

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



ACN 113 025 808

**HALF-YEAR REPORT**

**FOR THE SIX MONTHS ENDED  
31 DECEMBER 2011**

**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**

Ian Hastings – Executive Chairman  
Ian Richer – Executive Director  
Jun Sheng Liang - Non Executive Director  
Jie You (alternate Director to Jun Sheng Liang)

### **Company Secretary**

Ranko Matic

### **Auditors**

Crowe Horwath  
Level 6  
256 St Georges Terrace  
PERTH WA 6000

### **Bankers**

BankWest  
1/1215 Hay St  
WEST PERTH WA 6005

### **Solicitors**

Hilary Macdonald  
Suite 29, 18 Stirling Highway  
NEDLANDS WA 6009

Steinepreis Paganin  
Level 4, Next Building  
16 Milligan Street  
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 1, 12 Kings Park Road  
WEST PERTH WA 6005

### **Exploration & Administration Office**

4/29 Ord Street  
WEST PERTH WA 6005

### **Contacts**

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Your Directors present their report together with the financial report of Accent Resources NL (“the Company”) for the half-year ended 31 December 2011.

## **Directors**

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

Ian Hastings  
Ian Richer  
Jun Sheng Liang  
Jie You (alternate Director to Jun Sheng Liang)

## **Results of Operations**

The net loss of the Company after income tax for the six months ended 31 December 2011 amounted to \$454,176 (2010: \$616,095).

## **Review of Operations**

### **Corporate**

Due to a reduced level of exploration, no capital raisings were required during the reporting period. A Research and Development tax offset of \$658,960 was also received from the ATO.

During the reporting period the company focused its efforts on maximising value from its Magnetite Range project and held many discussions with interested Chinese parties. Written advice was received on 29 November 2011 that Xingang Resources (HK) Limited would make an on market takeover bid of Accent shares.

Following the end of the reporting period Xingang on 20 January 2012 lodged a Bidders Statement and a written offer to shareholders offering an unconditional on market offer to acquire all the fully paid ordinary shares in the capital of Accent at a price of \$0.33 per share. The Bid closed on 2 March 2011 with Xinyang holding 54.15% of the ordinary shares in the capital of Accent.

### **Exploration Activities**

The Company continued with Exploration and Evaluation activities at its Western Australian projects during the reporting period but at a reduced level whilst the sale of the Magnetite Range project was discussed.

The Company assessed new iron and gold project opportunities and continued with preparation of work programmes at its other gold and vanadium projects.

### **Magnetite Range Iron Ore Project (ACS 100%).**

The project area is located immediately adjacent, and along strike of the Extension Hill (also known as Mt Gibson) iron ore project. This project has a dual ownership structure between Mount Gibson Iron Ltd (ASX:MGX) and unlisted company Asia Iron Holdings Limited. Infrastructure development and mining of the upper DSO hematite deposits at Extension Hill commenced during the reporting period. The Magnetite Range Iron Ore project is considered a high priority value adding opportunity. Significant drilling activity and a maiden resource estimate were reported in the first half of 2010.

During the reporting period mineral processing and engineering design consultants Mineral Engineering Technical Services Pty Ltd (METS) continued with process selection, engineering and infrastructure studies. Engineering estimates were developed for a 4Mtpa concentrator and associated infrastructure. This included electric power and water infrastructure requirements and the shipping of magnetite concentrate by road / existing light rail or a slurry pipeline to Geraldton port.

Detailed metallurgical test work was undertaken on dedicated HQ diamond drill core to characterize the ore types at the Hematite Hill prospect area in the southern project area. The southern project area contains moderate Davis Tube Recovery concentrate Silica values in the range 5-10% which can be reduced to <5% Silica by finer grinding to 25 microns and use of reverse flotation.

During the reporting period a Miscellaneous Licence L59/106 (Groundwater Search) was approved for granting after an objection. The tenement allows for groundwater exploration subject to Department of Mines and Petroleum (DMP) and Department of Water (DOW) approvals.

### **Katanning Vanadium Project (ACS 90%).**

Accent has interests in a large area of tenure in the southwest mineral field of Western Australia which contains several areas of interest for vanadium mineralisation. The Katanning project is well served by infrastructure including road, rail, grid power and proximity to regional centres.

During the reporting period geological mapping, rock and soil sampling was completed over geophysical and geological targets. During the reporting period a total of 10 RC Holes for 1,122m were completed at the T12-Linda Sue, T9-Kalang and T3-Kennie Hill prospect areas. Rig difficulties resulted in the Priority 1 traverses at T12-Linda Sue and T9-Kalang not being drilled. Low order titanite vanadium intersections from favourable magnetic gabbros, including 12m at 0.215% V<sub>2</sub>O<sub>5</sub> and 2.53% TiO<sub>2</sub> (11KTR081) and 12m at 0.406% V<sub>2</sub>O<sub>5</sub> and 3.83% TiO<sub>2</sub> (11KTR082) were returned from T12-Linda Sue.

### **Norseman Gold Project (ACS 100%)**

A soil sampling programme was undertaken to assist exploration planning, particularly in the poorly tested southern extensions of the Lady Mary gold mine and the Red, White and Blue mineralisation trends, and improve on the poorly documented historical soils database (circa early to mid 1990's) that failed to outline areas of known mineralisation. Results indicate highly elevated Au in soil assays in this well mineralized project area including some exceptional adjacent values of 2,360 ppb Au (2.36 g/t Au) and 4,880 ppb Au (4.88 g/t Au) at the Surprise resource area. The peak values at the Iron Duke resource area were 528 ppb Au and 878 ppb Au.

A gold mineral resource was previously reported (ASX announcement 15 March 2006) for the Norseman project. Although the resource is unlikely to be of sufficient scale to support a stand-alone operation, there may be joint venture opportunities for development and or toll processing with other operators in the region.

Mining lease M63/369 covering the Iron Duke deposit was granted during the year. A Mining and Heritage Agreement was negotiated with the Ngadju People over the whole Norseman project area as this eases future dealings with Native Title parties, conversion of prospecting licences and future development of the project.

Some of the Norseman tenements are endorsed by the Minister to explore for iron ore. Previous sampling of haematite rich outcrops returned significant iron values with 12 samples greater than 53% iron.

Results are considered sufficiently promising to warrant follow up work within the project area, which occurs in close proximity to rail and road transport.



### **Arcadia Gold Project (ACS 100%)**

The Hope River prospect area, located in the Meekatharra area, is characterised by a large number of anomalous intersections up to 8m @ 4.24 and 3.89 g/t Au that require follow up. A minimum 2km untested strike length of the mineralized shear extending north of Hope River was identified and requires follow-up with aircore drilling.

During the reporting period a soil sampling programme was completed in the southern tenement area over interpreted extensions of gold mineralization that are located outside the project area. Results indicated a single gold anomaly requiring follow up.

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#### **Competent Person Statement**

The information in this report that relates to exploration results, mineral resources or ore reserves has been compiled by Mr Philip Ash MAusIMM who is a Full time employee of Accent Resources NL. Mr Ash has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a competent person as defined in the 2004 edition of the Australasian Code for the reporting of exploration results, mineral resources and ore reserves. Mr Ash consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

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#### **Events After the Balance Sheet Date**

A Bidder's Statement (20 January 2012) and Target's Statement (3 February 2012) were released to the market in relation to an on-market takeover bid by Xingang Resources (HK) Ltd for all the issued capital of the company at a price of 33 cents per share. The Bid closed on 2 March 2011 with Xinyang holding 54.15% of the ordinary shares in the capital of Accent.

8,000,000 options were exercised since the half year end providing the Company with funds of \$1,600,000.

Other than the above mentioned, no matters or circumstances have arisen since the end of the half-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 subsequent financial years.

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

The auditor's independence declaration has been received and is included with this half-year report.

Signed in accordance with a resolution of the Board of Directors.



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Ian Hastings  
Chairman

Dated this 13<sup>th</sup> day of March 2012

ACCENT RESOURCES NL  
 STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE HALF-YEAR ENDED 31 DECEMBER 2011



|  | 31 December<br>2011<br>\$ | 31 December<br>2010<br>\$ |
|--|---------------------------|---------------------------|
| Interest income                                    | 246,412                   | 94,028                    |
| Other income                                       | 7,154                     | -                         |
| Employee benefits expense                          | (76,181)                  | (135,084)                 |
| Insurances, listing, compliance and auditors' fees | (292,751)                 | (186,283)                 |
| Depreciation expense                               | (14,253)                  | (20,825)                  |
| Directors' fees                                    | (155,514)                 | (135,267)                 |
| Occupancy expenses                                 | (38,626)                  | (35,948)                  |
| Travel expenses                                    | (102,427)                 | (133,972)                 |
| Other expenses                                     | (27,990)                  | (62,744)                  |
| Loss before income tax expense                     | (454,176)                 | (616,095)                 |
| Income tax expense                                 | -                         | -                         |
| <b>Loss for the period</b>                         | <b>(454,176)</b>          | <b>(616,095)</b>          |
| Other Comprehensive income                         | -                         | -                         |
| <b>Total comprehensive income for the period</b>   | <b>(454,176)</b>          | <b>(616,095)</b>          |
|  | <b>Cents Per Share</b>    |                           |
| Basic and diluted earnings/(loss) per share        | (0.26)                    | (0.38)                    |

The accompanying notes form part of these financial statements.

ACCENT RESOURCES NL  
STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2011



|                                  | 31 December<br>2011<br>\$ | 30 June<br>2011<br>\$ |
|----------------------------------|---------------------------|-----------------------|
| <b>ASSETS</b>                    |                           |                       |
| <b>Current Assets</b>            |                           |                       |
| Cash and cash equivalents        | 6,226,017                 | 6,396,000             |
| Trade and other receivables      | 15,481                    | 52,581                |
| Other Assets                     | -                         | 560,116               |
| <b>Total Current Assets</b>      | <b>6,241,498</b>          | <b>7,008,697</b>      |
| <b>Non-Current Assets</b>        |                           |                       |
| Property, plant and equipment    | 83,127                    | 92,682                |
| Exploration and evaluation       | 15,348,224                | 15,036,988            |
| <b>Total Non-Current Assets</b>  | <b>15,431,351</b>         | <b>15,129,670</b>     |
| <b>Total Assets</b>              | <b>21,672,849</b>         | <b>22,138,367</b>     |
| <b>LIABILITIES</b>               |                           |                       |
| <b>Current Liabilities</b>       |                           |                       |
| Trade and other payables         | 181,708                   | 193,050               |
| <b>Total Current Liabilities</b> | <b>181,708</b>            | <b>193,050</b>        |
| <b>Total Liabilities</b>         | <b>181,708</b>            | <b>193,050</b>        |
| <b>NET ASSETS</b>                | <b>21,491,141</b>         | <b>21,945,317</b>     |
| <b>EQUITY</b>                    |                           |                       |
| Issued capital                   | 26,857,655                | 26,857,655            |
| Reserves                         | 777,400                   | 777,400               |
| Accumulated losses               | (6,143,914)               | (5,689,738)           |
| <b>TOTAL EQUITY</b>              | <b>21,491,141</b>         | <b>21,945,317</b>     |

The accompanying notes form part of these financial statements.

ACCENT RESOURCES NL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2011



|  | Issued<br>Capital<br>\$ | Accumulated<br>Losses<br>\$ | Option<br>Reserve<br>\$ | Total<br>Equity<br>\$ |
|--|-------------------------|-----------------------------|-------------------------|-----------------------|
| <b>Balance at 1 July 2010</b>                    | <b>19,893,154</b>       | <b>(4,772,447)</b>          | <b>1,472,537</b>        | <b>16,593,244</b>     |
| Total comprehensive income for the period        | -                       | (616,095)                   | -                       | (616,095)             |
| Issue of share capital, net of transaction costs | 6,352,462               | -                           | -                       | 6,352,462             |
| Transfer from option reserve                     | -                       | -                           | (695,137)               | (695,137)             |
| <b>Balance at 31 December 2010</b>               | <b>26,245,616</b>       | <b>(5,388,542)</b>          | <b>777,400</b>          | <b>21,634,474</b>     |
| <b>Balance at 1 July 2011</b>                    | <b>26,857,655</b>       | <b>(5,689,738)</b>          | <b>777,400</b>          | <b>21,945,317</b>     |
| Total comprehensive income for the period        | -                       | (454,176)                   | -                       | (454,176)             |
| Issue of share capital, net of transaction costs | -                       | -                           | -                       | -                     |
| Transfer from option reserve                     | -                       | -                           | -                       | -                     |
| <b>Balance at 31 December 2011</b>               | <b>26,857,655</b>       | <b>(6,143,914)</b>          | <b>777,400</b>          | <b>21,491,141</b>     |

The accompanying notes form part of these financial statements.



**ACCENT RESOURCES NL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2011**



|  | <b>31 December<br/>2011</b> | <b>31 December<br/>2010</b> |
|--|-----------------------------|-----------------------------|
|  | \$                          | \$                          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                        |                             |                             |
| Interest received  | 246,412                     | 94,028                      |
| Proceeds from Research & Development tax concession                | 666,114                     | -                           |
| Payments for exploration and evaluation                            | (390,542)                   | (1,582,202)                 |
| Payments to suppliers and employees                                | (687,269)                   | (498,514)                   |
| Net cash used in operating activities                              | <u>(165,285)</u>            | <u>(1,986,688)</u>          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                        |                             |                             |
| Payments for plant and equipment                                   | <u>(4,698)</u>              | <u>(436)</u>                |
| Net cash used in investing activities                              | <u>(4,698)</u>              | <u>(436)</u>                |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                        |                             |                             |
| Proceeds from issue of shares and options                          | -                           | 5,900,000                   |
| Transaction costs relating to issue of shares                      | -                           | (242,675)                   |
| Net cash provided by financing activities                          | <u>-</u>                    | <u>5,657,325</u>            |
| Net increase/(decrease) in cash and cash equivalents held          | (169,983)                   | 3,670,201                   |
| Cash and cash equivalents at the beginning of the financial period | 6,396,000                   | 3,136,301                   |
| Cash and cash equivalents at the end of the financial period       | <u><b>6,226,017</b></u>     | <u><b>6,806,502</b></u>     |

The accompanying notes form part of these financial statements.



## 1. SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

### Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2011 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: *Interim Financial Reporting*. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the company. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the company for the year ended 30 June 2011, together with any public announcements made during the half-year.

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Company's last annual financial statements for the year ended 30 June 2011, except for the adoption of Improvements to AASBs 2010 (2010 Improvements) as of 1 January 2011. The 2010 Improvements made several minor amendments to AASBs. The relevant amendments and their effects on the current period or prior periods are described below.

The accounting policies have been applied consistently throughout the Company for the purposes of preparation of these interim financial statements.

### Amendment to AASB 101 Presentation of Financial Statements

The amendment provides a choice of presenting the reconciliations for each component of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements. The Company has elected to retain reconciliations within the Statement of Changes in Equity as previously disclosed.

### Amendments to AASB 134 Interim Financial Reporting

The amendments clarified certain disclosures relating to events and transactions that are significant to an understanding of changes in the Company's circumstances since the last annual financial statements. The Company's interim financial statements as of 31 December 2011 reflect these amended disclosure requirements, where applicable.

### Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

## 2. DIVIDENDS PAID

There have been no dividends paid nor declared since the last reporting date.

## 3. CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

## 4. SEGMENT INFORMATION

### Identification of Reportable Segment

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. The financial information in the Statement of Comprehensive Income and the Statement of Financial Position is the same as that presented to the chief operating decision maker.

### Basis of Accounting for Purposes of Reporting by Operating Segments

#### *Accounting Policies Adopted*

Unless otherwise stated, all amounts reported to the Board of Directors as the chief operating decision maker, is in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Company.

## 5. EVENTS AFTER THE BALANCE SHEET DATE

A Bidder's Statement (20 January 2012) and Target's Statement (3 February 2012) were released to the market in relation to an on-market takeover bid by Xingang Resources (HK) Ltd for all the issued capital of the company at a price of 33 cents per share. The Bid closed on 2 March 2011 with Xinyang holding 54.15% of the ordinary shares in the capital of Accent.

8,000,000 options were exercised since the half year end providing the Company with funds of \$1,600,000.

Other than the above mentioned, no matters or circumstances have arisen since the end of the half-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 subsequent financial years.

## 6. ISSUED CAPITAL

There was no change in Issued Capital during the period.

In accordance with a resolution of the Board of Directors, the Directors of the Company declare that:

- (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Company's financial position at 31 December 2011 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting.
- (b) 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.

On behalf of the Board



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Ian Hastings  
Chairman

Dated this 13<sup>th</sup> day of March 2012



**TO THE MEMBERS OF ACCENT RESOURCES NL  
INDEPENDENT AUDITOR'S REVIEW REPORT**

**Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Accent Resources NL (the company) which comprises the condensed statement of financial position as at 31 December 2011, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Accent Resources NL's financial position as at 31 December 2011 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Accent Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Accent Resources NL is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

CROWE HORWATH PERTH

SEAN MCGURK  
Partner

Signed at Perth, 13 March 2012



## AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Accent Resources NL for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in cursive script that reads "Crowe Horwath Perth".

CROWE HORWATH PERTH

A handwritten signature in cursive script that reads "Sean McGurk".

SEAN MCGURK  
Partner

Signed at Perth, 13 March 2012