



**ANGLO AUSTRALIAN RESOURCES NL
AND ITS CONTROLLED ENTITIES**

ABN 24 651 541 976

Interim Financial Report
For the half-year ended 31 December 2021



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Directors' Report

Your Directors present their half-yearly report on the consolidated entity consisting of Anglo Australian Resources NL ("AAR" or "the Company") and the entities it controlled at the end of, or during, the period 1 July 2021 to 31 December 2021 ("the Group").

Directors

The persons who were Directors of the Company during the interim reporting period and up to the date of this report are:

Mr Leigh Warnick	Non-Executive Chairman (appointed on 23 December 2019)
Mr Marc Ducler	Managing Director (appointed on 23 December 2019)
Mr Justin Osborne	Non-Executive Director (appointed on 18 November 2021)
Mr Peter Stern	Non-Executive Director (appointed on 28 November 2011)
Mr David Varcoe	Non-Executive Director (appointed on 28 November 2019)
Mr John Jones	Non-Executive Director (appointed on 9 February 1990, retired 16 November 2021)

Review of Operations

The Company's principal activity during the half year was progressing exploration and development activities at its 100% owned Mandilla Gold Project (Mandilla).

The Group's loss after tax for the period ended 31 December 2021 was \$1,281,150 (31 December 2020: loss of \$1,366,961).

The Group's operations during the half year were minimally affected by COVID-19. The combined collaborative support of Government, representative industry bodies, employees, contractors, suppliers and our host communities has allowed the Company to adapt and mitigate, as far as practicable, the risks this infectious disease presents. The Company will continue to pursue its exploration activities, subject to the evolving and unforeseen impacts of COVID-19.

Summary and Highlights

During the half year ended 31 December 2021, AAR made significant progress towards the advancement of Mandilla, including the following:

- AAR undertook a total of 31,261 metres of drilling, comprising 17,605 metres of reverse circulation (RC) drilling, 3,396 metres of diamond drilling and 10,260 metres of air core (AC) drilling.
- Assay results were released for a total of 26,974 metres of RC drilling and 2,985 metres of diamond drilling. This included 9,503 metres of RC drilling and 2,985 metres of diamond drilling that was completed prior to April 2021.
- To simplify reporting of the growing mineralisation, Mandilla East was renamed Theia and Mandilla South was renamed Iris.
- On 17 August 2021, AAR released an updated JORC 2012 Mineral Resource Estimate of **20Mt at 1.0 g/t Au for 665koz of contained gold** (August MRE). This represented an increase of 33% to the maiden MRE reported on 27 May 2021 (Maiden MRE).
- On 18 January 2022 (post the end of the half year), the Company reported an updated JORC 2012 MRE of **24Mt at 1.0g/t Au for 784koz of contained gold**. This represented a further 18% increase in contained ounces. This latest MRE is discussed in detail below. The ongoing successful delineation of a large gold mineralised footprint provides strong encouragement that AAR has potential to continue to grow its Mineral Resource inventory as it progresses its strategy to develop a long-term gold business in the Kalgoorlie region based on its Mandilla and Feysville Projects (see Figure 1).
- The discovery of Eos, a shallow, flat lying zone south of Iris. A maiden MRE for Eos was published on 18 January 2022.

During the half year, AAR has made steady progress with 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 **3Mt at 1.3 g/t Au for 116koz** of contained gold. Subject to permitting and approval requirements, AAR will re-commence exploration activities with the strategy to grow and develop Feysville.



In maintaining a focus on advancing Mandilla and Feysville, the Company optimised its project portfolio during and subsequent to the end of the half year, including:

- During the half year, AAR's joint venture partner, AuKing Mining Limited (ASX:AKN) made significant progress at the Koongie Park Base Metals Project. AKN achieved the first earn-in milestone on 22 November 2021 and met the second earn-in milestone on 17 January 2022 (post half year end), taking its total Joint Venture interest to 75%. AAR retains the right to explore for and develop gold and other precious metals deposits within the Koongie Park project area.
- On 10 January 2022, AAR executed an agreement with Ozz Resources Limited (ASX:OZZ) to dispose of its Leonora Base Metals Project, comprising two exploration licences (E37/1287 and E37/1355). AAR received upfront consideration of \$30,000 in cash and 500,000 OZZ shares. A further 1 million OZZ shares will be issued to AAR in the event that OZZ announces a JORC compliant gold resource of greater than 50,000 ounces or when commercial mining commences.

Mandilla Gold Project - WA

AAR – 100% interest

Mandilla is situated in the northern Widgiemooltha greenstone belt in the western part of the Kalgoorlie geological domain, some 70 kilometres 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.



Mandilla 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 Mandilla, illustrating key locations and geological features, is shown in Figure 2.

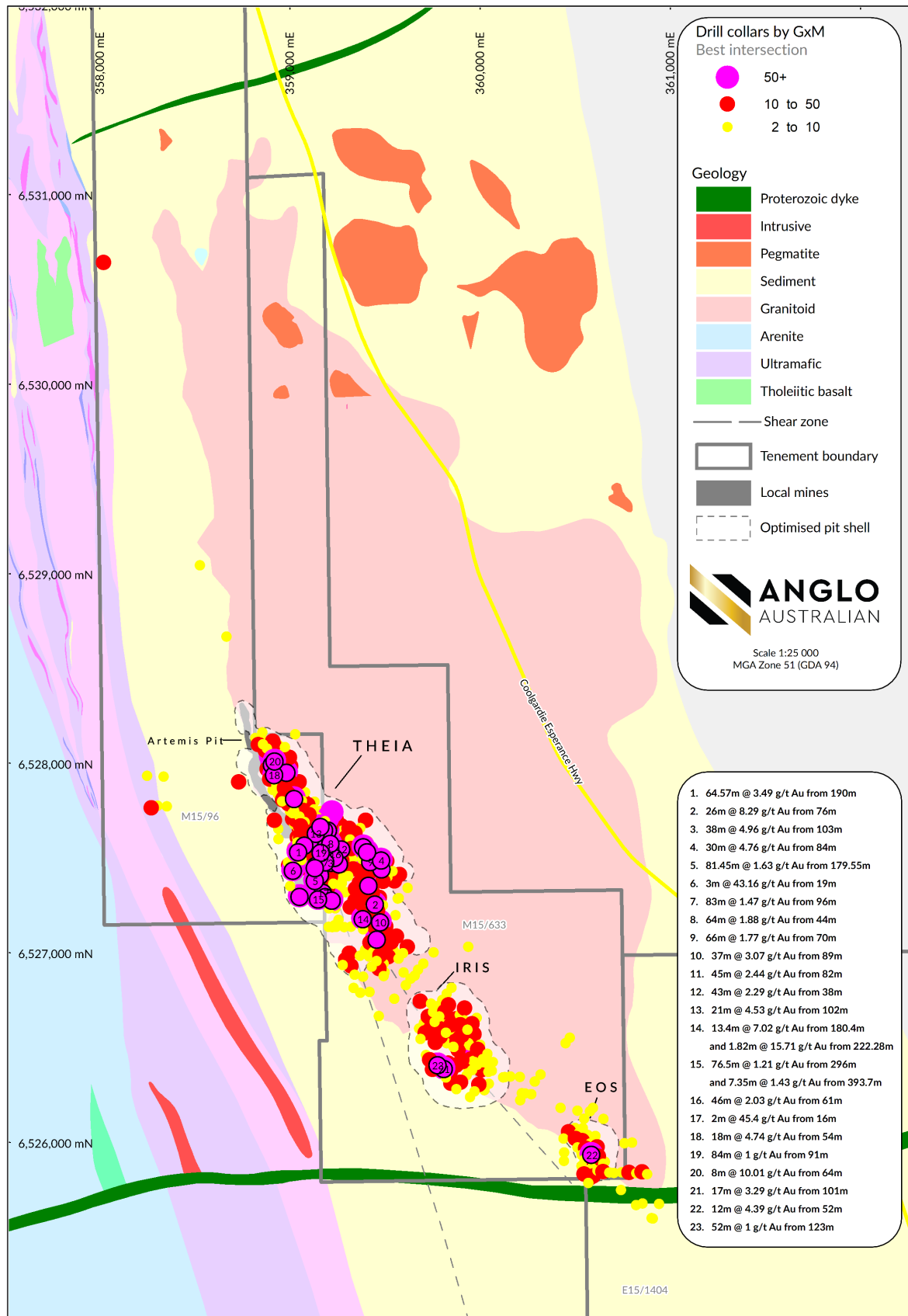


Figure 2 – Mandilla local area geology (including best intercepts)



Mineral Resource Estimate (MRE) – January 2022 (post half-year end)

On 18 January 2022 (post the end of the half year), AAR reported an updated JORC 2012 Mineral Resource Estimate (MRE) of **24Mt at 1.0g/t Au for 784koz of contained gold**, encompassing the cornerstone Theia and Iris deposits, and an inaugural MRE at the Eos discovery.

The MRE was prepared by independent consultant Cube Consulting in accordance with the JORC Code (2012 Edition). A summary of information material to the understanding of the MRE was provided in the ASX Announcement dated 18 January 2022, in compliance with the requirements of ASX Listing Rule 5.8.1.

This was the third MRE published for Mandilla within eight months, commencing with the maiden MRE reported on 27 May 2021, followed by the August MRE reported on 17 August 2021. This rapid growth provides strong encouragement that AAR can continue to grow its Mineral Resource inventory as it progresses its strategy to develop a long-term gold business in the Kalgoorlie region based on its Mandilla and Feysville Projects (see Figure 1).

The MRE was estimated using a 0.39g/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 analysis is provided in Table 3.

Table 1 – Mandilla Mineral Resource Estimate (January 2022)

Mineral Resource Estimate for the Mandilla Gold Project (Cut-Off Grade >0.39g/t Au)			
Classification	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
Indicated	10	1.0	331
Inferred	14	1.0	453
Total	24	1.0	784
<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 (January 2022) Grade and tonnage by source

Deposit	Classification	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
Theia	Indicated	10	1.0	320
	Inferred	9.3	1.1	338
	Total	19	1.1	658
Iris	Indicated	0.5	0.7	11
	Inferred	4.0	0.8	104
	Total	4.4	0.8	115
Eos	Indicated			
	Inferred	0.3	1.2	11
	Total	0.3	1.2	11
Total		24	1.0	784
<i>All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.</i>				

Table 3 – MRE (January 2022) Grade and tonnage by cut-off grade

Cut-off grade (g/t Au)	Tonnes (Mt)	Grade (g/t)	Ounces (koz)
0.30	28	0.9	831
0.35	26	1.0	807
0.39	24	1.0	784
0.40	24	1.0	781
0.45	21	1.1	752
0.50	19	1.2	721
<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 based on a gold price of AUD\$2,500 per ounce are set out in plan view in Figure 3 below.

The cross-sections referenced below are also annotated on this plan.

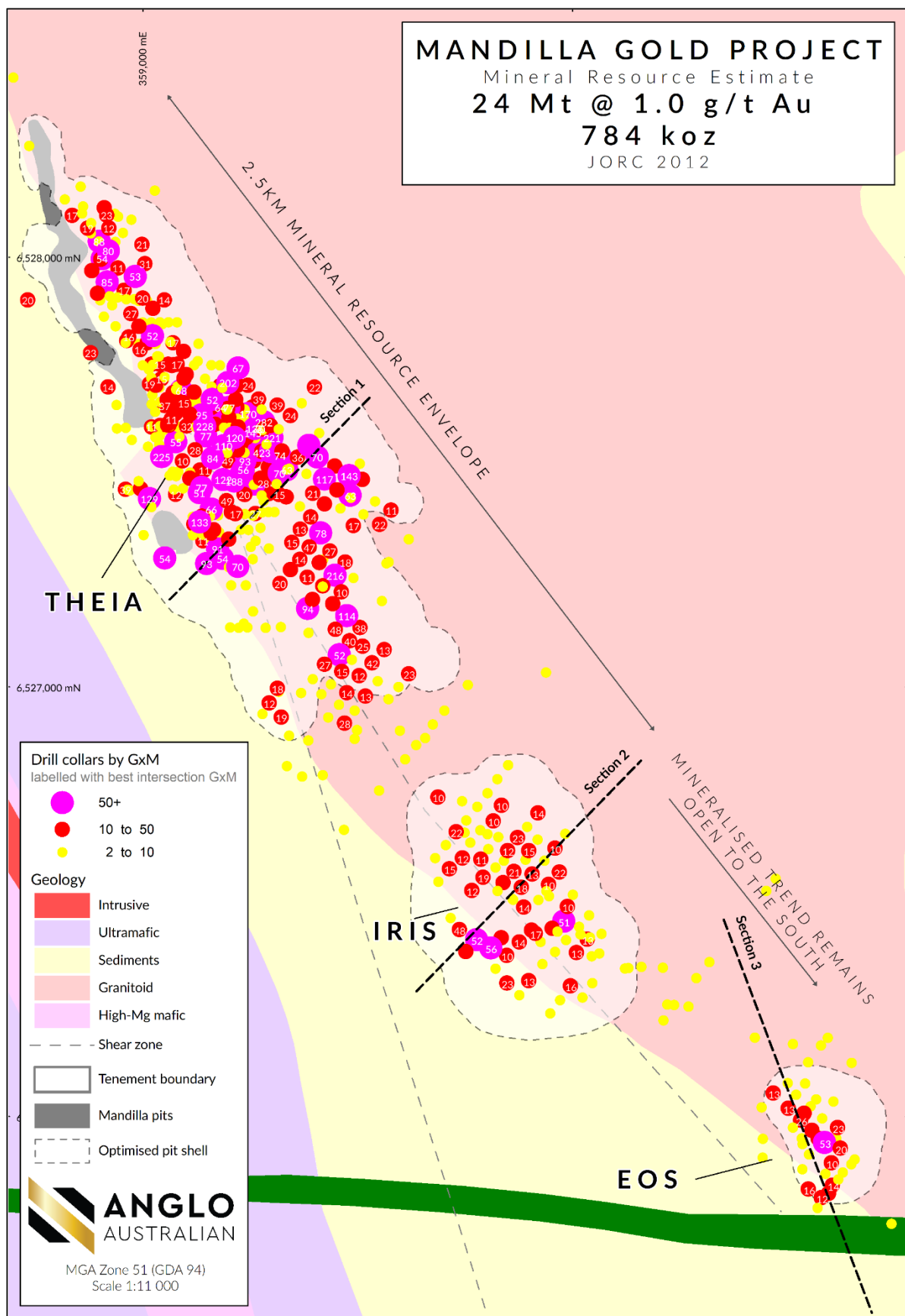


Figure 3 – Optimised pit shell on local area geology (GxM represents gram-metres).



A plan view of the Mineral Resource classification is shown in Figure 4 below.

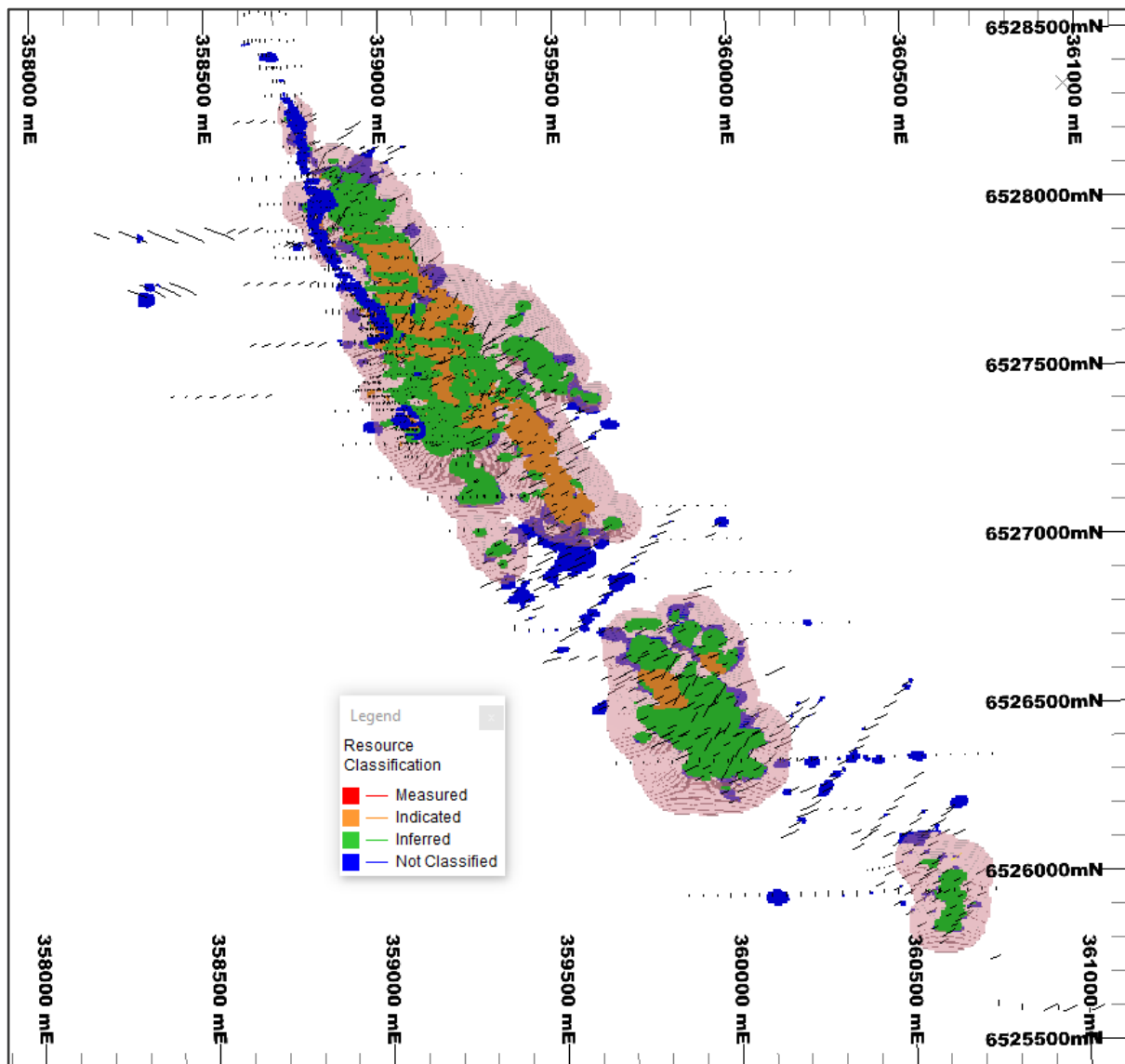


Figure 4 – Resource Classification, plan view (drilling in black).

THEIA

Theia is the main deposit at Mandilla and represents 84% of the reported MRE. The total MRE at Theia is **19Mt at 1.1g/t Au for 658koz of contained gold**. Since the August MRE, the number of contained gold ounces interpreted at Theia has increased by approximately 17% based largely on the inclusion of assays from approximately 12,000 metres of new drilling.

This demonstrates the potential to continue to grow the Mineral Resource at Theia with further drilling.

Section 1, as illustrated in Figure 5 below, shows the Mineral Resource within the optimised pit shell.

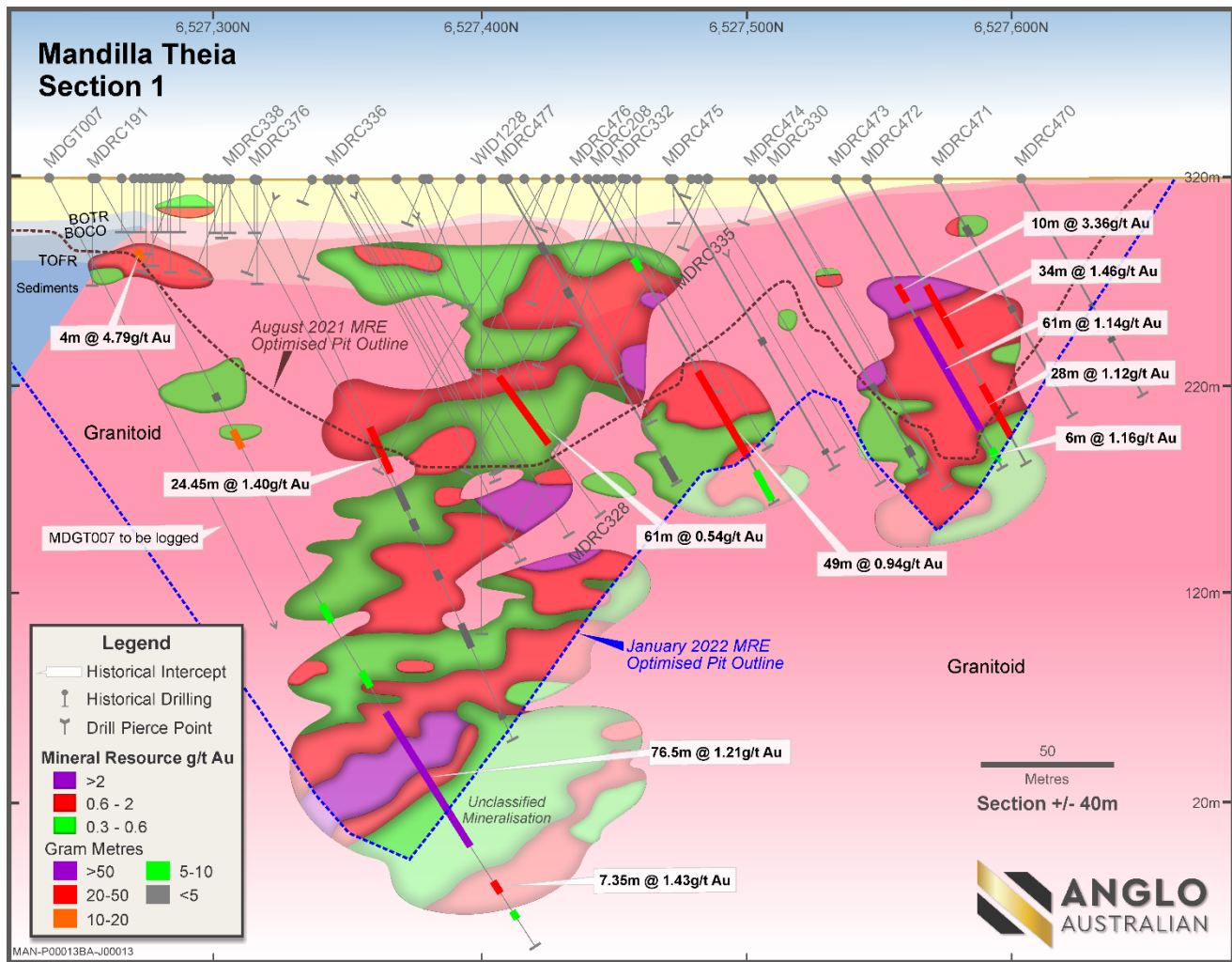


Figure 5 – Theia cross-section (refer Figure 2 for section location).

IRIS

The Mineral Resource at Iris is **4Mt at 0.8g/t Au for 115koz of contained gold**. Since the August MRE was reported, assays from an additional 3,000 metres of drilling have been included in the updated MRE.

Section 2, as illustrated in Figure 6 below, shows Iris in cross-section.

The Mineral Resources identified on this section demonstrate the relatively high-grade zone that is interpreted to be associated with increased structural deformation of the host intrusive adjacent to the sediment contact.

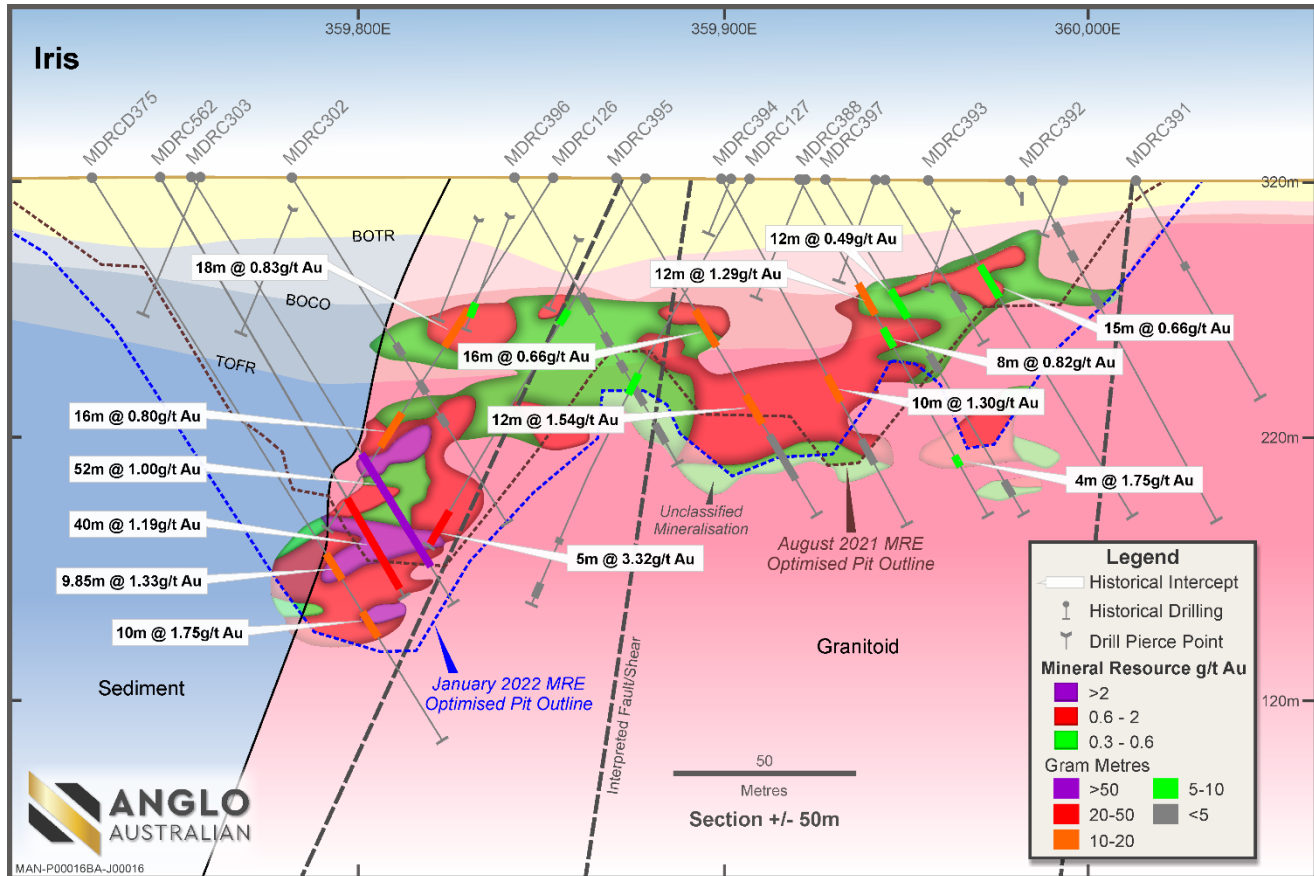


Figure 6 – Iris cross-section (refer Figure 2 for section location).

EOS

A maiden Inferred Mineral Resource of **0.3Mt at 1.2g/t Au for 11koz of contained gold** has been declared at Eos.

Section 3, as illustrated in Figure 7 below, shows the oblique long projection of Eos.

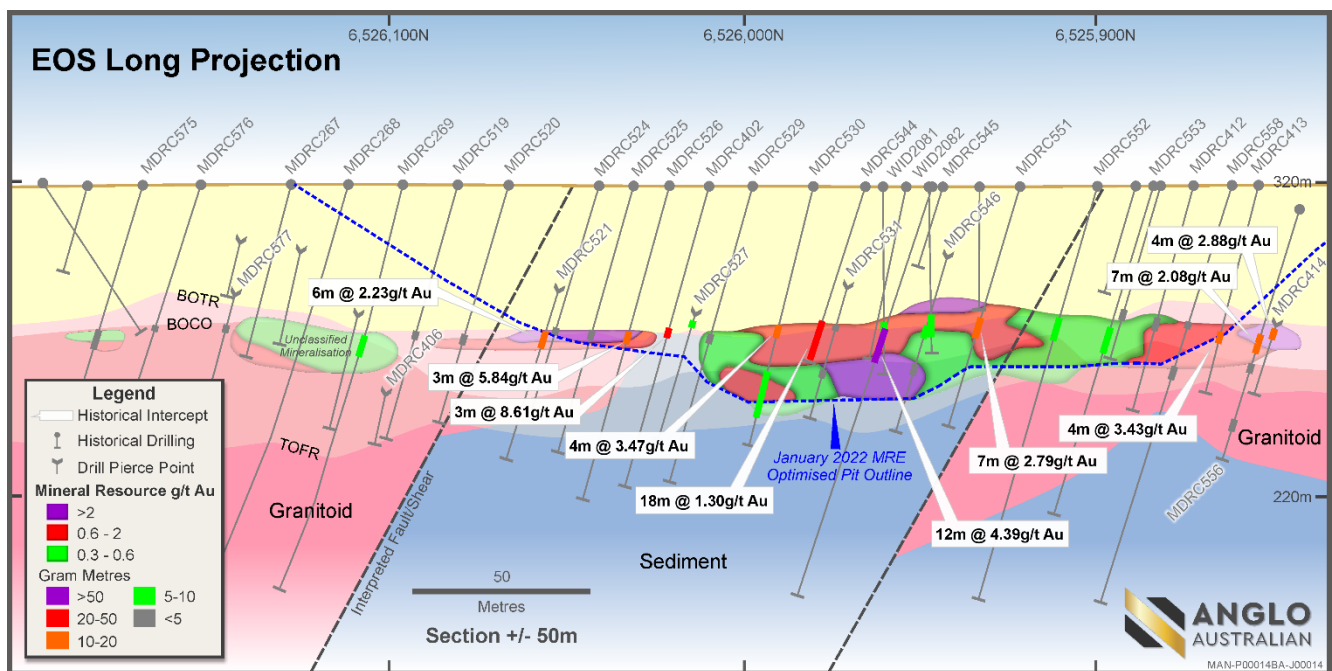


Figure 7 – Eos oblique long projection (refer Figure 2 for section location).

The long projection (Figure 7) illustrates a flat-lying geometry to mineralisation. Higher-grade mineralisation has been intersected above the base of transported cover (BOTR), which is potentially associated with a paleochannel. Mineralisation is also present above the base of complete oxidation (BOCO) which is interpreted as supergene enrichment.



EXPLORATION

Theia

As set out above, Theia is the main deposit at Mandilla and represents 84% of the reported MRE. The total MRE at Theia is **19Mt at 1.1g/t Au for 658koz of contained gold**. During the half-year, AAR released assay results for approximately 13,500 metres of drilling, including results from the drilling campaigns completed to April 2021 and the drill campaigns which were undertaken during the half-year.

Significant assay results released during the half-year relating to drilling undertaken to April 2021 included the following:

- **64.57 metres at 3.49g/t Au** from 190 metres, **14.39 metres at 2.89g/t** from 169.37 metres and **13.8 metres at 0.91g/t** from 139.7 metres in MDRCD377;
- **30 metres at 4.76g/t Au** from 84 metres in MDRC433;
- **37 metres at 3.07g/t Au** from 89 metres and **20 metres at 1.15g/t** from 38 metres in MDRC426;
- **39 metres at 1.23g/t Au** from 141 metres, **14 metres at 0.63g/t** from 119 metres and **10 metres at 0.60g/t** from 102 metres in MDRCD427;
- **34 metres at 1.15g/t Au** from 105 metres in MDRC438;
- **24.45 metres at 1.40g/t Au** from 133.5 metres in MDRCD376;
- **6 metres at 3.61g/t Au** from 142 metres and **17 metres @ 1.15g/t** from 117 metres in MDRC435; and
- **15.61 metres at 1.22g/t Au** from 111.70 metres and **18.99 metres at 0.56g/t** from 48.23 metres in MDRCD430.

Significant assay results released relating to drilling undertaken during the half-year included the following:

- **8 metres at 10.01g/t Au** from 64 metres in MDRC452;
- **7 metres at 6.02g/t Au** from 73 metres and **2 metres at 12.52g/t Au** from 158 metres in MDRC500;
- **37 metres at 3.07g/t Au** from 89 metres and **20 metres at 1.15g/t Au** from 38 metres in MDRC426;
- **8 metres at 3.07g/t Au** from 34 metres and **17 metres at 1.02g/t Au** from 78 metres in MDRC490;
- **15 metres at 1.56g/t Au** from 79 metres in MDRC508;
- **8 metres at 1.31g/t Au** from 15 metres and **6 metres at 2.23g/t Au** from 32 metres in MDRC499;
- **19 metres at 1.26g/t Au** from 30 metres in MDRC462;
- **39 metres at 1.23g/t Au** from 141 metres, **14 metres at 0.63g/t Au** from 119 metres and **10 metres at 0.60g/t Au** from 102 metres in MDRCD427; and
- **15.05 metres at 1.46g/t Au** from 127.1 metres and **45.74 metres at 0.94g/t Au** from 149 metres in metallurgical diamond drill hole MDRCD512 (refer to Figure 8).

Drilling at Theia continues to confirm broad zones of gold mineralisation, with diamond drilling revealing numerous instances of visible gold. For example, in MDRCD512, 14 instances of visible gold were observed from 128.4 metres down-hole to 335.7 metres down-hole. The drill trace in Figure 8 below has been annotated (gold stars) to highlight the frequent visible gold occurrences.

The presence of abundant visible gold is proving to be a strong characteristic of Mandilla. It results in the interpretation of high-grade blocks within the MRE; however, it also presents complexity for accurate estimation of gold grade at Mandilla with an inherent “nugget effect” typical of coarse gold deposits.

There is potential to identify further mineralisation to the west of the current Mineral Resource at Theia as the area remains largely untested and is within the current optimised pit shell.

Additional diamond drilling is being planned to better determine the plunge and dip of the cross-cutting structures that may be important in localizing the high-grade zones of gold mineralisation.

A close-spaced diamond drill program (20m x 20m over an 80m x 80m area) is also being planned to better understand the lateral continuity of high-grade shoots within Theia.

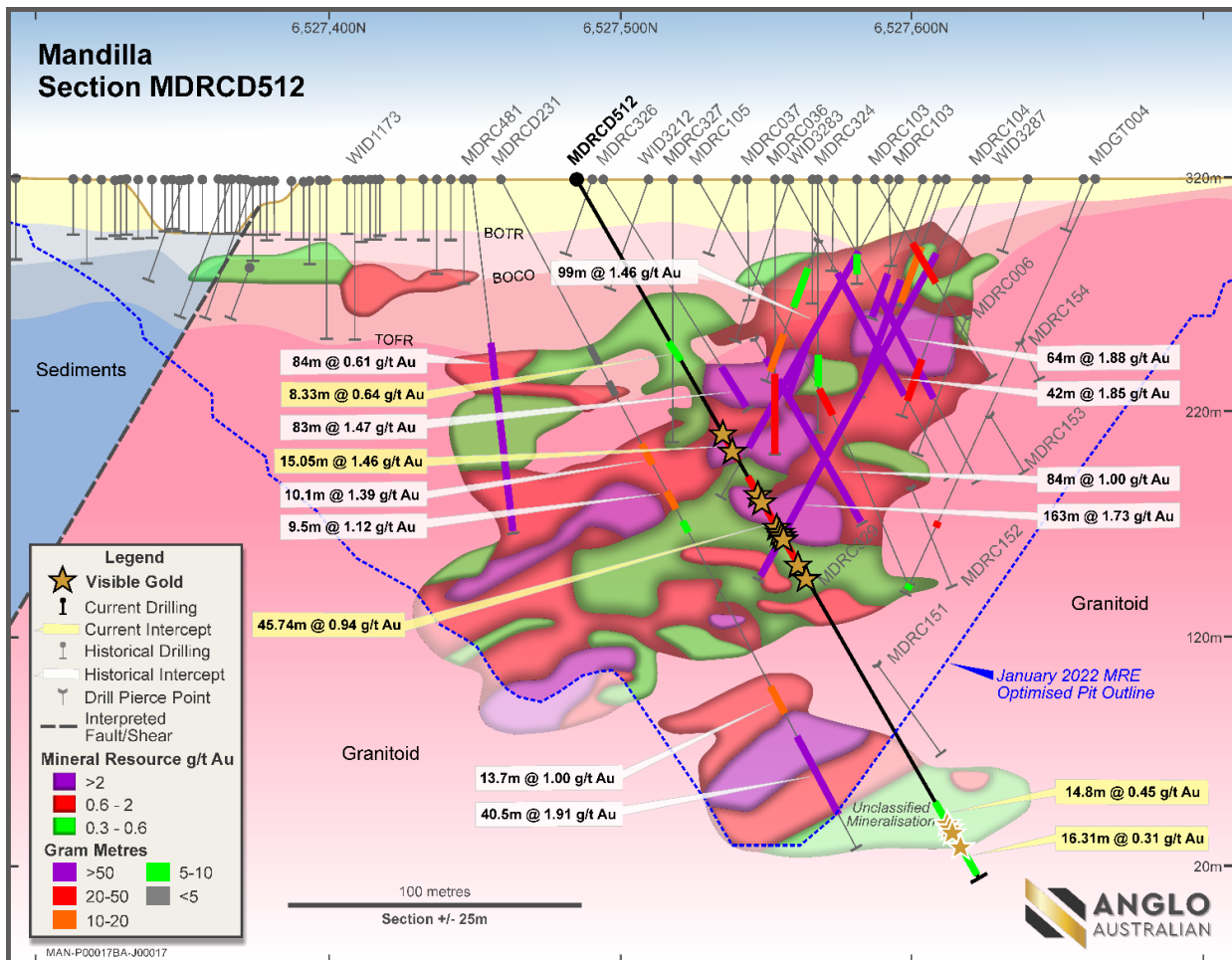


Figure 8 – Theia cross-section (Highlighting visible gold in metallurgical diamond hole MDRCD512)

Iris

The Mineral Resource at Iris is **4Mt at 0.8g/t Au for 115koz of contained gold**. During the half-year, AAR released assay results for approximately 8,900 metres of drilling at Iris, including results from the drilling campaigns completed to April 2021 and the drill campaigns which were undertaken during the half-year.

Significant assay results released during the half-year relating to drilling undertaken to April 2021 included the following:

- **10 metres at 1.30g/t Au** from 86 metres in MDRCD394;
- **7 metres at 1.68g/t Au** from 68 metres in MDRCD374;
- **8 metres at 1.03g/t Au** from 131 metres in MDRCD387;
- **3 metres at 2.56g/t Au** from 82 metres in MDRCD385;
- **12 metres at 1.52g/t Au** from 96 metres and **16 metres at 0.66g/t** from 59 metres in MDRCD395; and
- **12 metres at 1.29g/t Au** from 47 metres and includes **1 metre at 11.33g/t** from 57 metres in MDRCD388.

Significant assay results released relating to drilling undertaken during the half-year included the following:

- **40m at 1.19g/t Au** from 142m in MDRCD562; and
- **16m at 0.95g/t Au** from 64m in MDRCD560.

Figure 6 above illustrates MDRCD562 and further demonstrates the potential for higher grade gold mineralisation associated with the sediment intrusive contact. RC drilling is planned on the western contact with the sediment to define potential structural controls which have the potential to host additional high-grade shoots.



Eos

A Mineral Resource of **0.3Mt at 1.2g/t Au for 11koz of contained gold** has been declared at Eos. During the half-year, AAR released assay results for in excess of 5,800 metres of drilling at Iris, including results from the drilling campaigns completed to April 2021 and the drill campaigns which were undertaken during the half-year.

Significant assay results released during the half-year relating to drilling undertaken to April 2021 included the following:

- **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.

Significant assay results released relating to drilling undertaken during the half-year included the following:

- **3m at 5.85g/t Au** from 52m including **1m at 14.24g/t Au** from 52m in MDRC526;
- **12m at 4.39g/t Au** from 52m in MDRC545;
- **7m at 2.79g/t Au** from 48m in MDRC551;
- **4m at 3.97g/t Au** from 52m in MDRC554; and
- **4m at 3.47g/t Au** from 51m in MDRC530.

Figure 7 above illustrates an oblique long-projection of Eos and demonstrates the flat-lying geometry of known gold mineralisation. This deposit remains open along strike to the south-east, with additional RC drilling planned to test for extensions along strike and to determine whether the gold mineralisation extends into the fresh rock.

The drilling to date at Eos has been relatively wide spaced (40m x 40m). Further Resource definition drilling will be required to increase confidence and upgrade the Mineral Resource classification. Additionally, the higher-grade paleochannel mineralisation which has been intersected in several RC holes will require in-fill drilling to better define these high-grade paleochannel zones.

Potential remains to increase both the grade and scale of the Mineral Resources at Eos with additional drilling.

Target West of Theia

During the half-year, AAR completed two lines of RC drilling, comprising 10 holes for a total of 1,536 metres of drilling. The two lines of RC holes were drilled to the west of the main Theia mineralisation to test a structure along the sediment/mafic contact. Historical drilling in this area included previously reported results of:

- **25 metres at 0.36g/t Au** from 40 metres in WID1133;
- **21 metres at 0.42g/t Au** from 21 metres in WID1134; and
- **13 metres at 0.46g/t Au** from 22 metres in WID1135.

The first line of five RC holes returned anomalous results in two of the five RC holes drilled, with a best intercept of **8 metres at 0.8g/t Au** from 99 metres in MDRC445A. One hole, MDRC446, did not reach target depth, impeded by the volume of water encountered.

The second traverse of five RC drill-holes for an aggregate 800 metres drilled exceeded expectations. An interpreted steeply-dipping mineralised structure was intersected in three of the five holes drilled. Best results included:

- **12 metres at 3.00g/t Au** from 112 metres in MDRC585;
- **11 metres at 0.61g/t Au** from 58 metres in MDRC584; and
- **1 metre at 8.72g/t Au** from 10 metres in MDRC583.

Figure 9 below shows a cross-section of this newly identified mineralisation.

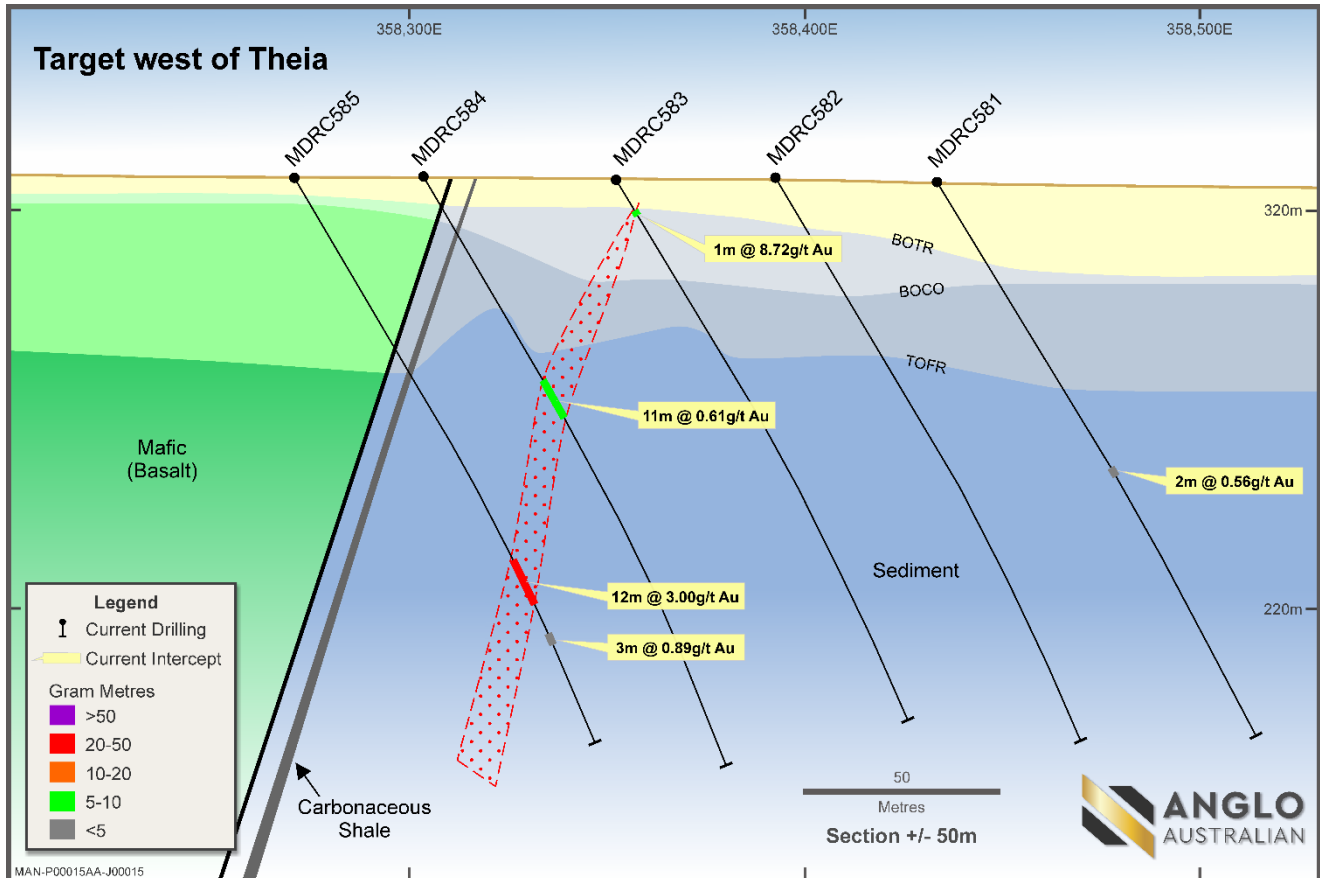


Figure 9 – Target west of Theia cross-section (refer Figure 3 for section location).

Additional drilling will be planned in this area to better understand the extent of this mineralised contact.

Air-Core Program

A total of 293 AC drill-holes were drilled over 15 traverses for an aggregate of 10,260 metres. Twelve traverses were drilled along strike to the north-west of Theia with four returning anomalous gold results. Three traverses were drilled along strike to the south-east of Eos, each of them returning significant gold anomalism. The AC assay results were released on 22 February 2022.

To the south-east and along strike from Eos, strong gold mineralisation has been identified in all three traverses drilled. Best results included:

- **28 metres at 1.38g/t Au** from 46 metres in MDAC276;
- **9 metres at 2.30g/t Au** from 50 metres in MDAC272;
- **14 metres at 0.95g/t Au** from 46 metres in MDAC278; and
- **4 metres at 1.61g/t Au** from 49 metres in MDAC274.

This gold mineralisation is potentially associated with an extension to the Eos paleochannel; however, the significant down-hole widths recorded, together with the logging completed, suggest gold mineralisation is also associated with in-situ oxidised/transitional zones below the palaeochannel. RC drilling is now being planned to test down-dip to determine whether the gold mineralisation extends into fresh rock.

To the north of Theia along the interpreted position of the sediment/intrusive contact, an area of low-level gold anomalism was also identified across four lines of AC drilling up to 900 metres north of the deposit. Best results included:

- **4 metres at 358ppb Au** from 40 metres in MDAC195;
- **5 metres at 295ppb Au** from 56 metres in MDAC197; and
- **9 metres at 99ppb Au** from 64 metres in MDAC158.

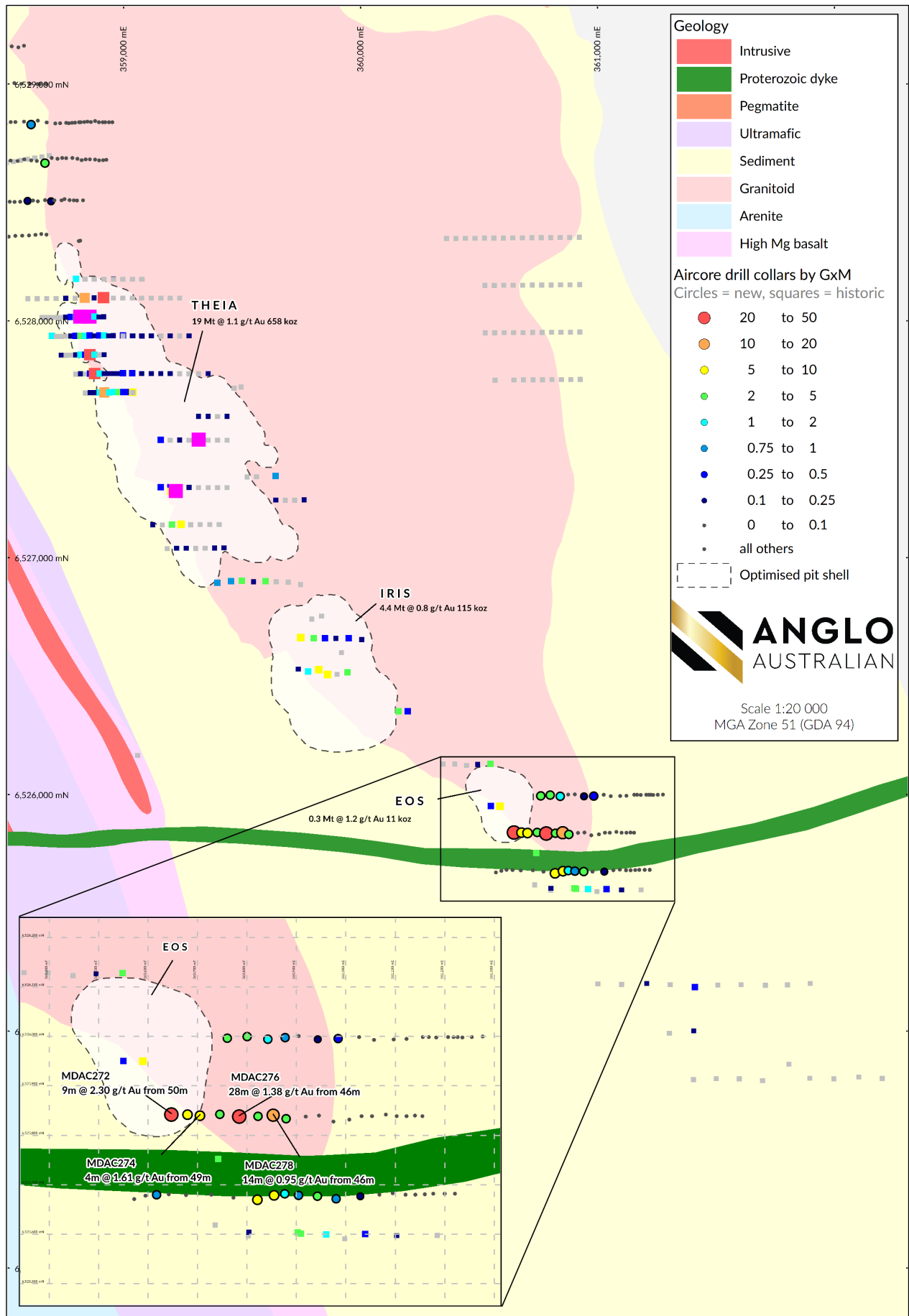


Figure 10 – Air-core collar locations south-east of Eos on local area geology for the Mandilla Gold Project.



Independent Geological Appraisal

An independent geological appraisal of the Theia and Iris mineralised setting, undertaken by consulting geologist Glen Brown, 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 results of this appraisal will be utilised with respect to the drilling programs undertaken during the half year and for future programs and to continually improve future MRE updates.

Current and Forward Plan

As at the release of this half-year report, there were 2,995 metres of diamond drilling yet to be assayed.

AC, RC and diamond drill programs as part of the 2022 work plan are currently being prepared.

The AC program will extend coverage of the completed 2021 program to the north and south of the recently discovered gold anomalism south-east of Eos.

RC drilling will be undertaken to test for both down-dip and along strike extensions of the basalt/sediment target west of Theia.

RC drilling will also test for primary fresh rock mineralisation associated with Eos and the newly discovered gold anomalism to the south-east. The RC drill rig will also be utilised to test for extensions to the high-grade mineralisation that appears associated with the sediment/intrusive contact at Iris.

Additional diamond drilling will be planned at Theia and Iris to better determine the plunge and dip of the cross-cutting structures that may be important in localising the high-grade zones of mineralisation. Upon receipt and interpretation of assays from the remaining 2,995 metres of drilling, diamond drilling will be planned to test both the continuity of mineralisation at depth and down-plunge to the west.

A close-spaced diamond drill program (20m x 20m over an 80m x 80m area) is also being planned to better understand the lateral continuity of high-grade shoots within Theia.

Figure 11 below sets out the indicative drill collar locations for the upcoming work program. Drilling is expected to resume in the first quarter of 2022.

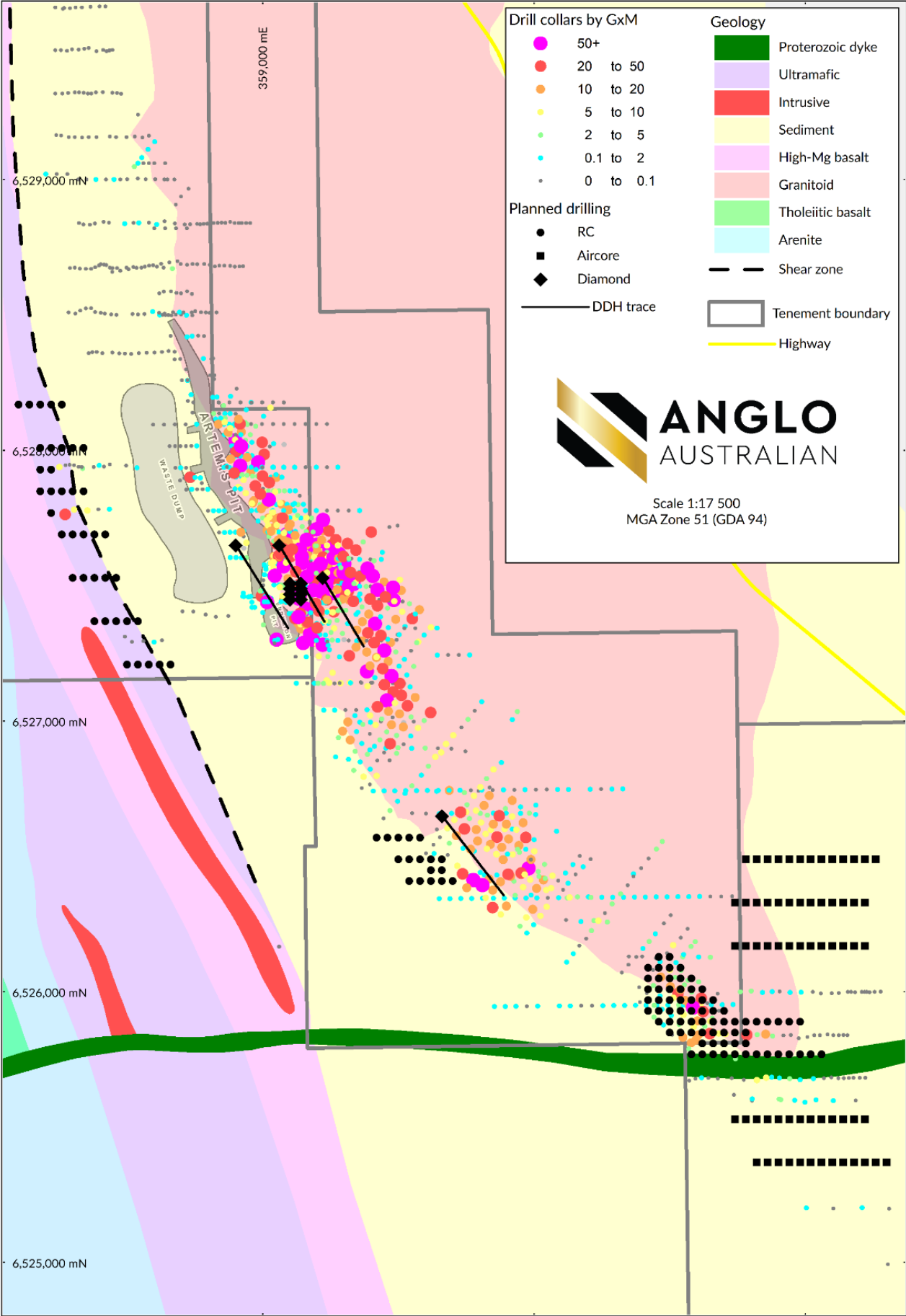


Figure 11 – Indicative drill collar locations for the future work program on Mandilla local area geology



Image 1 – Field staff logging diamond drill core in our Kambalda core yard.

Feysville Gold Project – WA

Feysville is located within the Archean Kambalda Domain in the Norseman-Wiluna belt of the Eastern Goldfields Province. Significant gold mineralisation occurs within the belt, including the 70Moz Golden Mile deposit 14km to the north and the St Ives goldfield to the south.

A maiden JORC Mineral Resource Estimate for Feysville was announced on 8 April 2019. The Mineral Resource Estimate, separately identifying Indicated and Inferred Resources for cut-off grades of 0.5, 0.8 and 1.0 g/t Au, is set out in Table 4.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	0.5 g/t Au cut-off	2,285,000	1.3	95,900
	0.8 g/t Au cut-off	1,541,000	1.6	80,700
	1.0g/t Au cut-off	1,214,000	1.8	71,400
Inferred	0.5 g/t Au cut-off	572,000	1.1	20,200
	0.8 g/t Au cut-off	416,000	1.3	17,000
	1.0g/t Au cut-off	299,000	1.4	13,600
TOTAL	0.5 g/t Au cut-off	2,857,000	1.3	116,100
	0.8 g/t Au cut-off	1,957,000	1.6	97,700
	1.0g/t Au cut-off	1,513,000	1.7	85,000

Table 4: Think Big Global Mineral Resource Estimate.



The Mineral Resource Estimate for the supergene enriched gold mineralisation (which is included within the Global estimate in Table 4) is set out in Table 5.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	0.5 g/t Au cut-off	279,000	2.2	20,100
	0.8 g/t Au cut-off	250,000	2.4	19,500
	1.0 g/t Au cut-off	209,000	2.7	13,300
	3.0 g/t Au cut-off	54,600	5.5	9,800

Table 5: Think Big Supergene Enriched Gold Mineral Resource Estimate (included in Global estimate in Table 4).

Current and Forward Plan

Upon receipt of the necessary approvals drilling will commence at Feysville. It is expected that initial exploration will commence with diamond drilling at Think Big to improve the structural understanding of this target. Following this, both aircore and RC drilling will commence focusing on the higher priority targets in the first instance. Internal resourcing is being increased to allow exploration activities at Feysville to be progressed simultaneously with activities at Mandilla.

Koongie Park Gold and Base Metals Project – WA

Koongie Park is situated in north-eastern Western Australia in the highly mineralised Halls Creek region. The Koongie Park project comprises 10 tenements (two mining leases and eight exploration licences) representing an area of over 500km².

Joint Venture Agreement (AAR – 25% participating interest)

On 8 February 2021, the Company entered into an earn-in and joint venture agreement (JVA) with AuKing Mining Limited (AKN) having the opportunity to earn up to a 75% interest in the Koongie Park Joint Venture (Joint Venture) by funding exploration and project development study expenditure of \$3 million over a three-year period, via two earn-in milestones.

AKN met the first earn-in milestone on 22 November 2021 and met the second earn-in milestone on 17 January 2022, taking its total Joint Venture interest to 75%.

During the half year, AKN released exploration results on 4 October 2021, 4 November 2021 and 30 November 2021, which included a number of high-grade base metals intersections.

Gold and Precious Metals Rights

AAR retains the right to explore for and develop gold and other precious metals deposits within the Koongie Park project area, including platinum group elements (PGE's). AAR is currently reviewing opportunities to create value for shareholders from the Koongie Park gold and precious metals rights, noting that the Company's ground position abuts the landholding of Pantoro Limited (ASX: PNR) where the discovery of significant platinum group mineralisation has recently been reported.



Image 2 - AKN diamond drilling activities at Sandiego.



Leonora Base Metals Project – WA

On 10 January 2022, after the end of the half-year, the Company executed an agreement with Ozz Resources Limited (ASX:OZZ) to dispose of its Leonora Base Metals Project, comprising of two exploration licences (E37/1287 and E37/1355). The Company received upfront consideration of \$30,000 in cash and 500,000 OZZ shares. A further 1 million OZZ shares will be issued to the Company in the event that OZZ announces a JORC compliant gold resource of greater than 50,000 ounces or when commercial mining commences.

Corporate

COVID-19

During the half-year, the Company continued to implement and maintain the necessary COVID-19 protocols to minimise the risk to 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.

Board Composition

The Company appointed Mr Justin Osborne as a non-executive director on 18 November 2021. Mr Osborne replaced Mr John Jones, who retired from the Board at the 2021 Annual General Meeting.

Mr Osborne is a highly experienced mining executive and exploration geologist with a career spanning more than 30 years and a strong gold pedigree. Justin played a pivotal role in leading the exploration team that drilled out the now Tier-1 Gruyere Gold Deposit in Western Australia with Gold Road Resources Limited (Gold Road).

Mr Osborne was one of two executive directors at Gold Road that led the company from the discovery of the world-class Gruyere Gold Deposit to become a successful gold producer and ASX-200 company with a market capitalisation of over \$1.1 billion.

Prior to his time at Gold Road, Mr Osborne held senior roles with Gold Fields Ltd, including Vice President Development Strategy – Growth & International Projects and General Manager – Near Mine Exploration (International Operations), as well as a lengthy career with WMC Limited.

Mr Osborne currently holds non-executive directorships with both Matador Mining Limited (ASX: MZZ) and Hamelin Gold Limited (ASX: HMG).

Issued Capital

During the half-year, a total of 7,170,855 fully paid ordinary shares were issued comprising:

- Prior to 30 June 2021, 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. The Performance Rights were converted to 7,170,855 fully paid ordinary shares on 7 July 2021.

The following additional securities were issued during the half-year:

- On 19 November 2021, 3,000,000 unquoted options were issued to a nominee of Mr Osborne, in connection with his appointment as a non-executive director. The options are exercisable at \$0.119 and expire on 19 November 2023. The options were issued under the Company's Employee Incentive Plan.

Significant Change in State of Affairs

Other than stated above, there were no significant changes in the state of affairs of the Group during the half year.

Matters Subsequent to Reporting Date

On 10 January 2022, the Company executed an agreement with OZZ Resources Limited (ASX:OZZ) to dispose of its Leonora Base Metals Project, comprising two exploration licences (E37/1287 and E37/1355). The Company received upfront consideration of \$30,000 in cash and 500,000 OZZ shares. A further 1 million OZZ shares will be issued to the Company in the event that OZZ announces a JORC compliant gold resource of greater than 50,000 ounces or when commercial mining commences.

On 4 February 2022, AuKing Mining Limited (AuKing) announced that it had completed the second earn-in milestone under the Koongie Park Joint Venture Agreement with the Company. The second earn-in milestone was achieved on 17 January 2022. AuKing now holds a 75% project interest. The Company retains the right to explore for and develop gold and other precious metals deposits within the Koongie Park project area.

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



Schedule of Mining Tenements

Mining tenements held at the end of the half year 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	Widgie Nickel Limited 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	100%	Granted	Anglo Australian Resources NL
Feysville (Western Australia)	P26/3943-3944 P26/3947-3951 P26/4051-4052 P26/4390	100%	Granted	Feysville Gold Pty Ltd
	M26/846	-	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



Compliance Statement

The information in this Report that relates to Estimation and Reporting of Mineral Resources for the Mandilla Gold Project 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 Report of the matters based on the information in the form and context in which it appears.

The information in this 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 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 Report of the material based on this information, in the form and context in which it appears.

The information in this report that relates to Mineral Resources for the Feysville Gold Project was first reported in accordance with JORC 2012 on 8 Apr 2019. The Company confirms that it is not in possession of any new information or data relating to these historical Mineral Resource estimates that materially impacts on the accuracy or reliability of these historical estimates. The Company also confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.



Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the Corporation Act 2001 is included within this financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Marc Ducler
Managing Director

Perth, Western Australia, 9 March 2022

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF ANGLO AUSTRALIAN RESOURCES NL

As lead auditor for the review of Anglo Australian Resources NL for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Anglo Australian Resources NL and the entities it controlled during the period.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 9th March 2022



Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half year ended 31 December 2021

		Half-year ended	
	Note	31-Dec-2021 \$	31-Dec-2020 \$
Revenue from continuing operations			
Other income	3	16,068	54,187
Consultants and advisors	4	(25,293)	(86,361)
Corporate costs	4	(212,753)	(176,128)
Depreciation and amortisation expense		(41,281)	(37,277)
Employee benefit expense	4	(494,099)	(370,901)
Exploration expenditure not capitalised	10	(17,935)	(10,072)
General and administrative expenses		(70,371)	(62,183)
Impairment expense	10	(2,154)	(262,346)
Interest expense		(1,631)	(3,384)
Investor relations		(58,220)	(59,062)
Loss on financial liabilities settled via equity		-	(28,571)
Occupancy costs		(7,300)	1,777
Share based payment expense	9	(366,181)	(326,640)
Loss before income tax expense		(1,281,150)	(1,366,961)
Income tax expense		-	-
Loss after income tax for the period		(1,281,150)	(1,366,961)
Other Comprehensive Loss			
<i>Items that may be reclassified to profit or loss</i>			
Exchange difference on translation of foreign operations		-	-
Other comprehensive loss for the period, net of tax		(1,281,150)	(1,366,961)
Total comprehensive profit/(loss) for the period		(1,281,150)	(1,366,961)
Total comprehensive loss attributable to equity holders of the Company		(1,281,150)	(1,366,961)
Loss per share attributable to ordinary equity holders			
Basic and diluted loss per share (cents)		(0.21)	(0.28)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



Consolidated Statement of Financial Position

As at 31 December 2021

	Note	31-Dec-2021 \$	30-Jun-2021 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	6,117,881	9,807,468
Trade and other receivables	6	250,988	75,683
Total current assets		6,368,869	9,883,151
Non-current assets			
Property, plant and equipment		76,218	83,015
Exploration and evaluation expenditure	10	16,489,869	13,227,016
Right of use assets	13	23,837	58,321
Total non-current assets		16,589,924	13,368,353
TOTAL ASSETS		22,958,793	23,251,503
LIABILITIES			
Current liabilities			
Trade and other payables	11	994,525	369,532
Employee benefits	12	197,523	161,343
Lease liabilities	13	8,573	45,173
Total current liabilities		1,200,621	576,048
Non-current liabilities			
Lease liabilities	13	16,475	18,788
Provisions		99,020	99,020
Total non-current liabilities		115,495	117,808
TOTAL LIABILITIES		1,316,115	693,586
NET ASSETS		21,642,678	22,557,647
EQUITY			
Issued capital	7	57,438,927	56,409,068
Reserves	8	2,330,697	2,994,375
Accumulated losses		(38,126,946)	(36,845,796)
TOTAL EQUITY		21,642,678	22,557,647

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



Consolidated Statement of Changes in Equity

For the half year ended 31 December 2021

	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2021	56,409,068	2,994,375	(36,845,796)	22,557,647
Total comprehensive loss for the period				
Loss for the period ended 31 December 2021	-	-	(1,281,150)	(1,281,150)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year	-	-	(1,281,150)	(1,281,150)
<i>Transactions with owners, directly recorded in equity:</i>				
Issue of ordinary shares (net of costs)	-	-	-	-
Conversion of vested performance rights	1,029,859	(1,029,859)	-	-
Issue/vesting of performance rights	-	283,393	-	283,393
Issue/vesting of options	-	82,788	-	82,788
Balance at 31 December 2021	57,438,927	2,330,697	(38,126,946)	21,642,678

	Issued capital \$	Share-based payment reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2020	43,575,908	1,089,936	(33,176,230)	11,489,614
Total comprehensive loss for the period				
Loss for the period ended 31 December 2020	-	-	(1,366,961)	(1,366,961)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive loss for the year	-	-	(1,366,961)	(1,366,961)
<i>Transactions with owners, directly recorded in equity:</i>				
Issue of ordinary shares (net of costs)	12,835,962	-	-	12,835,962
Issue/vesting of performance rights	-	287,893	-	287,893
Issue/vesting of options	-	345,973	-	345,973
Balance at 31 December 2020	56,411,870	1,723,802	(34,543,191)	23,592,481

The above Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.



Consolidated Statement of Cash Flows

For the half year ended 31 December 2021

	31-Dec-2021 \$	31-Dec-2020 \$
Cash flows from operating activities		
Cash receipts from customers and ATO	-	122,076
Payments to suppliers and employees	(889,303)	(615,144)
Net cash outflow from operating activities	(889,303)	(493,068)
Cash flows from investing activities		
Payments for property, plant and equipment	(28,072)	-
Proceeds from Koongie Park Deposit	-	100,000
Exploration and evaluation expenditure	(2,747,735)	(3,207,745)
Interest received	16,068	16,687
Net cash outflow from investing activities	(2,759,739)	(3,091,058)
Cash flows from financing activities		
Proceeds from share issue, net of share issue costs	-	13,518,492
Share issue costs	-	(603,876)
Repayment of principal portion of lease liabilities	(38,914)	(31,116)
Interest paid	(1,631)	(3,384)
Net cash inflow/(outflow) from financing activities	(40,545)	12,880,116
Net increase/(decrease) in cash and cash equivalents	(3,689,587)	9,295,990
Cash and cash equivalents at beginning of the financial period	9,807,468	3,401,903
Cash and cash equivalents at end of the period	5 6,117,881	12,697,893

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



Notes to the Consolidated Financial Statements

For the half year ended 31 December 2021

1. Summary of significant accounting policies

Basis of preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Anglo Australian Resources NL during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

These consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2021.

Statement of Compliance

The interim financial statements were authorised for issue on 9 March 2022.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

2. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. The Group has determined that it has one operating segment, being mineral exploration and development.



3. Other income

	31 December 2021	31 December 2020
	\$	\$
Bank interest	16,068	16,687
Government grant income	-	37,500
	16,068	54,187

Government grant income relates to the Australian Taxation Office (ATO) cash boost stimulus measure introduced during the COVID-19 pandemic.

4. Expenses

Loss before income tax for the half year includes the following specific items:

	31 December 2020	31 December 2020
	\$	\$
Consultants and advisors		
Accounting and secretarial	16,540	13,385
Legal	8,753	72,976
	25,293	86,361
Corporate costs		
Compliance costs	46,305	45,913
Directors' fees	132,316	110,002
Due diligence costs	13,606	-
Share registry costs	20,526	20,213
	212,753	176,128
	31 December 2021	31 December 2020
	\$	\$
Employee benefit expense		
Employee expenses (including employment related expenses)	705,540	583,441
Payroll tax	52,280	15,578
Superannuation	69,728	55,222
	827,548	654,241
Capitalised as exploration and evaluation expenditure	(333,449)	(283,340)
	494,099	370,901

5. Cash and cash equivalents

	31 December 2021	30 June 2021
	\$	\$
Cash at bank and in hand	6,117,881	9,807,468

Cash at bank and in hand earns interest at both floating rates based on daily bank rates and fixed rate term deposits. The Company notes that \$21,414 (included in the Cash at bank and in hand amount) is held as a guarantee with National Australia Bank for the Company's lease agreement for its premises at Suite 2, 6 Lyall Street, South Perth, which commenced on 1 January 2022.



6. Trade and other receivables

	31 December 2021	30 June 2021
	\$	\$
Current		
Rental deposits	11,224	11,224
GST receivable	201,051	51,702
Prepayments	37,092	12,757
Sundry debtors	1,621	-
	250,988	75,683

7. Contributed equity

(a) Issued and fully paid

	31 December 2021		30 June 2021	
	No.	\$	No.	\$
Ordinary shares	596,179,239	57,438,927	589,008,384	56,409,068

(b) Movement reconciliation

Ordinary Shares	No. of Shares		\$	
Opening Balance at 1 July 2021	589,008,384		56,409,068	
Exercise and conversion of performance rights	7,170,855		1,029,859	
Share issue costs	-		-	
Closing Balance at 31 December 2021	596,179,239		57,438,927	

8. Share-based payment reserve

	31 December 2021	30 June 2021
	\$	\$
<i>Share-based payment reserves</i>		
Options reserve (i)	1,620,336	1,537,548
Performance rights reserve (ii)	710,361	1,456,827
	2,330,697	2,994,375

(i) Options reserve

The option reserve recognises options issued as share-based payments. The following options were issued during the half year.

	Number	\$
Opening Balance at 1 July 2021	13,500,000	1,537,548
Expiry of options	(1,250,000)	-
Options issued to Director	3,000,000	75,164
Share based payments expense (options issued prior to 1 July 2021)	-	7,624
Closing Balance at 31 December 2021	15,250,000	1,620,336

On 19 November 2021, the Company issued 3,000,000 unquoted options exercisable at \$0.119 expiring 19 November 2023 to Mr Justin Osborne, in connection with his appointment as non-executive director.

On 31 December 2021, 1,250,000 unquoted options exercisable at \$0.133 expired unexercised.



(ii) Performance rights reserve

The share-based payment reserve recognises performance rights issued as share-based payments. The following performance rights were issued during the prior year:

	Number	\$
Opening Balance at 1 July 2021	16,507,649	1,456,827
Conversion of vested performance rights	-	(1,029,859)
Share based payment expense (rights issued prior to 1 July 2021)	-	283,393
Closing Balance at 31 December 2021	16,507,649	710,361

9. Share based payments

(a) Employee Incentive Plan

The establishment of the Company's Employee Incentive Plan (the Plan) was approved by shareholders at a general meeting held on 16 June 2020. The Plan is intended to assist the Company to attract and retain key staff, including employees or contractors. The Board believes that grants made to eligible participants under the Plan will provide a powerful tool to underpin the Company's employment and engagement strategy.

Under the Plan, eligible Directors, employees and contractors may be invited to subscribe for Options and Performance Rights, in order to increase the range of potential incentives available for eligible Directors, employees and contractors. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Incentive securities (performance rights and options) issued under the Plan are subject to vesting and performance conditions imposed by the Board. Incentive securities granted under the plan carry no dividend or voting rights. Only upon satisfaction of vesting and performance conditions and conversion to ordinary shares, will these incentive securities rank equally with all other shares.

(b) Unlisted options

Options over ordinary shares have been issued for nil cash consideration. The options cannot be transferred and will not be quoted on the ASX. Therefore, no voting rights are attached to the options unless converted into ordinary shares. All options are granted at the discretion of the Board. The terms and conditions of options on issue at 31 December 2021 are as follows:

Tranche	Number	Grant Date	Expiry Date	Exercise Price	Fair Value at Grant Date	Vesting Date
E	1,000,000	2-Dec-19	27-Nov-22	\$0.135	\$0.0359	2-Dec-19
F	1,000,000	2-Dec-19	27-Nov-22	\$0.135	\$0.0359	27-Nov-20
G	1,000,000	2-Dec-19	27-Nov-22	\$0.135	\$0.0359	27-Nov-21
I	1,250,000	6-Mar-20	31-Dec-22	\$0.150	\$0.0425	6-Aug-20
J	2,000,000	9-Oct-20	07-Oct-22	\$0.213	\$0.0586	9-Oct-20
K	6,000,000	25-Sep-20	31-Dec-22	\$0.340	\$0.0512	25-Sep-20
L	3,000,000	17-Nov-21	19-Nov-23	\$0.119	\$0.0251	17-Nov-21
Total	15,250,000					

There have been no alterations of the terms and conditions of the above share-based payment arrangement since grant date.

The fair values of the equity settled share options granted are estimated as at the date of the grant using the Black-Scholes model taking into account the terms and conditions upon which the options were granted.

The terms and conditions of each grant of unquoted options granted during the half-year are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
L	Director Options	17-Nov-21	3,000,000	\$0.119	19-Nov-23	Immediate



The Options were valued using a Black-Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options (\$)	Total Value (\$)
L	17-Nov-21	67%	0.16%	19-Nov-23	\$0.09	\$0.025	\$75,164

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

(c) Performance Rights

No performance rights were granted during the half-year.

(d) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of share-based expense were as follows:

	31 December 2021	31 December 2020
	\$	\$
Performance rights issued to eligible employees under the Plan	283,393	287,892
Options issued to director(s)	82,788	24,103
Options issued to eligible employees under the Plan	-	14,645
	366,181	326,640

10. Exploration & evaluation expenditure

	31 December 2021	30 June 2021
	\$	\$
Non-current		
Exploration and evaluation – at cost	16,489,869	13,227,016

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	31 December 2021	30 June 2021
	\$	\$
Movement		
Opening balance	13,227,016	8,281,952
Expenditure capitalised during the period	3,284,076	5,558,713
Consideration to extinguish third-party royalties	-	741,360
Impairment expense	(21,223)	(464,190)
Revaluation of rehabilitation provision	-	9,180
Deposit – Koongie Park farm-out transaction	-	(900,000)
Total exploration & evaluation expenditure	16,489,869	13,227,016
Comprised of:		
Mandilla Gold Project	12,355,273	9,090,954
Feysville Gold Project	3,511,258	3,460,145
Koongie Park Gold and Base Metals Project	623,337	675,917
Leonora Project	-	-
Carnilya Hill Project	-	-
	16,489,869	13,227,016

Impairment / Write Off:

Mandilla Gold Project	(1,935)	-
Feysville Gold Project	(1,966)	(192,691)
Koongie Park Gold and Base Metals Project	(9,746)	(252,110)
Leonora Project	(2,154)	(13,753)
Carnilya Hill Project	(5,422)	(5,636)
	(21,223)	(464,190)

The ultimate recoupment of exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively sale of the respective areas. During the period, the Company assessed the carrying amount versus the recoverable amount of the areas of interest above. On the basis that a number of tenements had been relinquished and/or had no substantive expenditure budgeted or planned, the Group recorded an impairment charge of \$21,223 for the half year (half year ended 31 December 2020: \$262,346).

The Group's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to quantify whether such claims exist, or the quantum of such claims.

11. Trade and other payables

	31 December 2021	30 June 2021
	\$	\$
Current		
Trade payables	848,480	288,874
Accrued directors' fees	37,361	12,500
Other payables and accruals	108,684	68,158
Total trade and other payables	994,525	369,532

12. Employee benefits

	31 December 2021	30 June 2021
	\$	\$
Current		
Provision for annual leave	127,655	105,400
PAYG withholding	35,931	40,758
Superannuation payable	31,972	15,185
Total employee benefits	197,523	161,343



13. Leases

The Group leases land and buildings for its offices and regional operating bases, with lease agreements between one to five years with, in some cases, options to extend.

At the commencement date of a lease (other than leases of 12 months or less and lease of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

(a) Amounts recognised in the balance sheet

	31 December 2021	30 June 2021
	\$	\$
Right-of-use assets		
Land and buildings	23,837	58,321
Lease liabilities		
Current lease liabilities	8,573	45,173
Non-current lease liabilities	16,475	18,788
	25,048	63,961

(b) Amounts recognised in the statement of profit or loss

	31 December 2021	30 June 2021
	\$	\$
Depreciation charge of right-of-use assets		
Land and buildings	34,484	32,997
Interest expense	1,628	3,384

The total cash outflow for leases for the half year was \$40,545 (half year ended 31 December 2021: \$34,500).

14. Related parties

(a) Parent entity

Anglo Australian Resources NL is the ultimate Australian parent entity.

(b) Subsidiaries

The consolidated financial statements include the financial statements of Anglo Australian Resources NL and the subsidiaries listed in the following table.

	31 December 2021		31 December 2020		Principal Activity
	Country of Incorporation	% Equity Interest	Country of Incorporation	% Equity Interest	
Mandilla Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Feysville Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Koongie Park Gold Pty Ltd	Australia	100	Australia	100	Operating subsidiary
Koongie Park Pty Ltd	Australia	100	Australia	100	Operating subsidiary



(c) Key management personnel covered in this report are listed below in Figure 12 and Figure 13.

Figure 12: Directors (executive and non-executive)

Name	Position
Leigh Warnick	Chairman
Marc Ducler	Managing Director
Justin Osborne	Non-Executive Director (appointed 18 November 2021)
Peter Stern	Non-Executive Director
David Varcoe	Non-Executive Director
John Jones	Non-Executive Director (retired 16 November 2021)

Figure 13: Other key management personnel

Name	Position
Jed Whitford	General Manager Projects & Business Development
Brendon Morton	Chief Financial Officer & Company Secretary
Julie Reid	Geology Manager

Compensation

Remuneration arrangements of key management personnel are disclosed in the annual financial report. Other than as presented below, there were no material changes to key management personnel to that disclosed in the 2021 Annual Report.

Issue of Options

During the half year to 31 December 2021, the following securities were issued to key management personnel:

On 19 November 2021, the Company issued 3,000,000 unquoted options exercisable at \$0.119 expiring 19 November 2023 to Mr Justin Osborne, in connection with his appointment as non-executive director.

Refer to Note 9 for further details of options issued during the period.

15. Dividends

No dividends have been paid or declared since the start of the half-year, and none are recommended.

16. Fair value measurement of financial instruments

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amount of current receivables, current trade and other payables and current interest bearing liabilities is assumed to approximate their fair value.

17. Commitments

There are no new commitments that the Group has entered into during the period under review.



18. Contingent assets and liabilities

(a) Bank guarantees

The Group has given a bank guarantee at 31 December 2021 of \$21,414 (30 June 2021: \$51,365) to the lessor under its office lease (refer to Note 5).

(b) Other

There have been no other material changes in contingent liabilities or contingent assets since 30 June 2021.

19. Events subsequent to reporting date

On 10 January 2022, the Company executed an agreement with OZZ Resources Limited (ASX:OZZ) to dispose of its Leonora Base Metals Project, comprising two exploration licences (E37/1287 and E37/1355). The Company received upfront consideration of \$30,000 in cash and 500,000 OZZ shares. A further 1 million OZZ shares will be issued to the Company in the event that OZZ announces a JORC compliant gold resource of greater than 50,000 ounces or when commercial mining commences.

On 4 February 2022, AuKing Mining Limited (AuKing) announced that it had completed the second earn-in milestone under the Koongie Park Joint Venture Agreement with the Company. The second earn-in milestone was achieved on 17 January 2022. AuKing now holds a 75% project interest. The Company retains the right to explore for and develop gold and other precious metals deposits within the Koongie Park project area.

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



Director's Declaration

The directors of the Company declare that:

- (a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position as at 31 December 2021 and the performance for the half year ended 31 December 2021.
- (b) At the date of this statement, in the directors' opinion there are reasonable grounds to believe that Anglo Australian Resources NL 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 and is signed on behalf of the Directors by:

Marc Ducler
Managing Director

Perth, 9 March 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Anglo Australian Resources NL

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Anglo Australian Resources NL (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial 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*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Responsibility of the directors 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 internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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 other 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.

BDO Audit (WA) Pty Ltd



Dean Just

Director

Perth, 9th March 2022