Hyland is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Hyland has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Hyland consents to the inclusion in this report of the matters based on his information (and the public reporting of these statements) in the form and context that the information appears.

##### **Competent Persons Statement – Annual Mineral Reserves and Resources Statement**

The Mineral Resources and Ore Reserves statement in this Annual Report is based on, and fairly represents, information and supporting documentation prepared by a competent person or persons. The Mineral Resources and Ore Reserves statement as a whole has been approved by Ms G Morton, who is a full-time employee of the Company and a Member of the Australian Institute of Geoscientists. Ms Morton consents to the inclusion of the Mineral Resources and Ore Reserves statement in the form and context in which it appears in this Annual Report.



For Year Ended 30 June 2022

**WESTERN AUSTRALIA**

All of the Company's projects are located within Western Australia.

| TENEMENT PARTICULARS | PROJECT   | INTEREST AT BEGINNING OF QUARTER | ACQUIRED        | INTEREST AT END OF QUARTER |
|----------------------|-----------|----------------------------------|-----------------|----------------------------|
|                      | LOCATION  |                                  |                 |                            |
| E59/875              | Mt Gibson | 100%                             | 22/03/2006      | 100%                       |
| M59/166              | Mt Gibson | 100%                             | 5/10/1989       | 100%                       |
| L59/106              | Mt Gibson | 100%                             | 1/08/2012       | 100%                       |
| L59/196              | Mt Gibson | 100%                             | 15/11/2021      | 100%                       |
| E59/2303             | Mt Gibson | 100%                             | 31/08/2018      | 100%                       |
| E59/2043             | Mt Gibson | 100%                             | 18/06/2015      | 100%                       |
| M59/764              | Mt Gibson | 100%                             | 11/08/2021      | 100%                       |
| E59/2666             | Mt Gibson | 100%                             | 1/07/2022       | 100%                       |
| E59/2423             | Mt Gibson | 100%                             | 13/09/2022      | 100%                       |
| E59/2686             | Mt Gibson | 100%                             | 2/09/2022       | 100%                       |
| E59/2719             | Mt Gibson | 100%                             | Application     | 100%                       |
| E59/2756             | Mt Gibson | 100%                             | Application     | 100%                       |
| E59/2757             | Mt Gibson | 100%                             | To Withdraw App | 100%                       |
| E59/2758             | Mt Gibson | 100%                             | To Withdraw App | 100%                       |
| E59/2759             | Mt Gibson | 100%                             | To Withdraw App | 100%                       |
| L59/197              | Mt Gibson | 100%                             | Application     | 100%                       |
| L59/210              | Mt Gibson | 100%                             | Application     | 100%                       |
| M63/229              | Norseman  | 100%                             | 19/11/1990      | 100%                       |
| M63/657              | Norseman  | 100%                             | 15/12/2020      | 100%                       |
| P63/1997             | Norseman  | 100%                             | 4/07/2016       | 100%                       |
| P63/2052             | Norseman  | 100%                             | 26/10/2017      | 100%                       |
| P63/2154             | Norseman  | 100%                             | 2/09/2019       | 100%                       |
| P63/2200             | Norseman  | 100%                             | 29/10/2020      | 100%                       |
| P63/2191             | Norseman  | 100%                             | Application     | 100%                       |





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