

Quarterly Report

for the three months ended **30 June 2017**

Anglo Australian Resources NL

ASX Code: **AAR**
ACN: 009 159 077

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Capital Structure

258,339,441 ordinary shares
32,300,000 options (\$0.02, exp. 30/11/19)
37,200,000 options (\$0.02, exp. 30/11/20)
10,500,000 options (\$0.025, exp 30/11/20)
3,000,000 options (\$0.04, exp 30/11/20)

Board Members

John Jones
Executive Chairman

Peter Stern
Non-Executive Director

Graeme Smith
Director / Company Secretary



Summary & Highlights

EXPLORATION

Feysville

Three aircore drilling campaigns undertaken at Feysville Gold Project completed. Second round campaign identified significant new prospect named "Think Big" encompassing:

- 1 km long, +200ppb Au trend
- Including +1 g/t over 200m strike regolith anomaly
- 5m @ 3.57 g/t Au from 36m to 41m at FVA091
- 4m @ 1.75 g/t Au from 32m to 36m at FVA090

Third round aircore campaign involved 136 holes drilled for 4,643 metres, with average hole depth of 34.2 metres.

Results of third round campaign currently being reviewed and interpreted with an announcement due shortly.

Mandilla

Reconnaissance aircore drilling program undertaken to cover strike projection of Mandilla East mineralisation and bedrock gold mineralisation delineated in aircore and RC drilling to the south east.

28 holes drilled for 1,525 metres.

Results of campaign currently being reviewed and interpreted with an announcement due shortly.

Koongie Park Gold

Drilling preparations continuing.



Details

EXPLORATION

Feysville – WA

Anglo Australian - 100% interest (with two Mining Tenements under purchase option held by Anglo Australian)

The Feysville Project is located in Australia's premier gold belt, just 14 km south of the giant Golden Mile deposit (70 MOz) at Kalgoorlie (Figure 4). The belt extends for some 100 km along a NNW strike, and takes in major gold deposits at New Celebration (3 MOz), some 10 km south of Feysville, and the large St Ives field (+15 MOz) 30 to 60 km to the south. Numerous other economic gold deposits have also been discovered within the belt.

During the June quarter, the company undertook second and third round aircore drilling campaigns.

The focus of the campaigns was the Ethereal Shear Zone, identified late 2016.

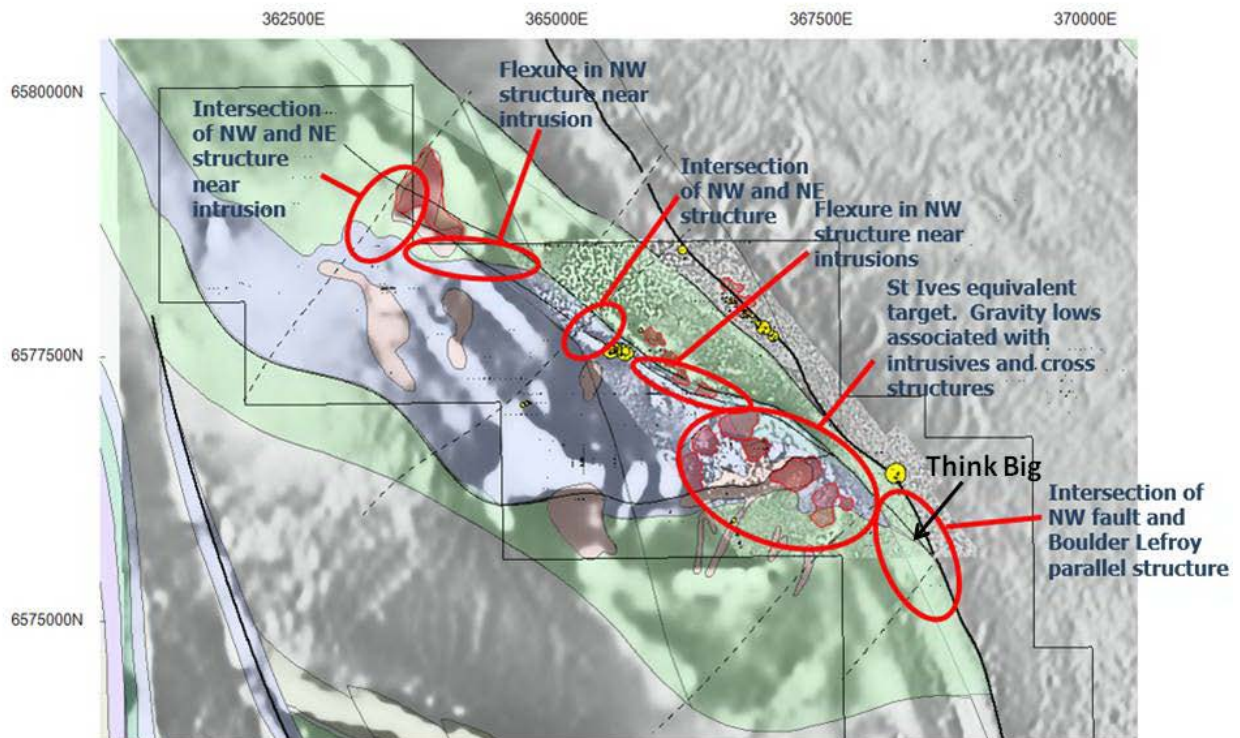


Figure 1: Feysville structural interpretation showing distribution of intrusions and target areas

Source: Terra Resources

Interpretation of the results of the second round aircore campaign resulted in the identification of a bedrock target of significant size situated towards the southern end of the Ethereal Shear Zone that is now referred to as the "Think Big" prospect, key features/ results of which include:

- +1km long, +200ppb Au trend
- Including +1g/t over 200m strike regolith anomaly
- 5m @ 3.57g/t AU from 36m to 41m at FVAO91
- 4m @ 1.75 g/t Au from 32m to 36m at FVAO90

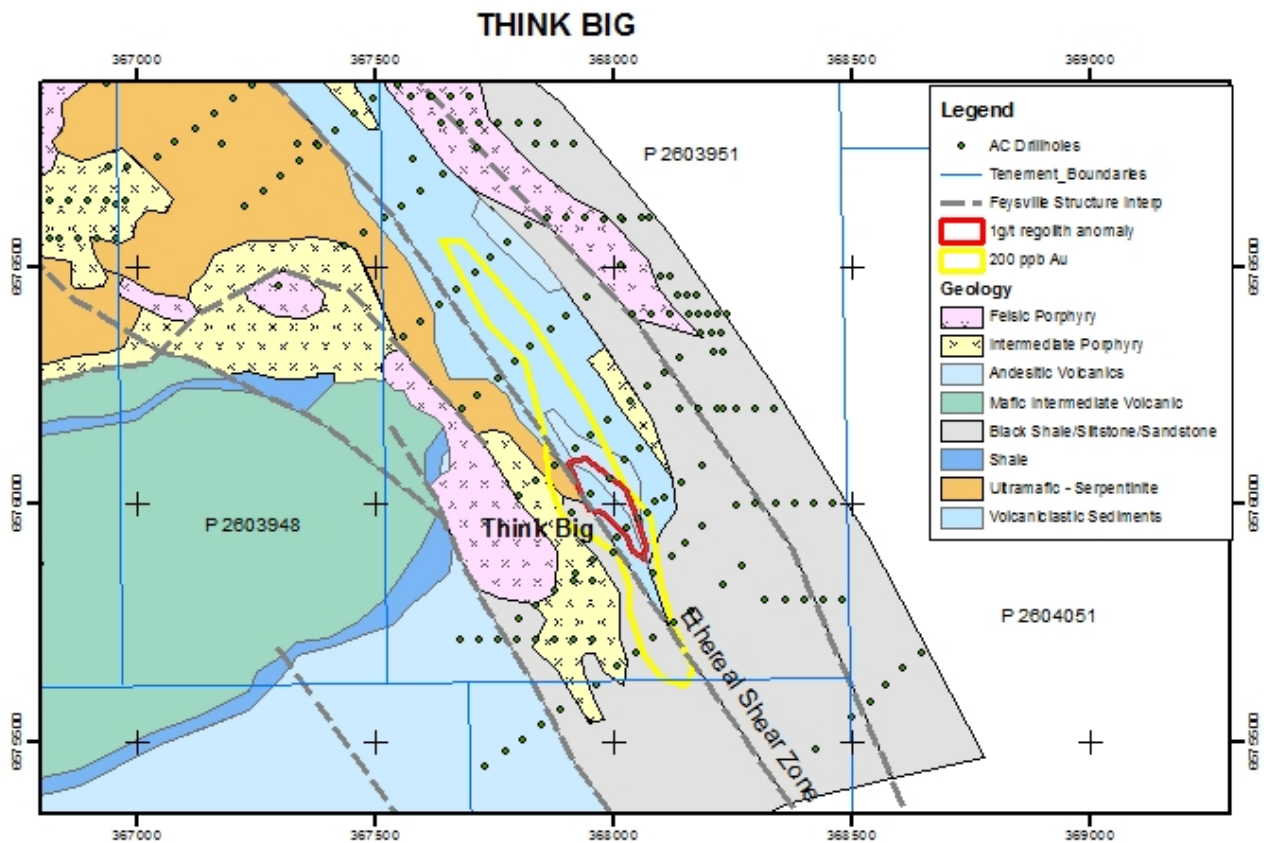


Figure 2. Geology showing location of Think Big with contoured gold results from aircore drilling rounds 1 & 2

Following on from the success of the second round aircore campaign, the company on 9 June commenced a third round aircore campaign, the aim of which was to further define Think Big as well as evaluate other targets within the company's Feysville tenements.

The second and third round campaign involved the drilling of 136 holes for 4,643 metres, with average hole depth 34.2 metres. Drilling traverses were positioned perpendicular to the strike of the shear zone with holes drilled at -60° towards 230° or 50°. All holes were drilled to blade refusal; however, on occasions, the AC hammer was used to penetrate harder rock.

Results of the third round aircore campaign were recently received by the company and are currently being reviewed and interpreted.

The company will announce the results in the week commencing 31 July 2017.

Mandilla Project – WA

Anglo Australian – 100%

Geology in the project area consists of a sequence of mafic and ultramafic rocks in contact with felsic volcanoclastic and sedimentary rocks of the Mandilla Formation. The sedimentary sequence is intruded by the Emu Rocks Granite. The western contact of the granite is faulted by an interpreted southern extension of a splay fault of the Zuleika Shear Zone, which hosts +1 million ounce deposits at Raleigh and Mt Marion.

At Mandilla East, the Company has identified a bed-rock gold Inferred Resource of 357,000 tonnes at 3.3 g/t Au for approximately 38,000 contained ounces. (ASX 13/06/13).

Previously, Anglo Australian achieved production of approximately 23,000 ounces of gold from an open-cut paleochannel. Results are pending and will be advised to the market when finalized.

Along strike and down dip from Mandilla East, a number of gold intersections in rotary air blast and aircore drill holes previously completed by Anglo Australian contain anomalous gold zones, the most notable being 2 metres at 6.21 g/t. (ASX 30/01/14).

During the quarter a reconnaissance Aircore Drilling program was undertaken to cover the strike projection of the Mandilla East mineralisation and bedrock gold mineralisation delineated in Aircore and RC drilling to the south east. A total of 28 holes, MNAC857 - 884 were drilled for 1525 metres.

Results of the campaign were recently received by the company and are currently being reviewed and interpreted.

The company will announce the results in the week commencing 31 July 2017.

Koongie Park Project – WA

Anglo Australian - 100% interest

The company holds a significant acreage position adjacent to the Nicolson's Gold Project (Pantoro Limited): 1.8 Mt @ 5.2 g/t for a total of 294,000 ounces.

The company is currently making preparation to undertake an aircore drilling campaign, most likely to commence later in 2017.

This will be the subject of a separate announcement as soon as the company's plans are finalized.

CORPORATE

During the quarter, the company issued 645,000 shares at an average deemed issue price of 4 cents per share as part consideration for provision of drilling services.

For further information:

John Jones – Chairman

Telephone: (08) 9322 1788

Compliance Statement

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by David Otterman, who is an independent consultant from DW Otterman Exploration Consultant.

Mr Otterman is a Fellow of The Australasian Institute of Mining and Metallurgy (CP) and a Member of the Australian Institute of Geoscientists (RP Geo).

Mr Otterman 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 Otterman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Otterman has disclosed to the reporting company the full nature of the relationship between himself and the company, including any issue that could be perceived by investors as a conflict of interest. He verifies that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in supporting documentation relating to Exploration Targets and Exploration Results.

SCHEDULE OF MINING TENEMENTS

Project	Tenement	Company Interest	Title Registered to
Western Australia			
Koongie Park	M80/276, 277 E80/4389,4766, 4957, 4960 5076,5087 P80/1802-10 P80/1831-1837	100%	Anglo Australian Resources NL
Feysville	P26/3684,3685 P26/3942 – 3951 P26/4051- 4052 P26/4074 – 4077	100%	Anglo Australian Resources NL
Mandilla	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Anglo Australian Resources NL
Leonora	E37/1047 P37/8355 E37/1287	100%	Anglo Australian Resources NL

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ANGLO AUSTRALIAN RESOURCES NL

ABN

24 009 159 077

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(198)	(510)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(60)	(251)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(258)	(761)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) 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		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		725
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		20
3.6	Repayment of borrowings	(14)	(84)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	(14)	661

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	452	280
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(258)	(761)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(14)	661
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	180	180

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	29	52
5.2 Call deposits	150	400
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)	179	452

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

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Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available

Add notes as necessary for an understanding of the position

8.1 Loan facilities

8.2 Credit standby arrangements

8.3 Other (please specify)

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

Loan from J Jones – unsecured, interest 6.5%pa

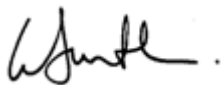
Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
100	

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	90 (net)
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	50
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	140

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E37/1287 P80/1831-1837	Acquisition	Nil	100%

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.



Sign here:
(Company secretary)

Date: ...28 July 2017.....

Print name:Graeme Smith.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly 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 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.