

22nd August 2018

Ms Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)
ASX Limited
Perth WA

By Email: anjuli.sinniah@asx.com.au
tradinghaltspert@asx.com.au

Dear Ms Sinniah

Re: Accent Resources NL: Appendix 5B Query

We refer to your letter of 21st August 2018 regarding Accent Resources NL's June Quarter 2018 Appendix 5B.

We respond to your questions as follows

1. ACS expects to have negative operating cashflows for the time being. This situation has prevailed over the last few years as the company has expended funds on exploration, development and acquisition with the aim of generating sustainable positive operating cashflows in the future.
2. In 2016 and 2017 the company received loans from major shareholder Rich Mark Development Group Pty Ltd to fund its operations. These two unsecured \$1m loans were disclosed in the Annual Reports for each of those years.

In late July 2018 ACS entered into another unsecured \$1.3m loan agreement with Rich Mark Development Group Pty Ltd to fund its ongoing exploration activities. Tranche A for \$1m is expected to be drawn down by ACS by 31st August 2018.

3. Yes as explained in answer to Question 2.
4. A summary of the terms the \$1.3m loan agreement dated 26th July 2018 follows in the Appendix to this letter.
5. We believe that ACS is in compliance with Listing Rule 3.1 and 3.1A. Previous loans in 2016 and 2017 have been disclosed in the relevant Annual Reports. The new loan being arranged is consistent with previous loans which have been to fund

For personal use only



the company's ongoing operations. ACS will disclose this loan in the 2018 Annual Report.

As mentioned the new ACS loan agreement was entered into on 26th July 2018 but because the loan funds were not expected to be available until the end of August 2018 the transaction is incomplete. This loan being provided by Rich Mark Development Group Pty Ltd is being arranged from offshore.

6. ACS's response to the questions have been authorised by the ACS Board.

Yours sincerely
Robert Allen
Company Secretary
Accent Resources NL

APPENDIX - ACCENT RICHMARK LOAN AGREEMENT DATED 26TH JULY 2018

Borrower: Accent Resources NL

Lender: Rich Mark Development Group Pty Ltd

Purpose: Working Capital

Amount: \$1,300,000

Term: 3 years from 1st August 2018

Drawdown: The loan is available for drawdown in 2 tranches as follows.
Tranche A: \$1,000,000 in one amount on execution of the agreement.
Tranche B: \$300,000 at a time to be determined depending on exploration results at the Meekatharra and Norseman gold projects.

Interest Rate: 10%pa accruing 6 monthly.

Security: Unsecured

Repayment: Rich Mark Development Group Pty Ltd has the option at maturity to –

- Require repayment of principal and accrued interest in part or whole, OR
- Require the principal and accrued interest in part or whole to be converted into Accent Resources shares at a price to be determined in the future.

In regard to the option to convert the outstanding debt in part or in whole to shares Rich Mark Development Group Pty Ltd acknowledges that the approval of Accent Resources shareholders will be required under Corporations Law and ASX regulations.

Governing Law: The loan agreement is subject to the laws of the State of Victoria

For personal use only



21 August 2018

Mr Robert Allen
Accent Resources Limited
Level 9, 250 Queen Street
MELBOURNE VIC 3000

By email: robertallen10@bigpond.com

Dear Mr Allen

Accent Resources Limited (“ACS”): Appendix 5B Query

I refer to ACS’s Appendix 5B quarterly report for the period ended 30 June 2018 lodged with ASX Market Announcements Platform on 31 July 2018 (the “Appendix 5B”).

ASX notes that ACS has reported:

- negative net operating cash flows for the quarter of \$297,000;
- cash at the end of the quarter of \$355,000; and
- estimated cash outflows for the next quarter of \$250,00.

It is possible to conclude, based on the information in the Appendix 5B that if ACS were to continue to expend cash at the rate indicated by the Appendix 5B, ACS may not have sufficient cash to continue funding its operations. In view of that, ASX asks ACS to respond separately to each of the following questions and requests for information:

1. Does ACS expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has ACS taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does ACS expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that ACS considers may be relevant to ASX forming an opinion on whether ACS is in compliance with Listing Rule 12.2 (a listed entity’s financial condition must, in ASX’s opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that ACS is in compliance with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that ACS’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of ACS with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **3pm AWST Friday 24 August 2018**. If we do not have your response by then, ASX will have no choice but to consider suspending trading in ACS’s securities under Listing Rule 17.3.

For personal use only

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, ACS's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at anjuli.sinniah@asx.com.au and tradinghaltspert@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to ACS's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that ACS's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in ACS's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

Anjuli Sinniah
Senior Adviser, Listings Compliance (Perth)