

SEPTEMBER 2021 QUARTERLY REPORT

Anglo Australian Resources NL

ASX Code: **AAR**
ACN: 009 159 077
ABN: 24 651 541 976

Suite 2
6 Lyall Street
South Perth WA 6151

Tel: 08 9382 8822
Email: info@anglo.com.au
Website: www.anglo.com.au

Capital Structure (at 30-Sep-2021)

Fully Paid Ordinary Shares

596,179,239 Ordinary shares

Options

3,000,000	(\$0.135, exp 27/11/22)*
1,250,000	(\$0.133, exp 31/12/21)
1,250,000	(\$0.15, exp 31/12/22)
2,000,000	(\$0.213, exp 07/10/22)
6,000,000	(\$0.34, exp 31/12/22)

* - subject to various vesting terms

Performance Rights **

1,830,780	Incentive 2020A
5,340,074	Incentive 2020B
2,382,216	LTI 2020C
6,954,579	LTI 2020D

** - subject to various performance and vesting criteria

Board Members

Leigh Warnick

Non-Executive Chairman

Marc Ducler

Managing Director

John Jones AM

Non-Executive Director

Peter Stern

Non-Executive Director

David Varcoe

Non-Executive Director

Summary & Highlights

MANDILLA GOLD PROJECT – Kalgoorlie, WA

AAR - 100% Interest

- ✚ Updated JORC 2012 Mineral Resource Estimate of **19.8Mt at 1.0 g/t Au for 664.6koz of contained gold** reported, encompassing the cornerstone Mandilla East and Mandilla South deposits.
- ✚ New drilling programs commenced during the Quarter, with a reverse circulation (RC) drill rig commencing in August and a diamond drill rig commencing in late September.
- ✚ A total of 9,783m of RC drilling and 50m of diamond drilling was completed during the Quarter.
- ✚ Assays received for drilling at Mandilla East (to April 2021) included the following broad zones of strong gold mineralisation:
 - **64.57m at 3.49g/t Au** from 190m, **14.39m at 2.89g/t** from 169.37m and **13.8m at 0.91g/t** from 139.7m in MDRC377;
 - **30m at 4.76g/t Au** from 84m in MDRC433;
 - **37m at 3.07g/t Au** from 89m and **20m at 1.15g/t** from 38m in MDRC426;
 - **39m at 1.23g/t Au** from 141m, **14m at 0.63g/t** from 119m and **10m at 0.60g/t** from 102m in MDRC427;
 - **34m at 1.15g/t Au** from 105m in MDRC438;
 - **24.45m at 1.40g/t Au** from 133.5m in MDRC376;
 - **6m at 3.61g/t Au** from 142m and **17m @ 1.15g/t** from 117m in MDRC435; and
 - **15.61m at 1.22g/t Au** from 111.70m and **18.99m at 0.56g/t** from 48.23m in MDRC430.
- ✚ Assays results received for drilling at Mandilla South (to April 2021) included the following intersections:
 - **10m at 1.30g/t Au** from 86m in MDRC394;
 - **7m at 1.68g/t Au** from 68m in MDRC374;
 - **8m at 1.03g/t Au** from 131m in MDRC387;
 - **3m at 2.56g/t Au** from 82m in MDRC385.
 - **12m at 1.52g/t Au** from 96m and **16m at 0.66g/t** from 59m in MDRC395; and
 - **12m at 1.29g/t Au** from 47m and includes **1m at 11.33g/t** from 57m in MDRC388.
- ✚ New mineralised zone (Eos) discovered south of Mandilla South. Eos potentially extends for 600m and remains open, with best new assay results including:
 - **3m at 8.62g/t Au** from 51m including **1m at 25.47g/t** from 52m in MDRC402;
 - **4m at 3.43g/t Au** from 52m including **1m at 5.91g/t** from 53m in MDRC413;
 - **4m at 3.14g/t Au** from 55m including **1m at 11.76g/t** from 55m in MDRC406; and
 - **4m at 2.88g/t Au** from 51m including **1m at 8.51g/t** from 52m in MDRC414.

KOONGIE PARK JOINT VENTURE – Halls Creek, WA

AAR - 75% Joint Venture Interest (100% interest – gold and precious metals)

- ✚ AuKing commenced drilling during the Quarter.

CORPORATE

- ✚ Cash of \$8.8 million at 30 September 2021.

OVERVIEW

Anglo Australian Managing Director Marc Ducler said:

"The delivery of an updated Mineral Resource for Mandilla during the Quarter was an outstanding achievement in such a short space of time. We were able to add a further 164,000oz from just 7,700m of RC and diamond drilling, representing an increase of 33% on the maiden Mineral Resource declared in May. With new phases of RC and diamond drilling underway as part of a program of some 55,000m of planned drilling - including a substantial amount of in-fill and extensional drilling - we are expecting to achieve further significant growth in the Mineral Resource at Mandilla."

"Our knowledge of the host geology and the mineralisation is also continuing to increase and we see huge opportunities to grow the known deposits both along strike and at depth and to make new discoveries within the broader mineralised trend. The identification of Eos during the Quarter, a flat-lying high-grade zone of mineralisation to the south of Mandilla South, highlights the upside potential that exists at Mandilla."

"We are well capitalised with more than \$8.8 million of cash as at 30 September 2021. With new phases of exploration and resource definition drilling in full swing, we are focused on continuing to grow the Mineral Resource at Mandilla while also strengthening our growth pipeline in the region, with drilling at Feysville to follow. These two projects are on the doorstep of Kalgoorlie – one of the world's greatest mining jurisdictions."

MANDILLA GOLD PROJECT – Kalgoorlie, WA

AAR - 100% Interest

The Mandilla Gold Project is situated in the northern Widgiemooltha greenstone belt in the western part of the Kalgoorlie geological domain, some 70km south of the significant gold mining centre of Kalgoorlie, Western Australia. The location of the project in relation to Kalgoorlie and other nearby gold projects is shown in Figure 1.

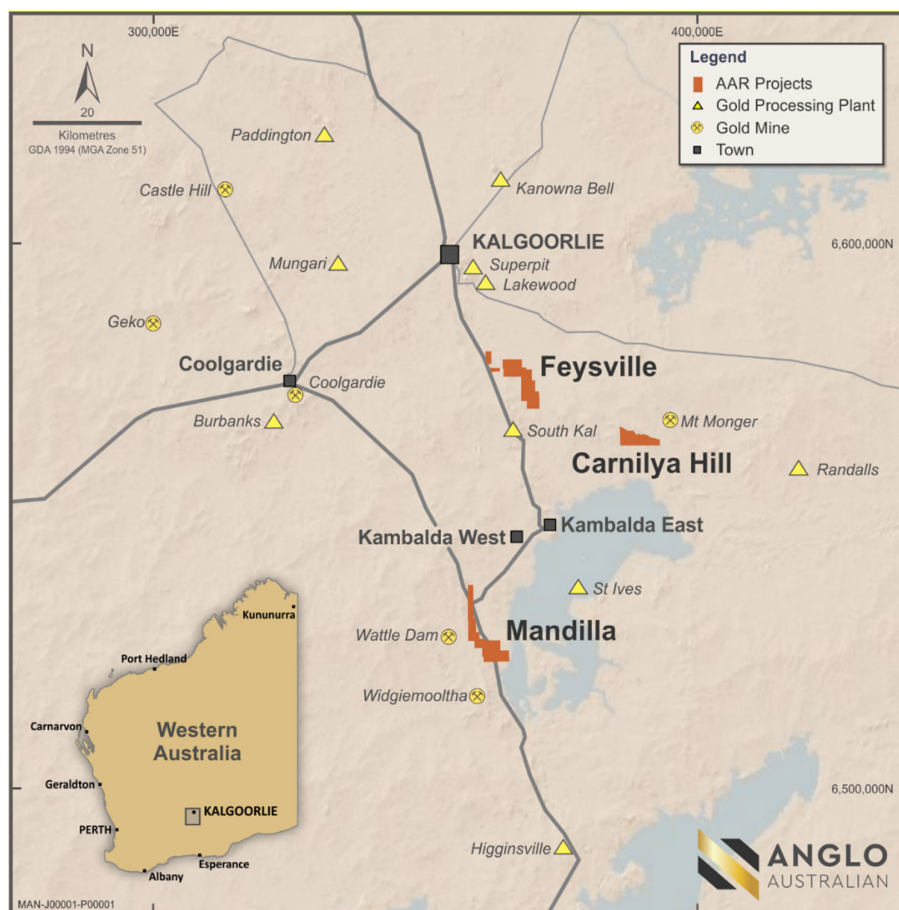


Figure 1 – Mandilla Project, Location Map.

The Project lies on the western margin of a porphyritic granitic intrusion known as the Emu Rocks Granite. The granite intrudes volcanoclastic sedimentary rocks in the project area which form part of the Spargoville Group.

Significant NW to WNW-trending structures along the western flank of the project are interpreted from aeromagnetic data to cut through the granitic intrusion and may be important in localising mineralisation at Mandilla East, where a footprint extending over a strike length of more than 1.5km has been identified.

A second sub-parallel structure hosts gold mineralisation at Mandilla South. In this area, a mineralised footprint extending over a strike length of approximately 700m has been identified.

The Mandilla Gold Project is covered by existing Mining Leases which are not subject to any third-party royalties other than the standard WA Government gold royalty.

A map of the Mandilla Gold Project, illustrating key locations and geological features, is shown in Figure 2.

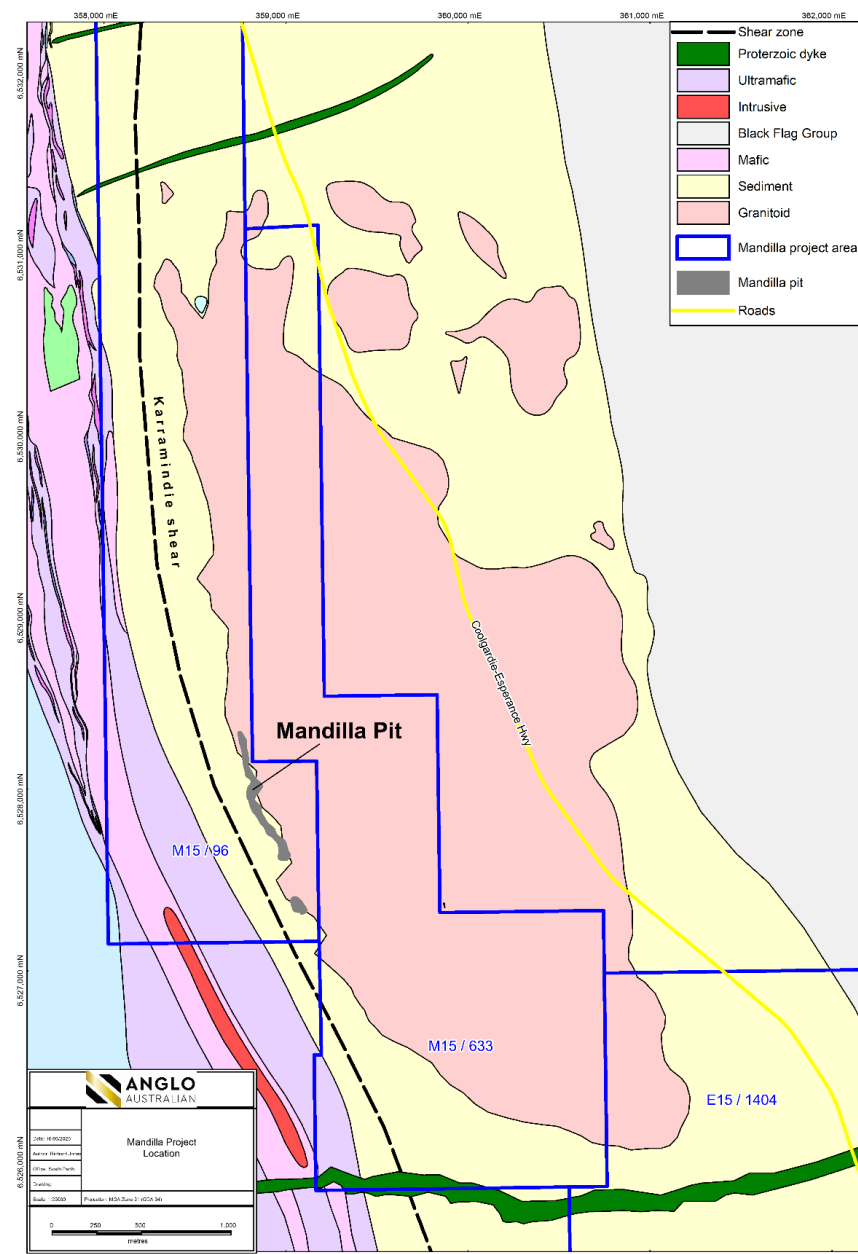


Figure 2 – Mandilla local area geology

Mineral Resource Estimate (MRE)

On 17 August 2021, the Company reported an updated JORC 2012 Mineral Resource Estimate (MRE) of **19.8Mt at 1.0 g/t Au for 664.6koz of contained gold**, encompassing the Mandilla East and Mandilla South deposits. The MRE was prepared by independent consultants Cube Consulting in accordance with the JORC Code (2012 Edition).

The updated MRE represented a significant increase to the maiden JORC compliant (2012 Edition) MRE reported on 27 May 2021 of **15.6Mt at 1.0 g/t Au for 500.4koz of contained gold**. The significant update was primarily driven by the receipt of assays from a further 7,700m of drilling.

The MRE was estimated using a 0.39 g/t Au cut-off and is constrained within pit shells using a gold price of AUD\$2,500 per ounce (consistent with the maiden MRE).

The MRE is summarised in Table 1 below, with a more detailed breakdown provided in Table 2. A grade and tonnage sensitivity is provided in Table 3.

Table 1 - Mandilla Mineral Resource Estimate (August 2021)

Mineral Resource Estimate for the Mandilla Gold Project (Cut-Off Grade >0.39g/t Au)			
Classification	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
Indicated	9.4	1.1	324.1
Inferred	10.4	1.0	340.5
Total	19.8	1.0	664.6
<i>The preceding statement of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.</i>			

Table 2 – MRE (August 2021) Grade and Tonnage by Weathering State

Classification	Oxidation	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
Indicated	Fresh	7.1	1.1	260.0
	Transitional	2.1	0.8	56.7
	Oxidised	0.1	0.8	3.7
	Total	9.4	1.1	324.1
Inferred	Fresh	7.9	1.1	280.0
	Transitional	2.3	0.8	57.4
	Oxidised	0.2	0.6	3.0
	Total	10.4	1.0	340.5
		19.8	1.0	664.6
<i>All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.</i>				

Table 3 – MRE (August 2021) Grade and tonnage by cut-off grade

Cut-off grade (g/t Au)	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
0.30	23.4	0.9	704.6
0.35	21.5	1.0	684.3
0.39	19.8	1.0	664.6
0.40	19.6	1.0	661.6
0.45	17.8	1.1	637.4
0.50	16.3	1.2	613.9
<i>All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.</i>			

The locations of the optimised pit shells at AUD\$2,500 per ounce gold price are set out in plan view in Figure 3 below, along with the drill collar locations defined by reported gram x metre intervals.

Section 1, discussed below, is also annotated on this plan.

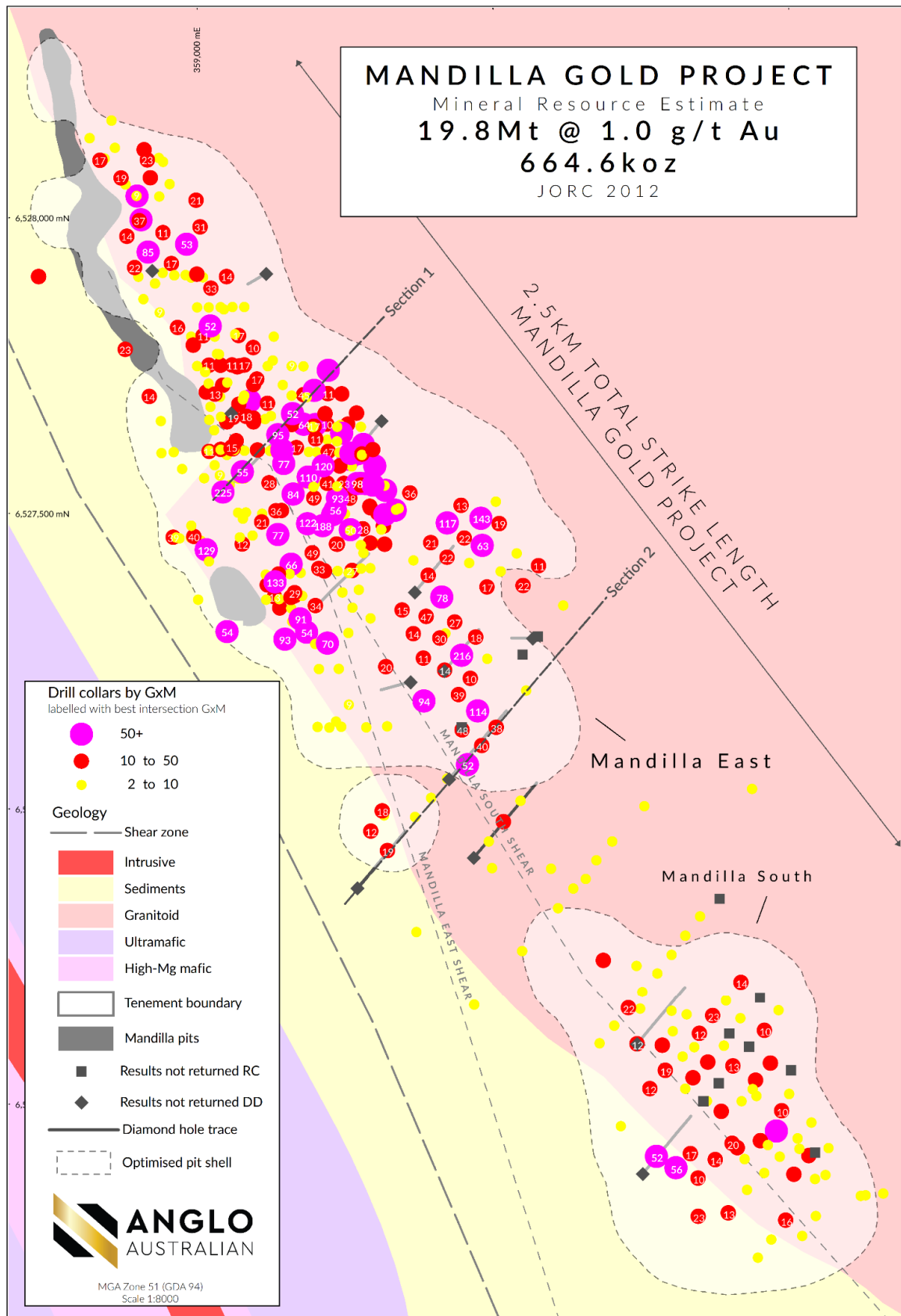


Figure 3 – Optimised pit shell on local area geology

Section 1, as illustrated in Figure 4 below, shows the Mineral Resource within the optimised pit shell on a section within the Mandilla East Main Zone. This includes hole MDRCD377, released to the ASX on 29 July 2021, which returned **64.57m at 3.49g/t Au** from 190m, **14.39m at 2.89g/t Au** from 169.37m and **13.8m at 0.91g/t Au** from 139.7m.

MDRCD377 returned significant zones of mineralisation at depth, which notably included laminated gold enriched veining which is similar to, and potentially represents a deeper zone of, increased enrichment currently thought to be associated with previously-reported holes MDRCD230 (81.45m at 1.63g/t Au from 179.6m) and MDRCD191 (76.5m at 1.21g/t Au from 296m), located 170m and 260m to the south respectively.

The mineralisation in MDRCD377 and the steepening inter-ramp angles (up to 58°) in the fresh rock contributed to an increase in the MRE on this section as compared to the maiden MRE.

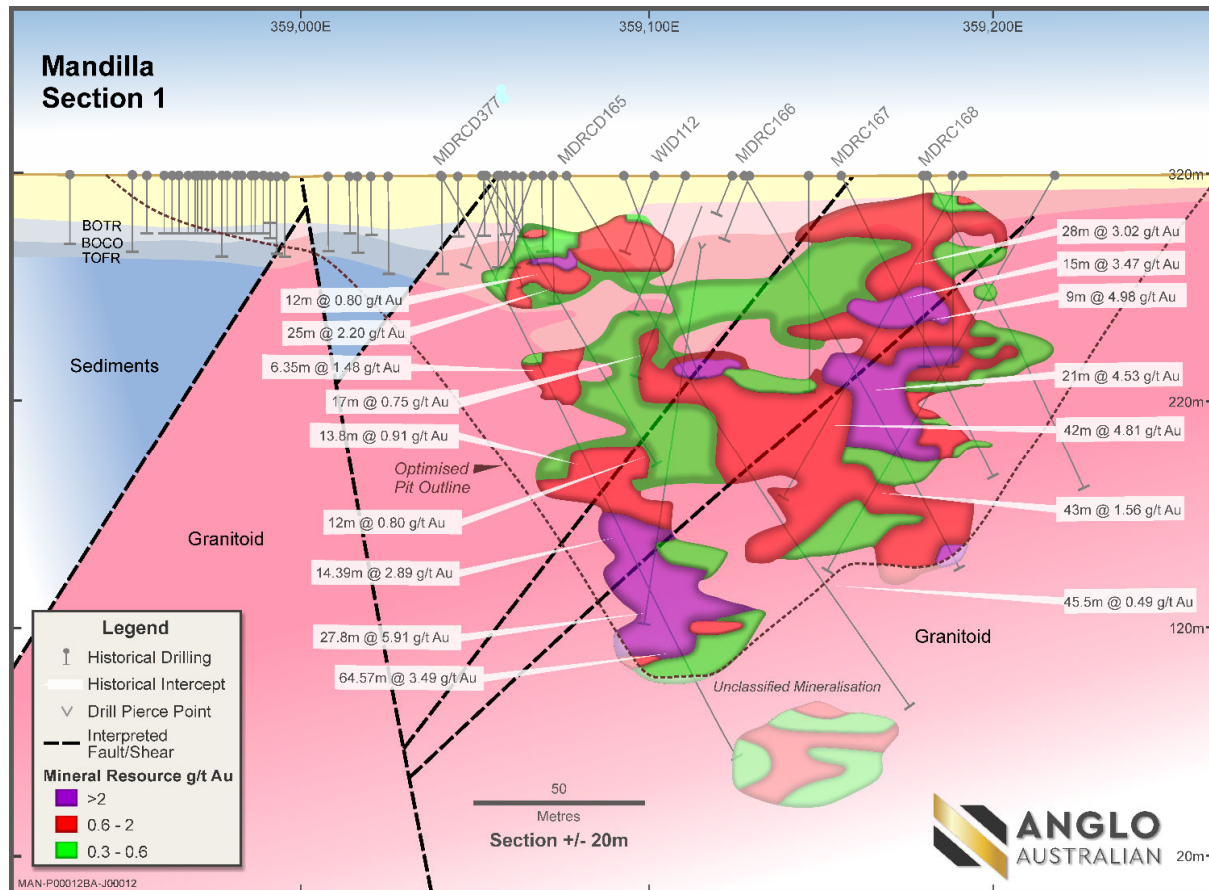


Figure 4 – Mandilla East cross-section (refer Figure 3 for section location)

It is important to note that the Mandilla East Main Zone remains open in a number of directions, including to the north-west of MDRCD377 beneath the previously developed Mandilla West paleochannels located close to the sediment contact.

A summary of information material to the understanding of the MRE was provided in the ASX Announcement dated 17 August 2021, in compliance with the requirements of ASX Listing Rule 5.8.1.

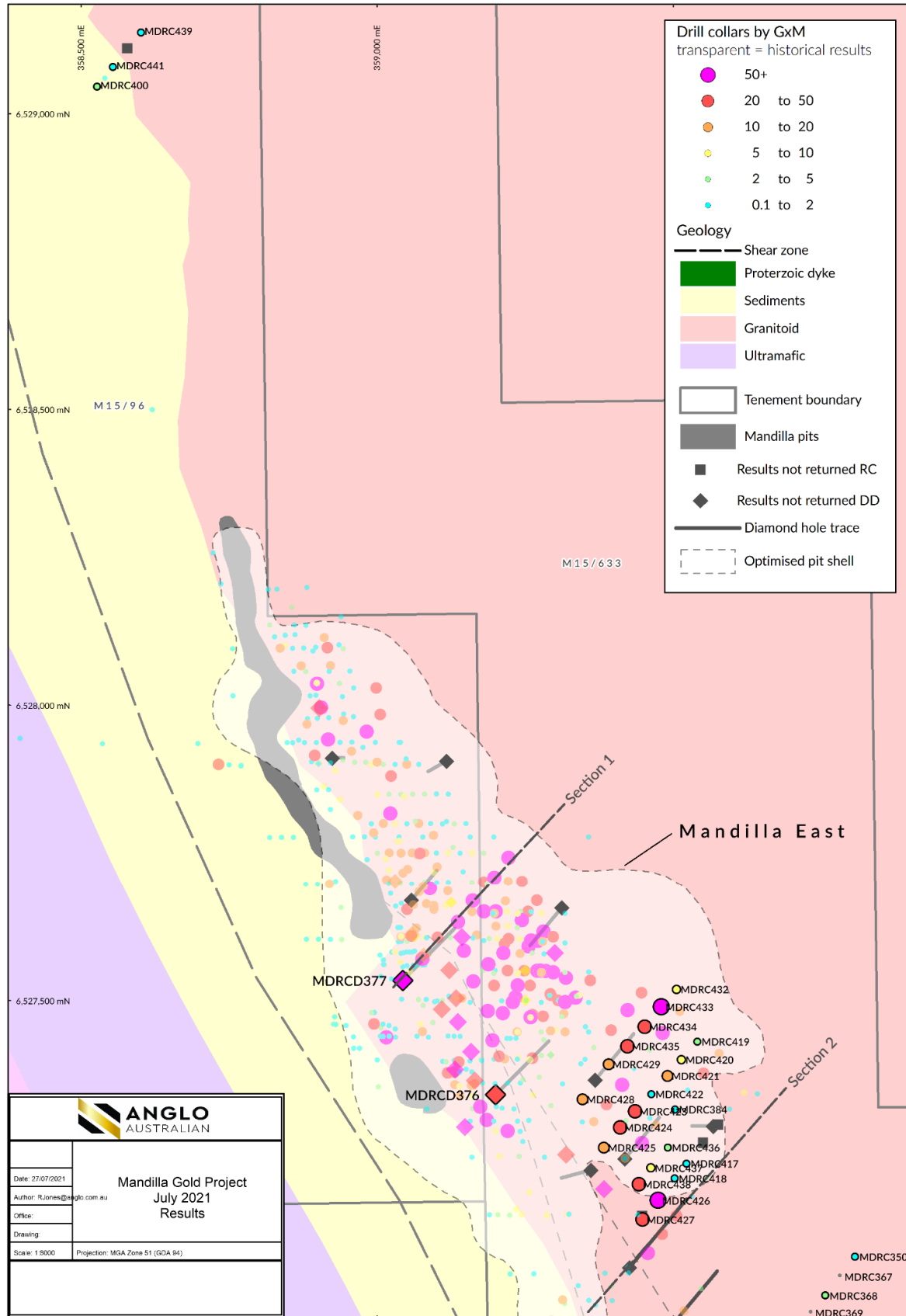
Drill Results

The Company released drill results during the Quarter on 29 July 2021, 26 August 2021 and 27 September 2021. These results are discussed in chronological order below.

29 July 2021

On 29 July 2021, the Company announced the results from 51 RC holes for an aggregate of 7,071m of drilling and two diamond holes for 584.5m of drilling. The results relate to drill samples submitted for assay from February to April 2021.

The locations of the drill-holes reported in July are set out in plan view in Figure 5 and Figure 6.



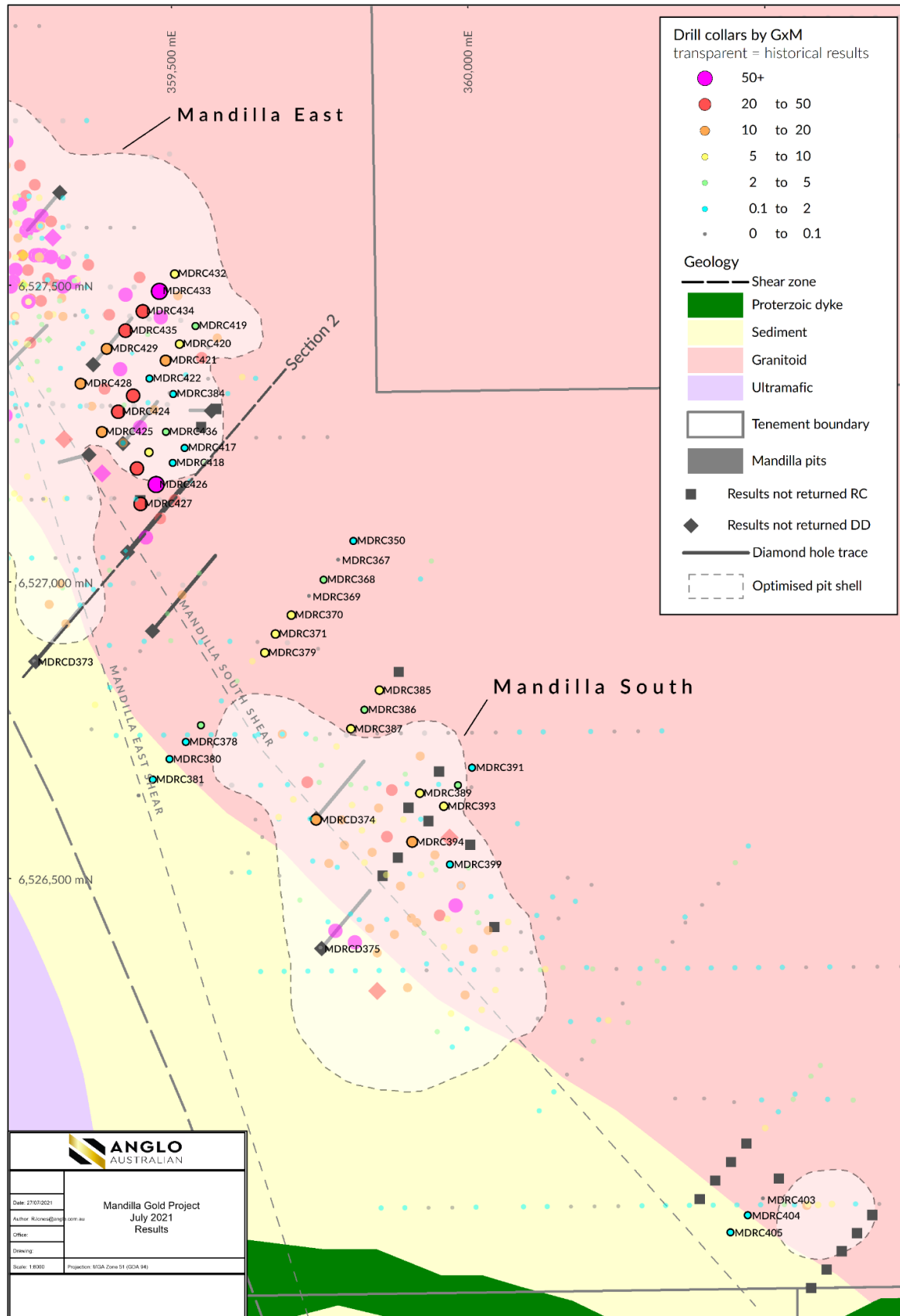


Figure 6 – Collar locations for July 2021 drilling on local area geology for Mandilla South

Mandilla East

At Mandilla East, assay results were returned for 21 RC holes (including a 75m RC pre-collar) for an aggregate 3,052m and two diamond holes for an aggregate 584.5m. Best results included:

- **64.57m at 3.49g/t Au** from 190m, **14.39m at 2.89g/t Au** from 169.37m and **13.8m at 0.91g/t Au** from 139.7m in MDRCD377;
- **30m at 4.76g/t Au** from 84m in MDRC433;
- **37m at 3.07g/t Au** from 89m and **20m at 1.15g/t Au** from 38m in MDRC426;
- **39m at 1.23g/t Au** from 141m, **14m at 0.63g/t Au** from 119m and **10m at 0.60g/t Au** from 102m in MDRC427;
- **34m at 1.15g/t Au** from 105m in MDRC438;
- **24.45m at 1.40g/t Au** from 133.5m in MDRCD376;
- **17m at 1.76g/t Au** from 99m in MDRC424;
- **28m at 0.98g/t Au** from 45m in MDRC423;
- **6m at 3.61g/t Au** from 142m and **17m @ 1.15g/t Au** from 117m in MDRC435;
- **12m at 1.41g/t Au** from 141m in MDRC421;
- **8m at 1.92g/t Au** from 132m in MDRC428;
- **8m at 1.77g/t Au** from 102m and **20m at 0.52g/t Au** from 14m in MDRC429; and
- **9m at 1.11g/t Au** from 41m in MDRC437.

Of these 21 holes, 15 returned results with gram metre intervals (i.e. the product of grams and metres) of greater than five. Considering that much of this drilling was conducted over a lightly-drilled area covering a 300m strike length extending Mandilla East to the south-east, this has the potential to add significantly to the previously declared MRE.

There were 42 observations of visible gold in core from MDRCD377. Two examples are illustrated below:



Image 1 – MDRCD377 which assayed 0.64m @ 35.97 g/t Au from 181m



Image 2 – MDRCD377 which assayed 0.7m @ 143.56 g/t Au from 223m

Mandilla South

At Mandilla South, assay results were announced for 27 RC holes (including two RC pre-collars) for an aggregate 3,554m. Best results included:

- **10m at 1.30g/t Au** from 86m in MDRC394;
- **7m at 1.68g/t Au** from 68m in MDRC374;
- **8m at 1.03g/t Au** from 131m in MDRC387; and
- **3m at 2.56g/t Au** from 82m in MDRC385.

26 August 2021

On 26 August 2021, the Company announced the results from 21 RC holes for an aggregate of 2,432m of drilling. The results related to drill samples submitted for assay from February to April 2021.

The locations of the drill-holes reported in August are set out in plan view in Figure 7.



Image 3 – RC drilling, August 2021

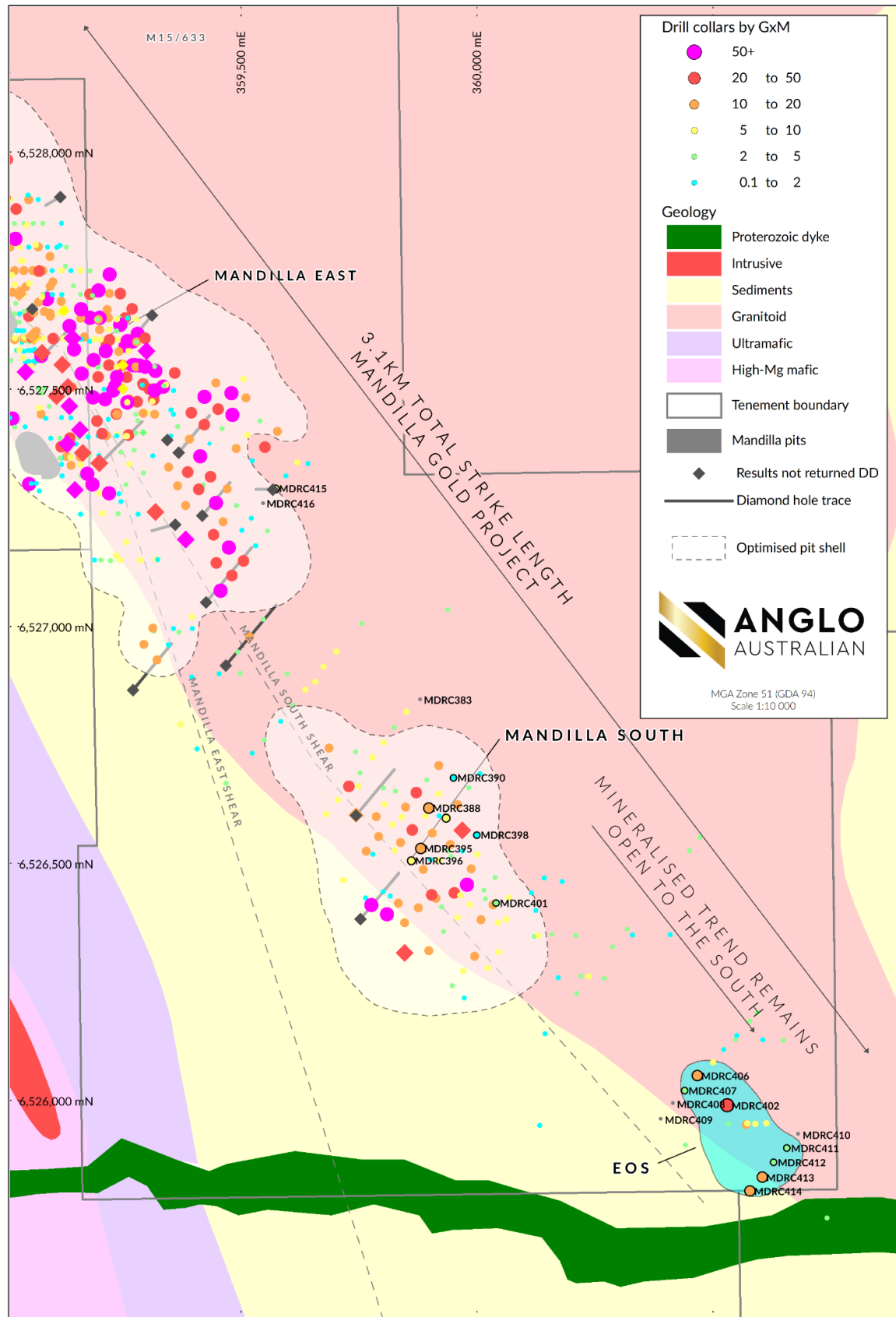


Figure 7 – Collar locations for August 2021 drilling on local area geology for Mandilla

EOS – South of Mandilla South

Previous drilling identified a shallow zone of high-grade mineralisation at Eos, approximately 40m below surface with reported results including:

- **3m at 4.20g/t Au** from 42m in MSRC001;
- **7m at 1.05g/t Au** from 44m in WID2082;
- **2m at 3.42g/t Au** from 47m in MNAC816; and
- **4m at 1.57g/t Au** from 48m in WID2047.

As part of the recent campaign, this historic mineralisation was followed up with 11 RC drill-holes for a total of 950m. The mineralisation is located within in-situ clays below the base of transported material.

Best new results include:

- **3m at 8.62g/t Au** from 51m and includes **1m at 25.47g/t Au** from 52m in MDRC402;
- **4m at 3.43g/t Au** from 52m and includes **1m at 5.91g/t Au** from 53m in MDRC413;
- **4m at 3.14g/t Au** from 55m and includes **1m at 11.76g/t Au** from 55m in MDRC406; and
- **4m at 2.88g/t Au** from 51m and includes **1m at 8.51g/t Au** from 52m in MDRC414.

At Mandilla South, a similar shallow zone of high-grade mineralisation has previously been identified above bedrock mineralisation. Here, reported results include:

- **12m at 1.29g/t Au** from 47m and includes **1m at 11.33g/t Au** from 57m in MDRC388;
- **4m at 1.8g/t Au** from 55m in MDRC293;
- **4m at 1.28g/t Au** from 54m in MDRC275;
- **3m at 1.71g/t Au** from 53m and includes **1m at 4.59g/t Au** from 53m in MDRC255; and
- **6m at 1.08g/t Au** from 54m in MDRC269.

Drill-hole MDRC402 represents a paleochannel-style of mineralisation, while the other mineralised drill-holes appear to be related to in-situ weathered clays which may be an important indicator for the presence of deeper bedrock mineralisation and will require follow-up.

The paleochannel mineralisation will also require further delineation drilling to determine its scale, which could represent a valuable source of high-grade feed for a central processing hub at Mandilla.

The Eos area represents a potential large zone of flat-lying, high-grade mineralisation, close to surface, that extends from Mandilla South and remains open, with historic drill-holes south of the Proterozoic dyke (coloured green in Figure 7) also returning gold anomalism, including 4m at 0.82g/t Au from 44m in MNAC861.

The Company has a high level of confidence that, with further drilling, this area will convert to Mineral Resources.

Mandilla South

At Mandilla South, assay results were returned for seven RC holes for an aggregate 950m. Best results included:

- **12m at 1.52g/t Au** from 96m and **16m at 0.66g/t Au** from 59m in MDRC395; and
- **12m at 1.29g/t Au** from 47m and includes **1m at 11.33g/t Au** from 57m in MDRC388.

The recently upgraded Mineral Resource has resulted in a Resource model at Mandilla South that extends for more than 600m along strike, is 150m to 250m wide and extends to a depth of 200m below surface.

Observations during the recently completed structural geological review have concluded that calc silicate alteration, which was observed as thin selvage-veinlets at Mandilla East, is far more abundant at Mandilla South, with the calc silicates expressed as bands, selvages and veinlets in broad patches of up to 30% of an internal interval. Visible gold associating with calc silicate alteration was also observed.

Furthermore, visible gold was observed in direct association with coarse grained pyrrhotite +/- pyrite in MDRCD375.



Image 4 – MDRCD375 – calc silicate banding



Image 5 – MDRCD375 – coarse grained pyrrhotite +/- pyrite

There exists potential for a new style of gold mineralisation at Mandilla based on the greater percentage of calc-silicate veining. Additionally, coarse-grained iron sulphides were observed within 20m of the sediment-intrusive contact, which could represent a further style of mineralisation to complement the significant vein-hosted Mineral Resource already delineated. Further testing of this contact sulphide associated mineralisation is a priority during the current phases of drilling.

27 September 2021

On 27 September 2021, the Company announced the results from 11 diamond drill holes for an aggregate 1,889.4m of drilling.

The locations of the drill-holes reported in September are set out in plan view in Figure 8

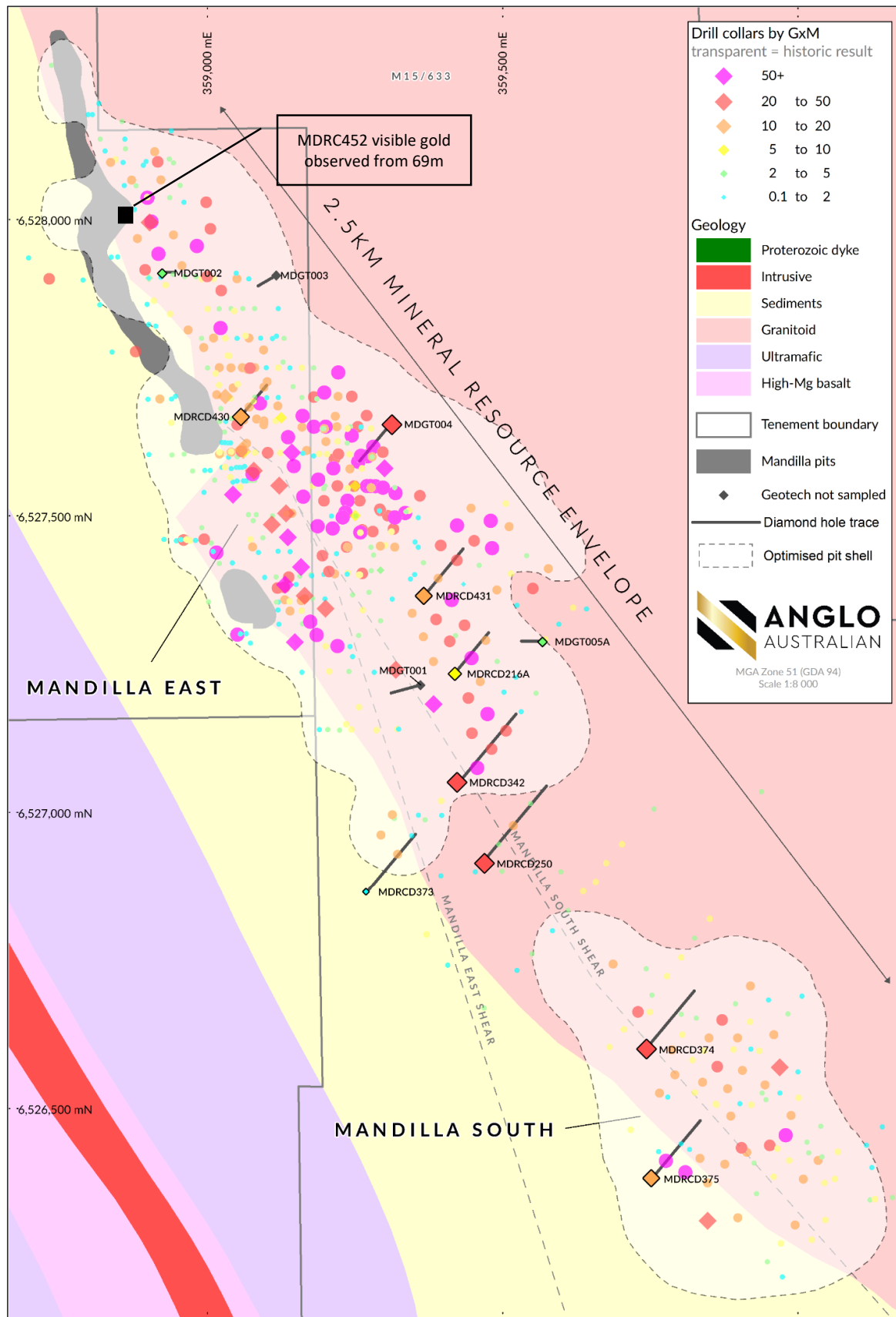


Figure 8 – Collar locations for September 2021 drilling on local area geology for Mandilla

MANDILLA EAST

At Mandilla East, drilling along strike to the south continued to demonstrate that mineralisation remains open in this direction. Previously reported results included:

- **9m at 4.21g/t Au** from 85m in MDRC341;
- **38m at 1.06g/t Au** from 78m and **17m at 1.08g/t Au** from 124m in MDRC347; and
- **86m at 0.61g/t Au** from 105m in MDRC348.

Diamond drilling completed in April 2021 was designed to test down-dip of this mineralisation. This returned:

- **32.5m at 0.84g/t Au** from 217.00m in MDRCD342.

Another section, a further 120m to the south, was also diamond drill tested and returned:

- **37.33 at 0.76g/t Au** from 250.17m in MDRCD250.

These results continue to demonstrate the potential for the Mineral Resources at Mandilla East to continue to increase to the south.

Several geotechnical holes were drilled as part of the recent diamond drilling campaign, which were sampled sparingly. MDGT004 was drilled on a 220 azimuth (ie, drilling in a south-westerly direction) and was designed to test the rock properties of the proposed eastern pit wall, noting that, following the release of the updated Mineral Resource Estimate, MDGT004 now sits well within the pit.

Assay results from MDGT004 included:

- **1.4m at 28.03g/t Au** from 165.00m including **0.7m at 44.5g/t** and **2.41m at 2.44g/t Au** from 195.79m in MDGT004.

In-fill drilling in Mandilla East returned best results of:

- **15.61m at 1.22g/t Au** from 111.70m and **18.99m at 0.56g/t Au** from 48.23m in MDRCD430; and
- **7.3m at 0.95g/t Au** from 62.75m (with visible gold observed at 63.34m, 67.54m & 68.40m), **6.26m at 1.30g/t Au** from 98.96m and **30.7m at 0.43g/t Au** from 119.80m (with visible gold observed at 124.90m, 126.55m & 137.80m).

Petrography was recently completed on a suite of samples on previously reported diamond drill holes MDRCD191, MDRCD231, MDRCD237 and MDRCD377 at Mandilla East. The aim is to identify the mineralogy of the alteration assemblages associated with gold mineralisation. Key findings included:

- Sodic alteration (albitisation) of igneous feldspars appears to be almost pervasive in the Emu Rocks porphyry and is present in both barren and well-mineralised samples; and
- High-grade gold is commonly associated with quartz veins and radiating aggregates of stiplnomelane (a metamorphic phyllosilicate) in wall rock alteration. The presence of pyrrhotite (or pyrite-marcasite after pyrrhotite) more so than crystalline pyrite also appears an indicator of elevated gold grades.

Further petrography work is planned for Mandilla East during the new phases of drilling.

MANDILLA SOUTH

At Mandilla South, two diamond drill-holes (MDRCD374 and MDRCD375) were drilled.

Best results included:

- **19.5m at 1.11g/t Au** from 75.90m in MDRCD374; and
- **10.05m at 1.75g/t Au** from 195.50m and **9.85m at 1.33g/t Au** from 169.50m in MDRCD375.

Within the reported interval of MDRCD374, an intercept of **0.93m at 12.42g/t Au** from 89.27m was recorded, interestingly with no visible quartz veining observed. This intercept showed calc silicate alteration and biotite.

Within the reported interval of MDRCD375 of **9.85m at 1.33g/t Au** from 169.50m, an intercept of **3.6m at 3.03g/t Au** from 169.50m was recorded at the sediment / intrusive contact. Included within this intercept was **0.75m at 3.79g/t Au** from 171.60m, also reported with no visible quartz veining, although calc silicate alteration, biotite and disseminated pyrrhotite/pyrite was observed.

Further down-hole in MDRCD375, an intercept of **10.05m at 1.75g/t Au** from 195.50m was reported, including an interval of **0.45m at 32.34g/t Au** from 202.85m. In this intercept, gold associates with quartz veining, calc silicate alteration, biotite and semi massive pyrrhotite/pyrite. Within the same interval, an intercept of **0.5m at 2.97g/t Au** from 200.50m was also recorded with no visible quartz veining, although calc silicate alteration, biotite and disseminated pyrrhotite/pyrite was observed.

Given the recent petrography observations at Mandilla East, stiplnomelane may be present in the mineralised intervals where biotite has been logged (as it resembles biotite); however, this cannot be confirmed with the naked eye. Additional petrography will be required at Mandilla South to confirm whether calc silicate alteration and the presence of stiplnomelane are an important vector to gold mineralisation.

As reported to the ASX on 26 August 2021, there is the potential for a new style of gold mineralisation at Mandilla based on the greater percentage of calc silicate veining observed at Mandilla South and these high-grade intervals present further evidence of this potential.

Additionally, at Mandilla South, it has been observed that a high-grade zone of mineralisation appears associated with the sediment/intrusive contact.

Furthermore, visible gold was observed in direct association with coarse grained pyrrhotite +/- pyrite in MDRCD375.

Independent Geological Appraisal

An independent geological appraisal of the Mandilla East and Mandilla South mineralised setting was received in July 2021 and included:

- Compilation of graphic logs of key aspects of the diamond core to assist with identifying similarities and differences between mineralised and non-mineralised holes;
- Assessing structural features of the core to better understand the structural history and its potential influence on ore formation and control;
- Assessing and reviewing the alteration in the core to determine the fluid history of the system with respect to gold;
- Assessing the types and styles of veining; and
- Assessing the mineralogy with respect to the previously gathered XRF information.

The appraisal was completed by Glen Brown with the results of this appraisal being utilised with respect to the current drilling programs.

Drill Programs

RC Drilling

During the Quarter, the Company completed a total of 46 RC holes for a total of 9,783m.

Diamond Drilling

A diamond drilling rig mobilised to Mandilla on 27 September 2021. A total of 50m was completed of the first hole (MDGT006) to the end of the Quarter. Hole MDGT006, a geotechnical hole, was completed on 2 October 2021 to a depth of 121m.

Project to Date

To 30 September 2021, across a number of drilling campaigns, the Company has undertaken a total of 58,928m of RC drilling and 7,676m of diamond drilling at Mandilla. This represents a significant investment in exploration and resource definition drilling and continues to highlight the confidence the Company has in this project.

Current and Forward Plan

9,833m of the current 55,000m drilling program has been completed. The RC drill rig has been operating since August. The diamond drill rig commenced drilling late September. Air-core drilling is expected to commence at Mandilla during November.

An update of the planned Phase 1 drilling at Mandilla is illustrated in Figure 9 below.

As the current phase of drilling at Mandilla is completed, the Company's exploration effort is expected to switch to the Feysville Project, subject to rig and geological resource availability.

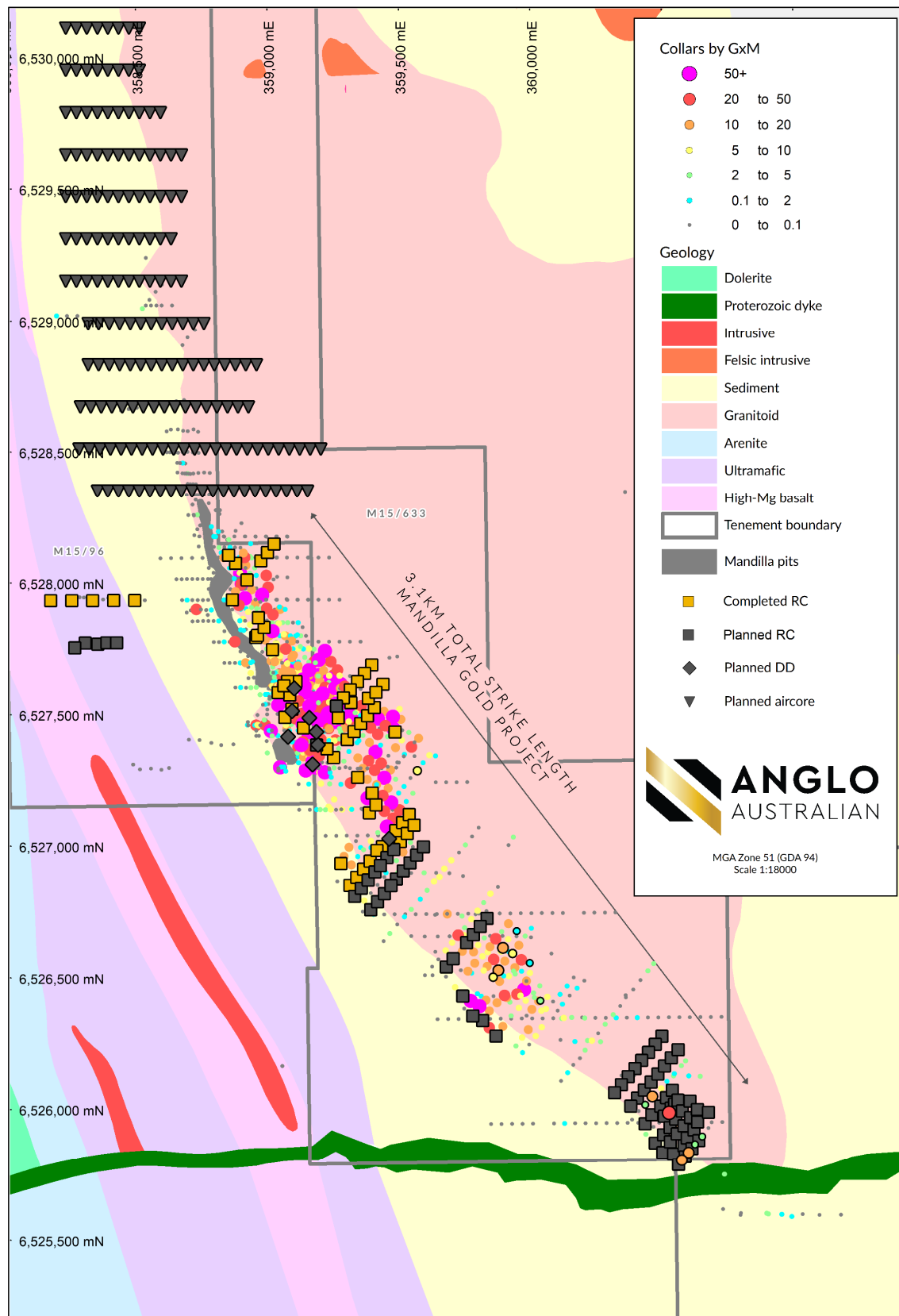


Figure 9 – Phase 1 planned drill collar locations on the local area geology of the Mandilla Gold Project (current 30-Sept-2021)

KOONGIE PARK JOINT VENTURE – Halls Creek, WA

AAR - 75% Joint Venture Interest (100% interest – gold and precious metals)

During the Quarter, the Company's joint venture partner, AuKing Mining Limited (AKN) commenced its drilling program at the Koongie Park copper-zinc project. AKN made excellent progress during the Quarter, completing approximately 3,500m of a combined RC and diamond drilling program. The initial focus of drilling was to secure suitable water bore sites for both the Onedin and Sandiego deposit areas. This was followed by the drilling of several RC drill holes and the current focus is now on the deeper diamond drilling operations.

Joint Venture Agreement

In accordance with the terms of the joint venture agreement (Agreement), AKN has earned a 25% participating interest in the Koongie Park Joint Venture, an unincorporated Joint Venture between the Company and AuKing (**Joint Venture**). AuKing has the opportunity to earn up to a 75% interest in the Joint Venture by funding exploration and project development studies (as stipulated below).

- AuKing may earn a further 25% interest in the Joint Venture by incurring expenditure of \$1.5 million over an initial period of twenty-four (24) months, including expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores (**First Earn-In Milestone**).
- At AuKing's election, AuKing can earn a further 25% interest in the Joint Venture by incurring additional expenditure of \$1,500,000 over a subsequent twelve (12) month period, including expenditure on exploration activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Tenements (**Second Earn-In Milestone**).

AAR retains the right to explore for and develop gold and other precious metals deposits within the Koongie Park project area.

Corporate

COVID-19

During the Quarter, the Company continued to implement and maintain the necessary COVID-19 protocols to minimise the risk to our employees, contractors, and the communities in which the Company operates. The Company has managed to successfully advance its exploration and evaluation activities without disruption but continues to monitor the latest advice and directives from the State Government and relevant health authorities.

Issued Capital

During the previous Quarter, the Board determined that the performance conditions attaching to 1,830,780 2020A Performance Rights and 5,340,075 2020B Performance Rights (together, the **Performance Rights**) had been met and were eligible for conversion to fully paid ordinary shares. The Performance Rights were converted to 7,170,855 fully paid ordinary shares on 7 July 2021.

There were no other changes to issued capital during the September Quarter.

Cash and cash equivalents

The Company had cash on hand of approximately \$8.8 million as at 30 September 2021.

Appendix 5B

Cash outflows for the Quarter totalled \$1.0 million, comprising exploration activity (59%), staff costs (26%), property, plant and equipment (3%) and corporate and administration costs (12%).

Cash inflows for the Quarter totalled \$11,425 all of which represented bank interest.

Payments to related parties and their associates (as set out in section 6 of the Appendix 5B) totalled \$123,449, consisting of executive and non-executive director fees, salaries and superannuation payments.

Authorised for Release

This Quarterly Report has been authorised for release by the Board of AAR.

For further information:

Investors:

Marc Ducler
Managing Director
+61 8 9382 8822

Media:

Nicholas Read
Read Corporate
+61 419 929 046

ABOUT AAR

AAR is a gold-focused exploration company targeting the exploration, growth and development of its flagship Mandilla Gold Project (**Mandilla**), located 70km south of Kalgoorlie in Western Australia. Mandilla hosts a Mineral Resource Estimate (MRE) of **19.8Mt at 1.0 g/t Au for 664.6koz** of contained gold.

AAR is also progressing mining tenement applications for its Feysville Gold Project (**Feysville**) which is located 14km south of the KCGM Super Pit in Kalgoorlie. Feysville hosts a MRE of **2.3Mt at 1.3 g/t Au for 116.1koz**¹ of contained gold. Subject to permitting and approval requirements, AAR will re-commence exploration activities with the strategy to grow and develop the Feysville Gold Project.

AAR has formed an unincorporated Joint Venture with AuKing Mining Limited (**AuKing**) with respect to the Koongie Park Project located in the eastern Kimberley region of Western Australia. AAR currently holds a 75% interest in the Joint Venture, with AuKing able to earn up to a 75% interest by meeting earn-in expenditure milestones. AAR retains the right to explore for gold and other precious metals.

AAR also has other tenement interests in the Western Australian Goldfields, including Carnilya Hill and Leonora.

¹ Feysville JORC 2012 MRE includes; Indicated Mineral Resources of 2.3Mt at 1.3g/t Au for 95.9koz and Inferred Mineral Resources of 0.6Mt at 1.1g/t Au for 20.2koz (refer to ASX Announcement dated 8 April 2019).

SCHEDULE OF MINING TENEMENTS

1. Mining tenements held at the end of the Quarter and their location.

Project (Location)	Tenement Number	Beneficial Percentage Interest	Status	Title Registered to
Mandilla (Western Australia)	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Granted	Neometals Ltd Anglo Australian Resources NL Anglo Australian Resources NL
Koongie Park (Western Australia)	M80/276, 277 E80/4389,4766, 4957, 4960 E80/5076, 5087, E80/5127 E80/5263 P80/1802,1803	100%	Granted	Anglo Australian Resources NL
Feysville (Western Australia)	P26/3943-3944 P26/3947-3951 P26/4051-4052	100%	Granted	Feysville Gold Pty Ltd
	M26/846 P26/4390	-	Pending	Feysville Gold Pty Ltd
Carnilya Hill (Western Australia)	M26/47 - 49 M26/453	100% gold rights only	Granted	Mincor Resources NL
Leonora (Western Australia)	E37/1287 E7/1355	100%	Granted	Anglo Australian Resources NL

2. Mining tenements acquired during the Quarter and their location:

Project (Location)	Tenement Number	Status	Comment

3. Mining tenements disposed of during the Quarter and their location.

Project (Location)	Tenement Number	Status	Comment

Compliance Statement

The information in this Quarterly Report that relates to Estimation and Reporting of Mineral Resources is based on information compiled by Mr Michael Job, who is a Fellow of the Australasian Institute of Mining and Metallurgy (FAusIMM). Mr Job is an independent consultant employed by Cube Consulting. Mr Job has sufficient experience that 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Job consents to the inclusion in this Quarterly Report of the matters based on the information in the form and context in which it appears.

The information in this Quarterly Report that relates to exploration targets and exploration results is based on, and fairly represents, information and supporting documentation compiled by Ms Julie Reid, who is a full-time employee of Anglo Australian Resources NL. Ms Reid is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. Ms Reid has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Reid consents to the inclusion in this report of the material based on this information, in the form and context in which it appears.

The information in this Quarterly Report that relates to metallurgical test work for the Mandilla Gold Project is based on, and fairly represents, information and supporting documentation compiled by Mr Marc Ducler, who is a full-time employee of Anglo Australian Resources NL. Mr Ducler is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. The information that relates to processing and metallurgy is based on work conducted by ALS Metallurgy Pty Ltd (ALS Metallurgy) on diamond drilling samples collected under the direction of Mr Ducler and fairly represents the information compiled by him from the completed ALS Metallurgy testwork. Mr Ducler has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Ducler consents to the inclusion in this Quarterly Report of the material based on this information, in the form and context in which it appears.

Previously Reported Results

There is information in this Quarterly Report relating to exploration results which were previously announced on 13 Feb 2017, 21 Mar 2018, 15 May 2018, 26 Nov 2018, 8 April 2019, 24 July 2019, 31 July 2019, 19 September 2019, 16 October 2019, 25 November 2019, 12 December 2019, 12 February 2020, 19 June 2020, 25 June 2020, 11 August 2020, 15 September 2020, 17 February 2021, 26 March 2021, 20 April 2021, 20 May 2021, 29 July 2021, 26 August 2021 and 27 September 2021. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ANGLO AUSTRALIAN RESOURCES NL

ABN

24 651 541 976

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(257)	(257)
(e) administration and corporate costs	(119)	(119)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	11	11
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(365)	(365)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(26)	(26)
(d) exploration & evaluation (capitalised)	(580)	(580)
(e) investments	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(606)	(606)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (lease repayments)	(20)	(20)
3.10	Net cash from / (used in) financing activities	(20)	(20)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	9,809	9,809
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(365)	(365)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(606)	(606)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(20)	(20)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	8,818	8,818

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,752	9,743
5.2	Call deposits	66	66
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,818	9,809

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	123
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(365)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(580)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(945)
8.4 Cash and cash equivalents at quarter end (item 4.6)	8,818
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	8,818
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.33
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity 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?	
Answer: N/A	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 OCTOBER 2021

Authorised by: BY THE BOARD

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.