ACCENT RESOURCES NL
A.C.N. 113 025 808

FINANCIAL STATEMENTS

FOR HALF YEAR ENDED
31 DECEMBER 2005

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DIRECTORS' REPORT

Your directors present their report together with the financial report of Accent Resources NL ("the Company") for the half-year ended 31 December 2005.

Accounting Period

This financial report covers the period from 1 July 2005 to 31 December 2005.

Incorporation

The Company was incorporated on 18 February 2005.

Directors

The names of the directors in office at any time during or since the end of the period are:

Peter Farrah
Richard Oh
Alan Wolstencroft
Hock Peng Low (Appointed 18 November 2005)

Directors have been in office since the start of the financial period to the date of this report unless otherwise stated.

Company Secretary

The following person held the position of Company Secretary as at 31 December 2005:

Mr Peter Farrah – has been Company Secretary of the Company since incorporation. Mr Farrah has over 20 years experience in Company Secretary postings of publicly listed companies as well as senior management and administrative appointments covering a diverse industry base.

Principal Activities

The Company's principal activity is as a mineral exploration company.

Results of Operation

The net loss of the Company after income tax for the period amounted to $884,038.

Review of Operations

During the period under review the Company has achieved Initial Public Offering and was admitted to the Official List on 24 August 2005. As a result of the successful listing the Company exercised its option to acquire the gold assets of Tantalum Australia NL. The Company commenced exploration activities immediately after the acquisition, and can be summarized as follows:

Norseman Project:

In the previous half-year the results of the 850 metre reverse circulation drilling program were announced. The Company was encouraged by these results, has updated the existing database and commenced a resource estimate (JORC compliant) for the Iron Duke and Surprise gold deposits. The resource will be completed in March 2006.

DIRECTORS' REPORT (Cont'd)

Once the resource estimation has been completed a scoping study will be carried out on the two gold deposits. Assuming these results are positive additional drilling will be carried out, with metallurgical studies and bulk sampling testing. This work will form the basis for a pre-feasibility study.

Meekatharra Project

An interpretation of available aeromagnetic data has been made by consultant geophysicist, Graham Elliottt. He has reviewed this data for prospectivity for gold mineralisation within the Company's tenements and identified 12 target areas. These gold targets occur within the four major project areas, Arcadia, (4), Abernethy, (4), Meekatharra North Joint Venture area, (2) and Mingah Creek, (2).

A detailed review will be carried out of previous exploration work within these target areas over the March quarter.

Mt Gibson Project

The Company expanded its interest at Mt Gibson by purchasing from Mining Tenements Pty Ltd four Prospecting Licence applications, (PLA 59/1701 to 1704) for $12,500 and 75,000 shares. These tenements are adjacent to the southern portion of ELA 59/875.

Additional ground, (PLA 59/1218 and ELA 59/1222), was applied for surrounding the old Retaliation gold area which occurs within the northern part of ELA 59/875.

Negotiations with the Native Title Working Group and the Yamatji Land and Sea Council are complete. The agreement is now before the Native Title Tribunal, that will, as a matter of procedural discipline, recommend to the Department of Industry and Resources the grant of the tenements.

Aeromagnetic data for the Mount Gibson area was acquired and interpreted by consultant geophysicist, Graham Elliott. He identified possible targets for iron ore on ELA 59/875 and ELA 59/876. The most promising area appears to be the northern part of ELA 59/875 were there are several magnetic highs. The study noted that the strong magnetic response in the northern part of ELA 59/875 suggests that the magnetic Banded Iron Formations are much wider than defined by previous mapping. Another result of this study was that 18 gold target areas were identified, 15 for ELA 59/875, two for ELA 59/876 and one for ELA 59/890.

Recently a sampling program was carried out in the Mount Gibson area. Ground observations confirmed the aeromagnetic study suggestions that the Banded Iron Formations are much wider than previously mapped in the northern part of ELA 59/875. 82 samples were collected for iron and gold analyses.

Clermont – Queensland

The Company has reviewed the tenements at Clermont and a geological consultant has spent time visiting the tenements for discussions with the land owners and the Queensland Department of Mineral & Energy. The Company is encouraged at the prospectivity of the area and intends to carry out expedient exploration over the coming year to further test the viability of the project.

Financial Position

The net assets of the Company at balance date were $4,004,244. The Company raised a total of $3,135,290 as capital contributions in the half-year ended 31 December 2005. $750,000 of the funds raised was paid as an option fee and 7,500,000 ordinary shares were issued at 20 cents per share to acquire a suite of tenements pursuant to a Tenements Acquisition and Option Agreement between the Company and Tantalum Australia NL.

DIRECTORS' REPORT (Cont'd)

The Company held pro rata options pursuant to a prospectus lodged with ASIC dated 22 November 2005. The options were issued at 1 cent, on a one for two basis, exercisable at 20 cents and will expire 30 September 2009. The issue raised $194,007 before costs.

Subsequent Events

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.

Likely Developments

The Company intends to complete a resource estimate at Norseman and to further investigate the feasibility of taking the resource into production in the medium term, dependant upon the method of extraction adopted. A general regional rock chip sampling program has been undertaken at Mt Gibson to test the distribution and the grade of iron bearing outcrops and alluvial materials. No results are available at present. Once licenses are granted at Mt Gibson, an initial exploration program will be implemented to explore for iron ore which will include drilling targets that have been established either by geophysical interpretation or as a result of the rock chip sampling program.

Environmental Issues

The Company's operations are subject to significant environmental regulation under the law of the Commonwealth, State and Local Authorities. Details of the Company's exposure in relation to the environmental regulation is as follows:

Exploration activities are subject to significant environmental regulation under the Western Australian Mining Act 1978 and Environmental Protection Act 1986. These regulations affect amongst other issues, waste disposal, water and air pollution.

There have been no instances of material non-compliance with the regulation governing the exploration activities during the period.

Information on Directors

Richard Oh	-	Chairman, Non-executive, appointed 28 February 2005
Qualifications	-	Chartered Accountant
Experience	-	Mr Oh is a Chartered Accountant with 35 years experience including being a stockbroker principal for 12 years. He was a founding shareholder and director of two boutique stock broking firms in Perth and held positions of executive director and managing director in these firms. He has also previously held positions of Chairman, Director, and Company Secretary at various times in resources, property and industrial listed and unlisted public companies. Mr Oh is currently a Director of Capital & Corporate Advisors Pty Ltd, a licensed securities dealer company. He is also a member of the Australian Institute of Company Directors and an elected council

Information on Directors (Cont'd.)

		member of the West Australian Chinese Chamber of Commerce of which he was a foundation member.
Interest in Shares & Options	-	Mr Oh has beneficial interest in 2,850,000 ordinary shares in the Company and 2,175,000 20 cent options over shares expiring 30 September 2009.
Peter Farrah	-	Managing Director and Company Secretary, appointed 18 February 2005
Experience	-	Mr Farrah had a career of accounting/administrative related appointments but has over the last 19 years gained extensive experience in the management of publicly listed companies covering the investment, exploration, mining and property development industries including CEO, COO and CFO appointments both in Australia and in US. He has extensive experience in the financial management, accounting, administration, reconstructions and compliance activities of public companies.
Interest in Shares & Options	-	Mr Farrah has a beneficial interest in 4,750,000 ordinary shares in the Company and 3,625,000 20 cent options over shares expiring 30 September 2009.
Alan Wolstencroft	-	Director, appointed 28 February 2005
Qualifications	-	Geologist
Experience	-	Mr Wolstencroft is a UK qualified geologist with over 30 years experience in exploration and project management in Australia, Africa, Asia, Europe and the Pacific. For the last 21 years he has been based in Western Australia working for various listed Australian mining and exploration companies, principally for gold. Prior to that he worked for two multinational companies, Anglo American Corporation and Union Carbide Exploration Corporation. Mr Wolstencroft's career includes involvement with a number of gold projects, including Golden Crown and Dawn's Hope, Western Australia, Obuasi, Ghana and Jinlonggou, China. He has managed his own private geological consultancy for the last 20 years and has his own mineral exploration company for gold and base metals in Fiji.
Interest in Shares & Options	-	Mr Wolstencroft has a beneficial interest in 1,910,000 ordinary shares in the Company and 1,455,000 20 cent options over shares expiring 30 September 2009.
Larry HP Low	**-**	Director, appointed 18 November 2005
Qualifications	-	Larry holds an Economics Honours Degree from the London School of Economics and a Master of Business Administration (MBA) from the

DIRECTORS' REPORT (Cont'd)

Information on Directors (Cont'd)

		University of California. He is a past President of the Penang Chinese Chamber of Commerce and has been conferred an honour by the Governor of Penang which carries the title of "Dato". Larry has also been made a Honourary Citizen of both Austin and Dallas, in Texas.
Experience	-	Larry has over 20 years business experience. The Board considers that Larry has considerable expertise in matters relating to corporate affairs. Larry is Chairman and a major shareholder of a multinational company which is listed on the main board of the Singapore Stock Exchange and has extensive investments in the Asia Pacific region.
Interest in Shares & Options	-	Larry holds a beneficial interest in 2,400,000 ordinary shares in the Company and 2,450,000 20 cent options over shares expiring on 30 September 2009.

Auditor's Independence Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 for the half-year ended 31 December 2005 has been received and can be found on page 18 of the Financial Report.

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

Director

Dated this 14th day of March 2006

INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Note	31 December 2005 $
Revenues from ordinary activities	3	37,997
Exploration costs	3	(32,312)
Management & Marketing costs	3	(70,198)
Insurances, Listing & Auditors Fees	3	(37,557)
Other expenses from ordinary activities	3	(65,423)
Loss from ordinary activities before income tax expense		(167,493)
Income tax expense		(716,545)
Net loss attributable to members of the Company		(884,038)

Overall Operations

Basic (Loss)/earnings per share (cents per share)	(0.228)
Diluted (Loss)/earnings per share (cents per share)	(0.228)

The accompanying notes form part of these financial statements

BALANCE SHEET
AS AT 31 DECEMBER 2005

	31 December 2005 $	30 June 2005 $
CURRENT ASSETS		
Cash and cash equivalents	1,863,838	141,526
Receivables	155,965	8,894
Other assets	237,295	172,275
TOTAL CURRENT ASSETS	2,257,098	322,695
NON CURRENT ASSETS		
Exploration and Evaluation Expenditure	2,680,151	266,563
TOTAL NON CURRENT ASSETS	2,680,151	266,563
TOTAL ASSETS	4,937,249	589,258
CURRENT LIABILITIES		
Payables	216,460	88,158
TOTAL CURRENT LIABILITIES	216,460	88,158
NON CURRENT LIABILITIES		
Deferred tax liabilities	716,545	-
TOTAL NON CURRENT LIABILITIES	716,545	-
TOTAL LIABILITIES	933,005	88,158
NET ASSETS	4,004,244	501,100
EQUITY		
Contributed equity	4,703,429	510,253
Reserves	238,257	44,250
Accumulated losses	(937,442)	(53,403)
TOTAL EQUITY	4,004,244	501,100

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

	Ordinary share capital	Accumulated losses	Option Reserve	Total Equity
				$
Balance at 1 July 2005	510,253	(53,403)	44,250	501,100
Loss for the period	-	(884,039)		(884,039)
Issue of share capital	4,650,290	-		4,650,290
Capital raising costs	(457,114)			(457,114)
Issue of options	-	-	194,007	194,007
Balance at 31 December 2005	4,703,429	(937,442)	238,257	4,004,244

The accompanying notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005.

	31 December 2005 $
CASH FLOWS FROM OPERATING ACTIVITIES	
Interest received	37,997
Payments to suppliers and employees	(289,280)
Net cash (used in) operating activities	(251,283)
CASH FLOWS FROM INVESTING ACTIVITIES	
Payments for exploration, evaluation and development	(898,588)
Net cash (used in) investing activities	(898,588)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of shares (net of capital raising costs)	2,678,176
Proceeds from the issue of options	194,007
Net cash provided by financing activities	2,872,183
Net increase in cash held	1,722,312
Cash at the beginning of the financial period	141,526
Cash at the end of the financial period	1,863,838

The accompanying notes form part of these financial statements

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

It is recommended that this financial report be read in conjunction with the annual financial report for the period ended 30 June 2005 and any public announcement made by the Company during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

Reporting Basis and Convention

The financial report has been prepared on an accruals basis and is based on historical costs modified the application of fair value accounting to the financial assets and financial liabilities.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Accounting Policies

(a) Exploration and Development Expenditure

Exploration, evaluation and development expenditure incurred is accumulated in respect of each identifiable 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.

Accumulated costs in relation to an abandoned area are written off in full against profit in 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 amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

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.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(b) Restoration, Rehabilitation and Environmental Expenditure

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

(c) Cash and Cash Equivalents

Cash and cash equivalents including 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(d) Revenue

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

(e) Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible and intangible 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.

Impairment testing is performed bi-annually for goodwill and intangible assets with indefinite lives.

(f) Income Tax

The charge for current income tax expense is based on the profit for the period 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 balance date.

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

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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 on a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit 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 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 nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance sheet 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 change occur in income taxation legislation and the anticipation that the economic entity 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 balance sheet date.

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

(g) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(h) Share Based Payments

The fair value of options granted by Accent Resources NL is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the option holder becomes unconditionally entitled to the options. The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and the expected volatility of the underlying share, the expected dividend yield and the risk free rate for the term of the option.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2005

2. ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australia has adopted the International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the 2005 financial year. As the Company was incorporated on 18 February 2005, the financial statements will not have comparative figures that will require reconciliation with IFRS Standards.

3. LOSS FROM ORDINARY ACTIVITIES

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	2005 $
Revenue	
Interest Received	37,997
Expenses	
Exploration expenditure	32,312
General expenses	65,423
Management & Marketing costs	70,198
Insurances, Listing & Auditors Fees	37,557

4. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

5. EVENTS AFTER THE BALANCE SHEET DATE

There have been no material changes in the state of affairs of the Company since 30 June 2005.

6. Segment Information

The Company operates solely in Australia in the mineral exploration industry.

7. Comparative Figures

No comparative figures are available for the 31 December 2004 half year as the Company was only incorporated on 18 February 2005.

8. Share Based Payments

On 31 December 2005, the Company issued 500,000 Options to an unrelated party as consideration of underwriting a pro rata options rights issue. The Options were issued at no charge and are exercisable on or before 30 September 2009 at an exercise price of 20 cents. The average value of the options was $0.0115 using Black-Scholes model assuming a share price of $0.16, volatility of 12.5% and an annual risk-free rate of 5%.

DIRECTORS' DECLARATION

The directors of Accent Resources NL declare that:

1. the financial statements and notes, as set out on pages 6 to 13 are in accordance with the Corporations Act 2001:

   a) comply with Accounting Standards and the Corporations Regulations 2001; and

   b) give a true and fair view of the financial position as at 31 December 2005 and performance for the period ended on that date of the Company;

2. 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.

This declaration is made in accordance with a resolution of the Board of Directors:

____

DIRECTOR

Dated this 14 March 2006

**DEPENDENT REVIEW REPORT
TO THE MEMBERS OF ACCENT RESOURCES LIMITED**

Scope

The half-year financial report and directors' responsibility

The half-year financial report comprises the balance sheet, income statement, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Accent Resources Limited (the company), for the half-year ended 31 December 2005.

The directors of the company are responsible for the preparation and true and fair presentation of the half-year financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the half-year financial report.

Review approach

We have performed an independent review of the half-year financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the half-year financial report is not presented fairly in accordance with Accounting Standard AASB 134: *Interim Financial Reporting* and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the company's financial position and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the half-year financial report with the Australian Securities & Investments Commission/Australian Stock Exchange Limited.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed the applicable independence requirements of Australian professional and ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration has not changed as at the date of providing our review opinion.

Statement

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 Limited is not in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the company's financial position as at 31 December 2005 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

GRANT THORNTON WESTERN AUSTRALIAN PARTNERSHIP

SEAN MCGURK
Partner

Dated 14 March 2006

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as auditor for the review of Accent Resources Limited for the half-year ended 31 December 2005, 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.

GRANT THORNTON WESTERN AUSTRALIAN PARTNERSHIP

SEAN MCGURK
Partner

Dated 14 March 2006