Quarterly Report

for the three months ended

31 December 2017

Anglo Australian Resources NL

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ACN: 009 159 077

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Capital Structure

300,759,687 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)
2,500,000 options ($0.04, exp 30/11/20)
8,950,000 options ($0.08, exp 30/11/20)

Board Members

John Jones
Executive Chairman

Peter Stern
Non-Executive Director

Graeme Smith
Director/ Company Secretary

SUMMARY & HIGHLIGHTS

EXPLORATION

Feysville – Think Big

- Excellent first-round RC drilling results at Think Big:
  - Significant NNW-striking zone of primary gold mineralisation of typically 1.0 to 1.7 g/t Au, but including higher grade zones, over a strike length of approximately 200 metres and widths of up to 50 metres (best result 49 metres at 1.71 g/t Au from 33 metres)
  - Bedrock target is open along strike, with more than 1 km of additional strike length at Think Big remaining to be RC drill-tested, and at depth, with a number of holes drilled ending in mineralisation
  - Primary mineralisation overlain by a sub-horizontal 50- to 100-metre-wide zone of higher-grade 3 to 12 g/t Au typically 2-metre+ thick supergene-enriched gold mineralisation (best result 10 metres at 8.3 g/t Au from 36 metres) under 20 to 30 metres of intensely leached saprolite which extends along strike for at least 400 metres and is open in both directions
- Diamond drilling campaign encompassing six holes – three deep holes part-funded by Department of Mines and Petroleum, and three diamond tails on previous RC holes – were completed. Assay results are awaited
- Second-round RC campaign recently completed at Think Big with the primary objective to infill and extend known supergene mineralisation on an 80- x 20-metre pattern. A total of 23 holes for 2,470 metres of drilling was completed; assay results are pending
- Third-round RC campaign of approximately 1,700 metres to commence shortly to test an additional 800-metre strike length of the Ethereal Shear Zone representing the northern end of Think Big

Mandilla

- Reconnaissance aircore drilling program undertaken at Mandilla South extends known gold mineralisation to >1.5 km in strike, 100-metre wide, generally at +1 g/t Au

Koongie Park

- Field program undertaken to evaluate prospective structural corridors and interpreted target areas

CORPORATE

- $1,500,000 raised through share placement to sophisticated investors
- Cash at 31 December 2017 of approximately $1.3 million
- Company's interests in Feysville Project transferred to new wholly-owned subsidiary, Feysville Gold Pty Ltd

Details

EXPLORATION

FEYSVILLE GOLD PROJECT – WA

Anglo Australian - 100% interest (with tenements under purchase option held by Anglo Australian)

The Feysville Gold Project is located in Australia's premier gold belt, approximately 14 km south of the giant Golden Mile deposit (70 MOz) at Kalgoorlie (Figure 1). 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.

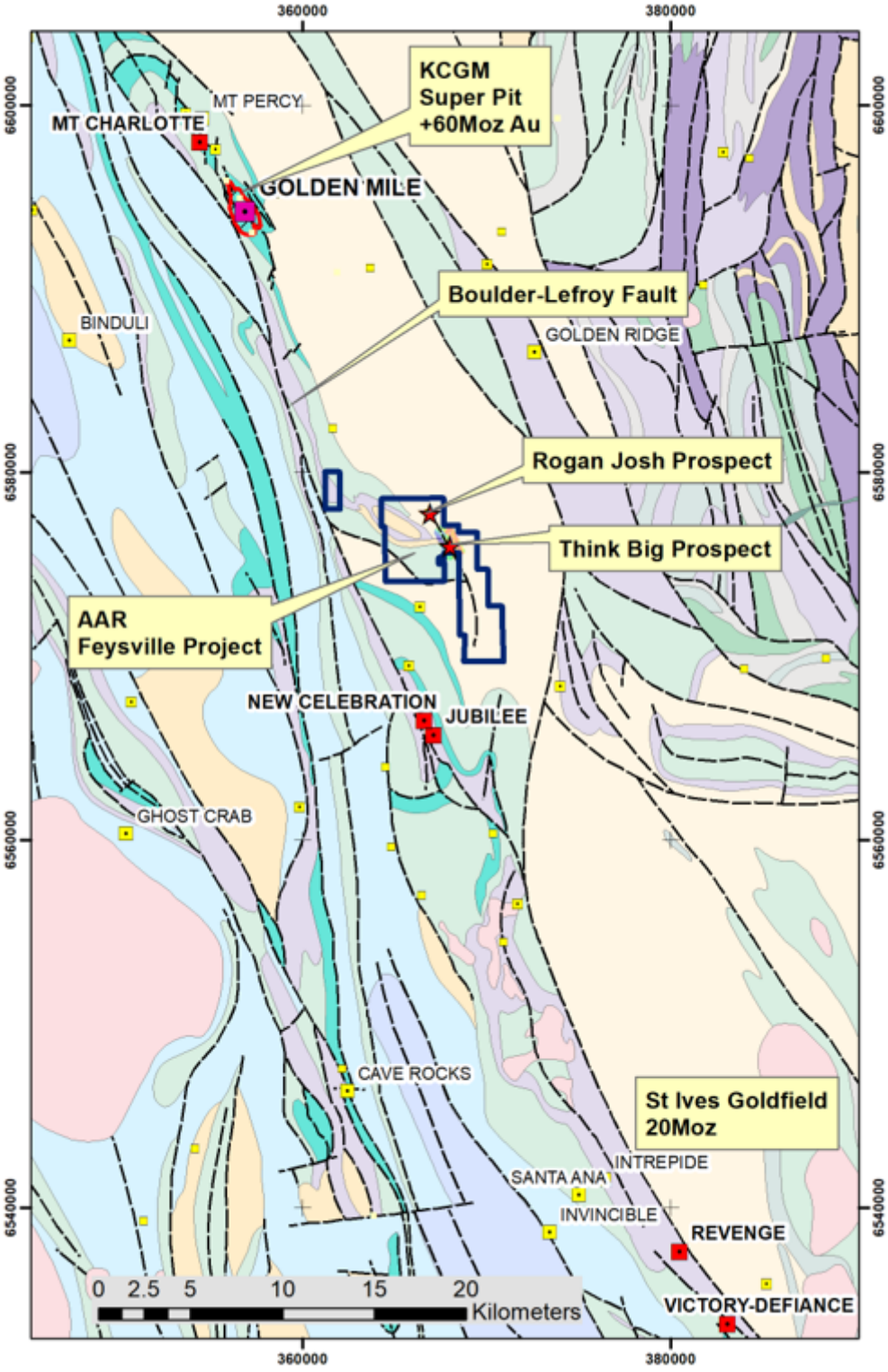


Figure 1: Feysville Gold Project Location Map

During the December Quarter, considerable activity took place at the Feysville Project.

In separate announcements of early October and early November, Anglo Australian announced the results of a reverse circulation ("RC") drilling campaign undertaken during August 2017.

The primary purpose of this campaign was to evaluate the Think Big Prospect which, through three aircore drilling campaigns undertaken by Anglo Australian earlier in 2017, had been shown to represent a 1.6+ km-long 100-ppb gold contour anomaly situated on the Ethereal Shear Zone, itself only identified during late 2016.

18 of the RC holes were drilled at Think Big, representing the first holes of this type drilled at the Prospect.

The holes, drilled over a strike length of approximately 500 metres, were oriented to the northeast to intersect interpreted steeply SW-dipping fabrics mapped in outcrop.

At Think Big, A significant NNW-striking zone of primary gold mineralisation was discovered over a strike length of approximately 200 metres and over widths of up to 50 metres.

The primary gold mineralisation is overlain by a supergene enriched gold zone at a depth of typically 20 to 30 metres.

Notable results within the bedrock mineralisation (with intersection widths stated) include:

- FRC002 intersected 49 metres at 1.71 g/t Au, including 18 metres at 2.76 g/t, from 33 metres
- FRC013 intersected 22 metres at 1.95 g/t Au from 38 metres
- FRC014 intersected 10 metres at 2.15 g/t Au from 77 metres. This hole was abandoned at 88 metres just after the hole penetrated what is interpreted to be the western contact of the basement zone
- FRC015 intersected 10 metres at 8.3 g/t Au from 36 metres demonstrating the potential for higher-grade near surface supergene mineralisation of significant width
- FRC016, the deepest hole drilled to date, intersected 2 zones of primary mineralisation including 13 metres at 1.67 g/t Au from 131 metres. The end of hole interval returned 11 metres at 3.18 g/t Au from 173 metres with the bottom 1-metre sample assaying 3.45 g/t Au

A plan view of prospects and RC drill holes completed at Think Big with drilling results overlain on an apparent resistivity image from a recently completed gradient array IP survey is set out in Figure 2.

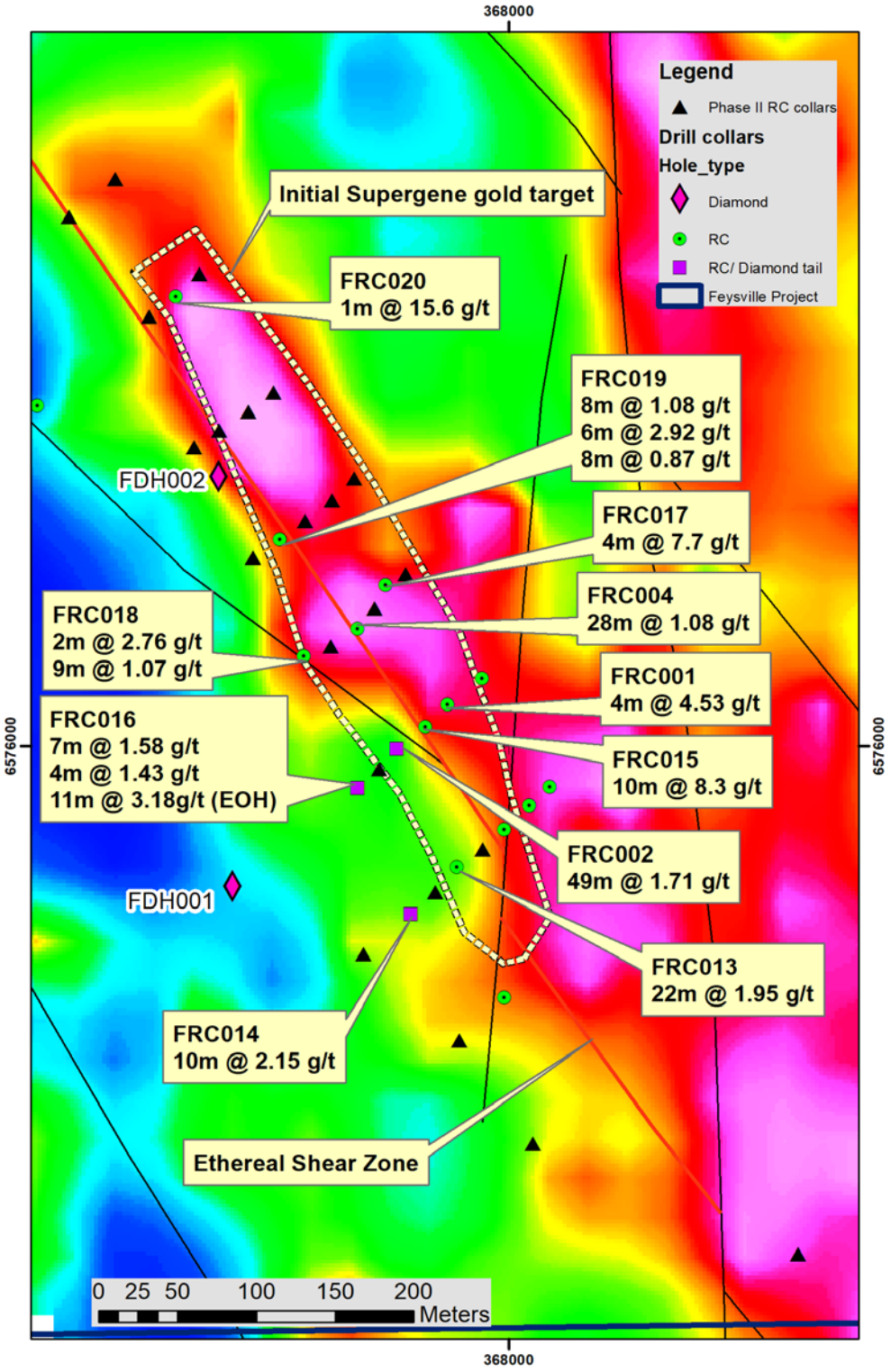


Figure 2: Phase 1 Think Big RC drilling results (min 5 gm metres) & showing recent diamond and RC program. Apparent resistivity image from Gradient Array IP is shown as the background. Note that high apparent resistivity appears as blue, whilst low apparent resistivity appears as red.

The plan illustrates that supergene enriched gold mineralisation, which occurs over a strike length of more than 400 metres, broadly follows a NNW-trending domain of low apparent resistivity and is parallel to and generally east of the interpreted position of the Ethereal Shear Zone.

The zone remains open to the NNW, with the northernmost hole FRC020 returning 1 metre @ 15.6 g/t Au from 34 metres depth, as well as to the SSE.

A cross section at Section 10700N illustrating the supergene-enriched zone overlaying a broad zone of bedrock mineralisation is set out below in Figure 3.

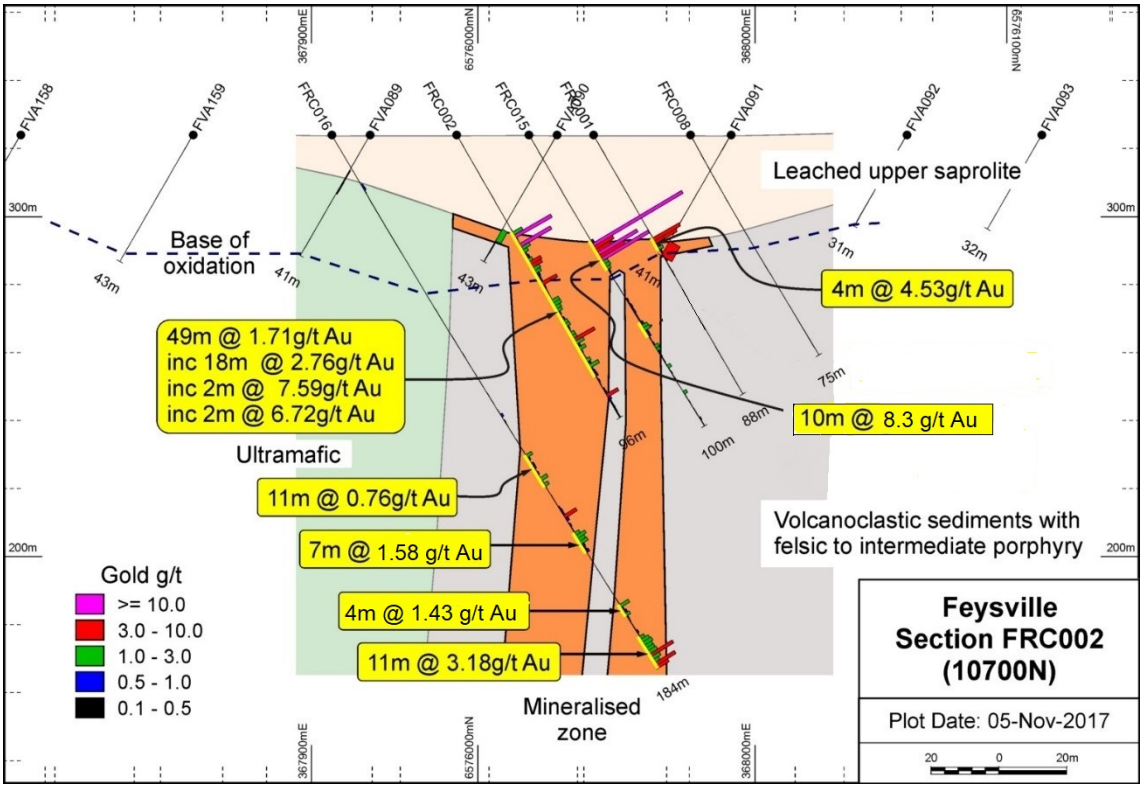


Figure 3: Interpreted geological cross section based on 1 metre samples at Section 10700N illustrating the supergene-enriched zone overlaying bedrock mineralisation of typically 50 metres in down hole length. FRC002 was abandoned short of target depth of 150 metres due to water inflow into the hole and subsequently completed as a diamond tail.

In addition to the RC drilling that took place at Think Big, seven other RC holes were drilled at Feysville – two at Rogan Josh, four at Kamperman and one at Dalray – for an aggregate 2,612 metres drilled.

Minor gold values were recorded from two NE-directed holes at Rogan Josh designed to "scissor" previous RC drilling. The lack of mineralisation in these holes suggests that primary mineralisation at Rogan Josh may dip to the east.

At Kamperman, anomalous gold was identified in four zones in FRC006, including 6 metres at 3.5 g/t Au from 49 metres, and in three zones in FRC009, including 4 metres at 3.12 g/t Au from 80 metres. The results are considered encouraging and warrant additional drilling to further define the orientation and continuity of gold mineralisation.

No significant values were recorded from the one hole at Dalray.

Following completion of the RC program, in mid-November, Anglo Australian announced the commencement of the inaugural diamond drilling campaign at Feysville.

The campaign, which involved the drilling of three deep holes – two at the Think Big Prospect and one at the Rogan Josh Prospect – had as its aim:

- To provide a better understanding of the geological setting of newly discovered mineralisation
- To assist in better targeting subsequent phases of exploration drilling
- To test for mineralisation at depth

The first deep hole at Think Big, FDH001, was drilled to a depth of 495 metres, and was designed to test a section some 150 vertical metres down-dip of FRC016.

The second diamond hole drilled at Think Big was positioned 220 metres to the north of FRC016 and completed at a depth of 300 metres.

The third deep hole was drilled at Rogan Josh, its purpose being to determine the nature of any primary mineralisation below a supergene gold enriched zone that has previously been identified at this Prospect.

These three deep holes were drilled with funding assistance to the maximum amount of $100,000 provided by the Department of Mines and Petroleum, Western Australia under its Exploration Incentive Scheme Co-funded Exploration Drilling Program.

However, prior to drilling these three deep holes, with the diamond drilling rig on site, Anglo Australian took the opportunity to re-enter and add diamond tails to three of the recently drilled RC holes at Think Big referred to above as follows:

- FRC002, which may not have penetrated through to the eastern boundary of primary gold mineralisation as per Figure 3, and was extended to a depth of 189 metres
- FRC014, which intersected 10 metres at 2.15 g/t Au from 77 metres, but was abandoned at 88 metres after the hole penetrated what is interpreted to be the western contact of the basement zone, and was extended to a depth of 225 metres
- FRC016, which, as discussed above, ended in gold mineralisation of 3.45 g/t Au, and was extended to a depth of 231 metres

An aerial photograph illustrating the diamond drill rig drilling the first hole at Think Big is set out below in Figure 4.

Figure 4: Aerial photograph of diamond drilling at Think Big. Note that the red soil landscape reflects the "swampy" nature of the terrain at Think Big. The hill on the horizon just to the right of centre is the Super Pit mullock heap, approximately 20 kilometres to the north.

Assay results from the diamond drilling campaign are expected to be received shortly.

In early December, Anglo Australian commenced a second-round RC drilling campaign at Think Big.

The campaign's aim was to confirm the presence and continuity of both bedrock and supergene mineralisation referred to in the discussion above. Approximately 20 holes of an average 100 metres vertical depth are planned over a 500-metres strike length on an 80- x 20-metre pattern.

If successful, this work should form the basis for calculating an initial Inferred Resource at Think Big and demonstrate the commercial potential of the Prospect.

The drilling campaign was completed mid-January 2018. Once again, assay results are expected to be received shortly.

Anglo Australian is currently finalising the scope of approximately 1,700 metres of a third-round RC campaign at Think Big which is to commence shortly.

Like the second-round campaign, the third-round campaign's aim is to confirm the presence and continuity of both bedrock and supergene mineralisation, with the area under investigation representing a proposed 800-metre strike length immediately to the north-west of that conducted previously, and is aimed at testing coincident IP resistivity low trend and 0.1 - 0.5g/t gold anomalism intersected in initial aircore drilling along the interpreted Ethereal Shear Zone.

Once completed, 90% of the +1.6 km Think Big anomaly defined by aircore drilling will have been tested by RC drilling at drill spacing of from 80 x 20 metres up to 160 x 40 metres. Additional follow-up of any favourable second-round drilling results will be added to this drill program as warranted.

MANDILLA GOLD PROJECT – WA

Anglo Australian – 100%

The Mandilla Project is located approximately 20 km south-east of Kambalda, Western Australia.

At Mandilla, Anglo Australian has previously achieved production of approximately 23,000 ounces of gold from an open-cut palaeochannel.

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

Moreover, at Mandilla South, along strike and down dip from Mandilla East, gold intersections were recorded in wide spaced traverses of RC and Aircore drill holes previously completed by Anglo Australian, the most notable being 2 metres at 6.2 g/t (ASX 30/01/14). These features are variously illustrated in Figure 5.

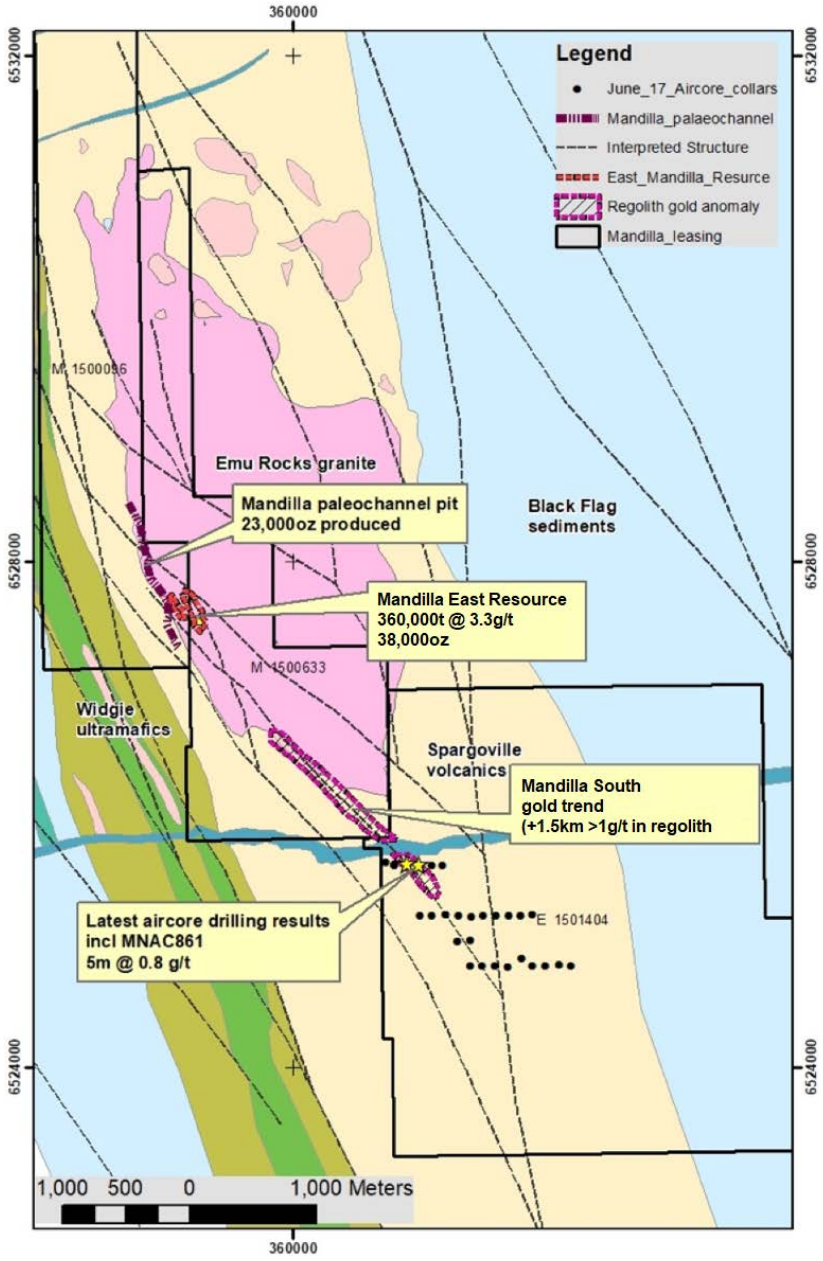


Figure 5: Mandilla Project tenement map illustrating key geological features.

As announced to the market on 4 August 2017, earlier this year, the Company undertook an aircore drilling campaign on the recently granted Exploration Licence 15/1404 to test for a south-east continuation of Mandilla South.

Specifically, the program involved some 28 holes along (essentially) three 400-metre-spaced traverses for an aggregate 1,525 metres, with an average depth of approximately 55 metres per hole.

During the December Quarter, Anglo Australian announced that, having now more fully evaluated the results, the drill program successfully extended the mineralised trend for an additional 500 metres, such that the Mandilla South weathered bedrock target now extends along the NW-SE strike for more than 1.5 km and with a width of typically 100 metres, with gold values exceeding 1 g/t recorded in most of the holes along the trend.

The gold values returned indicate a likely supergene-enriched gold zone at a vertical depth of from 40 to 50 metres.

The Mandilla South target, identified by way of significant drilling results from both the latest and previous drilling programs (RC results highlighted in red, aircore results in yellow), is illustrated below in Figure 6.

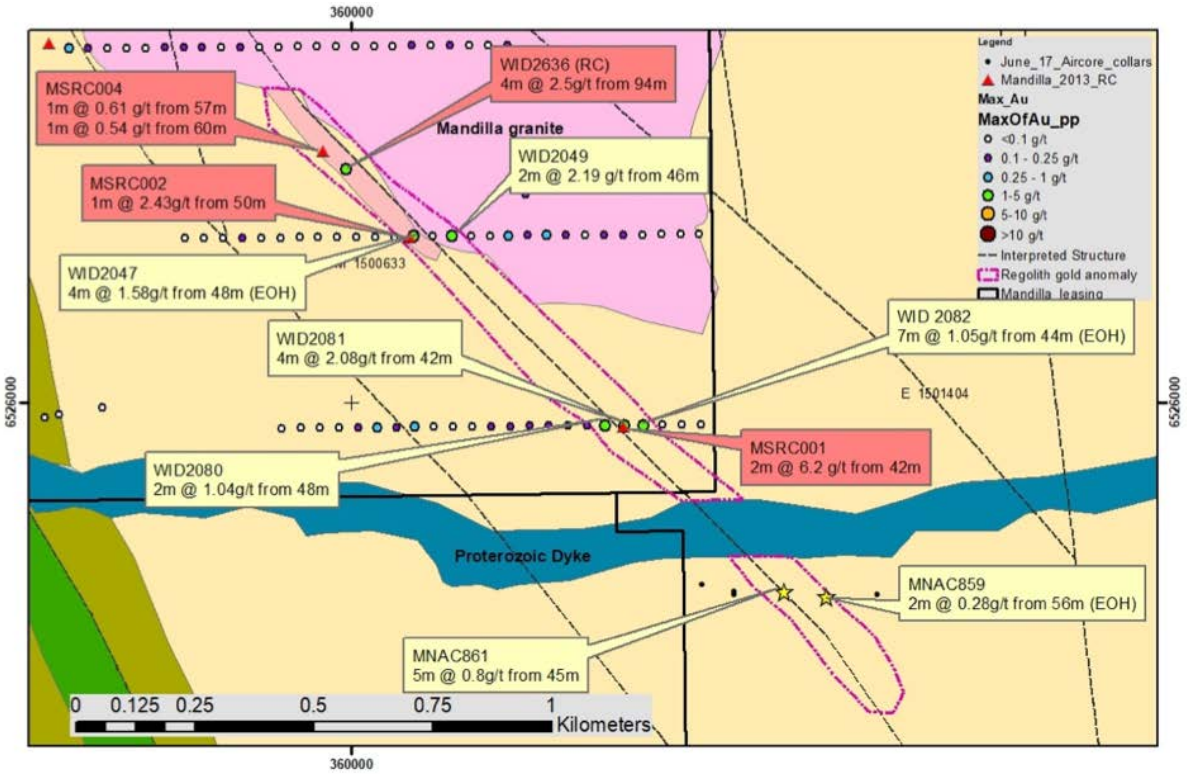


Figure 6: Map illustrating Mandilla South target, drilling results and key geological features.

Anglo Australian considers Mandilla South to be a high priority target for further exploration.

KOONGIE PARK GOLD AND BASE METALS PROJECT – WA

Anglo Australian - 100% interest

The Koongie Park Project is situated 20 km to the south west of Halls Creek in the Eastern Kimberley region of Western Australian, illustrated in Figure 7.

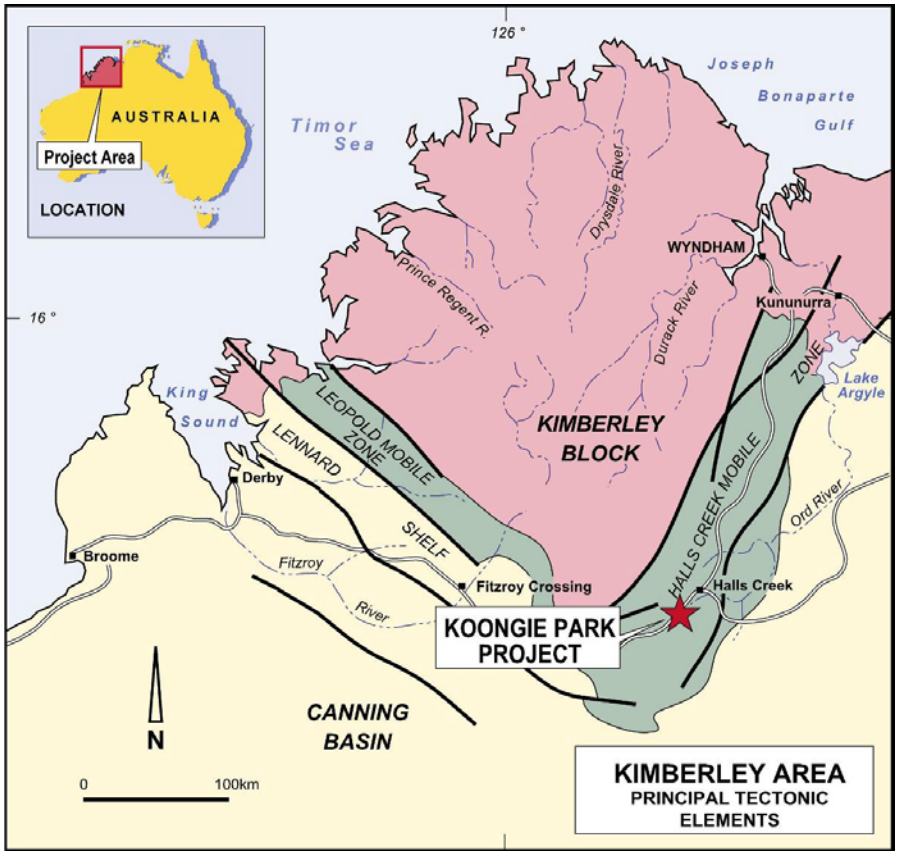


Figure 7: Koongie Park location map.

Anglo Australian holds a significant tenement position, illustrated in Figure 8.

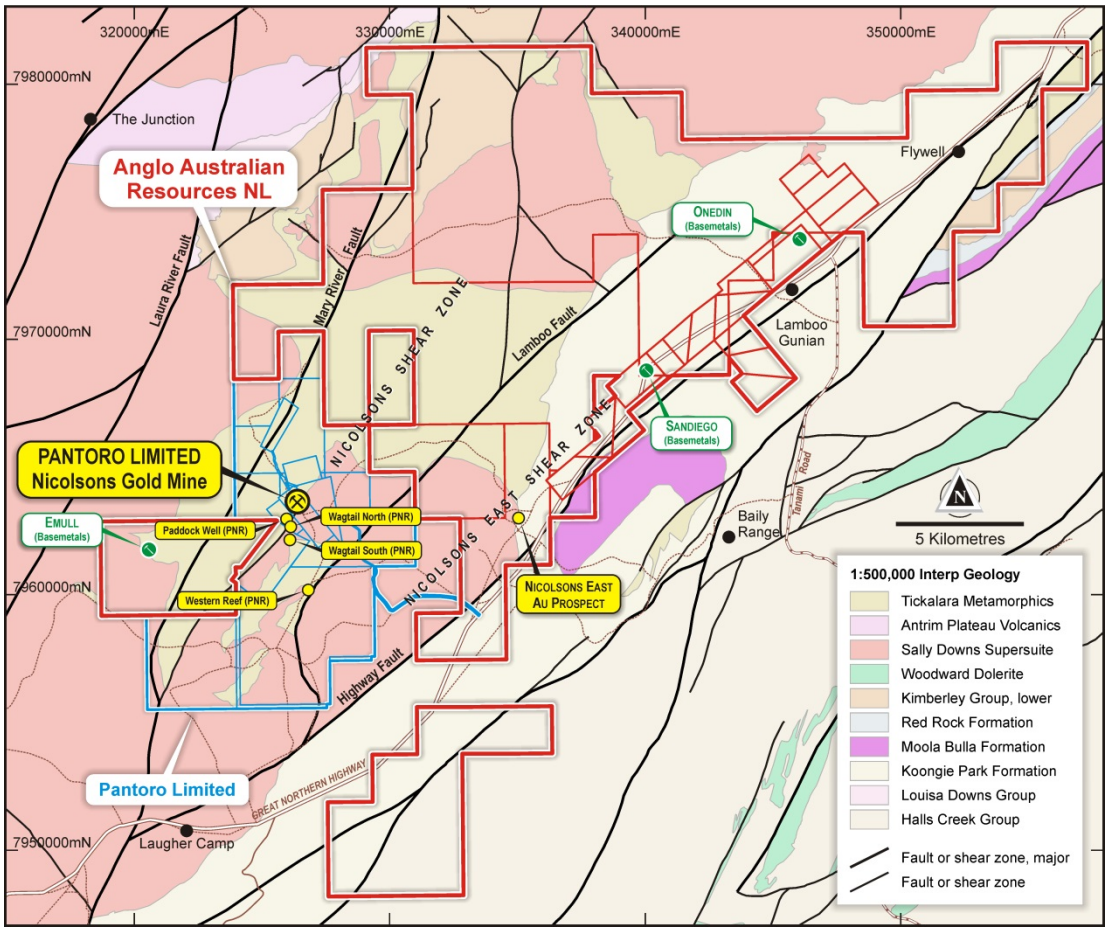


Figure 8: Koongie Park tenement map illustrating key features.

Various tenements held by Anglo Australian (red outline in map above) are adjacent to the ground position held by the ASX-listed, Pantoro Limited, which currently has a market capitalisation of approximately $170 million.

Pantoro owns the Nicolsons Gold Project which is currently producing gold at a rate of approximately 40,000 ounces per annum.

Anglo Australian hosts some 14 kilometres of the Nicolsons Shear Zone to the north of the Pantoro ground.

Anglo Australian also holds some 30 kilometres of strike along the Nicolsons East Shear Zone, approximately 8 kilometres to the east of and sub-parallel to the Nicolsons Shear Zone. This zone hosts a number of highly attractive targets including the undrilled Nicolsons East Prospect which outcrops over approximately a two kilometres length and where gold mineralised rock chip samples assays up to 15.7 g/t Au have previously been recorded – refer Figure 9.

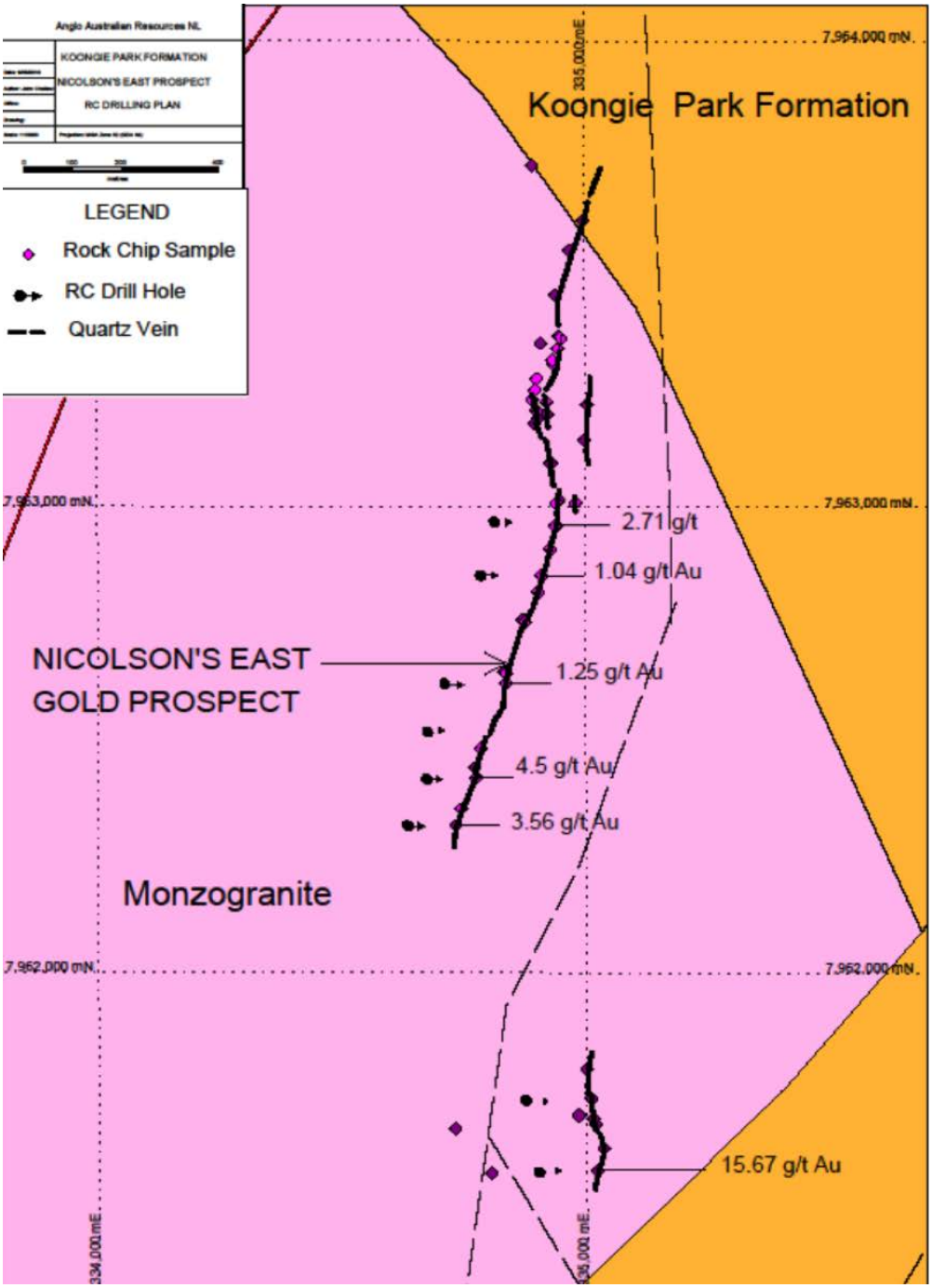


Figure 9: Nicolsons East Gold Prospect.

As such, Anglo Australian's ground position at Koongie Park is highly prospective for gold.

The ground position is also highly prospective for base metals with significant mineralisation previously identified at Sandiego and Onedin.

INDICATED MINERAL RESOURCES

SANDIEGO DEPOSIT	
Supergene Copper	370,000 tonnes @ 4.0 % Cu, 2.7% Zn, 48g/t Ag and 0.29g/t Au
Copper Zone	1,140,000 tonnes @ 2.8% Cu, 1.5% Zn, 12g/t Ag and 0.43g/t Au
Zinc Zone	1,220,000 tonnes @ 0.2 % Cu, 7.0% Zn, 26g/t Ag and 0.13g/t Au
Total in situ Metal	**50,000 tonnes copper, 115,000 tonnes zinc, 2 million ounces of silver & 26,000 ounces of gold**

ONEDIN DEPOSIT	
Zinc Zone	1,980,000 tonnes @ 6.25% Zn, 0.47% Cu, 32g/t Ag and 0.3g/t Au
Copper Zone	2,500,000 tonnes @ 1.1% Cu, 0.8% Zn, 21g/t Ag and 0.3g/t Au
Total in situ Metal	**36,000 tonnes copper & 140,000 tonnes zinc metal**

Figure 10: Koongie Park base metals mineral resources. (ASX – 13/06/13)

As previously reported, during the September Quarter, Anglo Australian recommenced exploration activities at Koongie Park after somewhat of a hiatus.

Geological consultants, Map to Mine Pty Ltd, completed a historical data compilation and review project over Anglo's Koongie Park tenements.

A total of 393 historical reports were reviewed, summarised and compiled into a central database.

Additionally, geophysical consultants, Terra Resources, merged open-file aeromagnetic data sets and produce a series of images over the Koongie Park Project.

Commencing late in the September Quarter and continuing through the December Quarter, the Company undertook a field program comprising geological mapping, rock chip sampling and an evaluation of the regolith using the new data sets to evaluate the prospective structural corridors and interpreted target areas.

Information from this field program will be used to form the basis of Anglo Australian's future exploration programs at Koongie Park.

The next phase of field work is scheduled to commence following the wet season in early 2018.

CORPORATE

In October, the Company issued approximately 690,000 shares at 4 cents per share as payment for drilling and legal services.

In December, the company undertook a placement to professional investors, issuing approximately 19 million shares at a price of 7.8 cents per share, raising $1,500,000 before costs.

As at 31 December 2017, the Company had cash on hand of $1.3 million.

During the Quarter, Anglo Australian's interest in the Feysville Project was transferred to a newly-established wholly-owned subsidiary, Feysville Gold Pty Ltd, at notional cost. This was undertaken to provide the Company with significant flexibility in terms of corporate structuring moving forward.

For further information:

John Jones – Chairman

Telephone: (08) 9322 4569

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	P26/3943 – 3944 P26/3947 – 3951 P26/4051- 4052 P26/4074 – 4077	100%	Anglo Australian Resources NL
	P26/4031 -4034	Option Agreement	R Borromei
Mandilla	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Anglo Australian Resources NL
Leonora	E37/1047 E37/1287	100%	Anglo Australian Resources NL

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.

TABLE 1

Table of Feysville RC Drilling Intercepts at 0.5g/t cut-off grade

Prospect/ Hole Number	E GDA94	N GDA94	Dip°	Az°	Depth (m)	From	To	Interval (m)	Au Grade (g/t)	Comment
Think Big										
FRC001	367960	6576026	60	50	88	**35**	**39**	**4**	**4.53**	
including						*35*	*37*	*2*	*7.92*	
FRC002	367931	6575998	60	50	96	**33**	**82**	**49**	**1.71**	
including						*33*	*51*	*18*	*2.76*	
including						*33*	*35*	*2*	*7.59*	
including						*37*	*39*	*2*	*6.72*	
including						*67*	*73*	*6*	*2.31*	
						88	90	2	2.25	
FRC003	368026	6575974	60	50	89					No significant values
FRC004	367904	6576074	60	50	93	**35**	**63**	**28**	**1.08**	
including						*35*	*37*	*2*	*3.4*	
including						*56*	*62*	*6*	*2.1*	
FRC007	367997	6575947	60	50	92					No significant values
FRC008	367983	6576043	60	50	75					No significant values
FRC011	367997	6575840	60	50	105					No significant values
FRC012	368013	6575962	60	50	98					No significant values
FRC013	367967	6575923	60	50	142	23	28	5	0.94	
						38	*60*	*22*	*1.95*	
						73	*75*	*2*	*0.84*	
						103	105	2	0.88	
						130	131	1	2.04	
						135	142	7	0.93	EOH
FRC014	367938	6575893	60	50	88	62	63	1	4.09	
						77	87	10	2.15	
FRC015	367947	6576012	60	50	100	36	46	10	8.3	

Prospect/ Hole Number	E GDA94	N GDA94	Dip°	Az°	Depth (m)	From	To	Interval (m)	Au Grade (g/t)	Comment
						64	74	10	0.88	
FRC016	367904	6575973	60	50	184	17	19	2	0.56	
						66	69	3	0.97	
						110	115	5	0.80	
						118	*121*	*3*	*1.23*	
						131	*133*	*2*	*2.47*	
						137	*144*	*7*	*1.58*	
						162	*166*	*4*	*1.43*	
						173	*184*	*11*	*3.18*	EOH
FRC017	367922	6576102	60	50	82	**26**	**30**	**4**	**7.70**	
						39	*40*	*1*	*0.84*	
FRC018	367870	6576057	60	50	142	15	17	2	2.76	
						27	28	1	1.27	
						30	39	9	1.07	
						64	65	1	1.04	
						102	108	6	0.58	
FRC019	367855	6576131	60	50	132	18	20	2	1.34	
						24	32	8	1.08	
						60	66	6	2.92	
						72	75	3	0.80	
						87	95	8	0.87	
						109	113	5	0.88	
FRC020	367789	6576285	60	50	118	34	35	1	15.6	
						37	*41*	*4*	*0.93*	
FRC021	367701	6576216	60	50	64					No significant values
FRC023	367611	6575894	60	50	94					No significant values

Prospect/ Hole Number	E GDA94	N GDA94	Dip°	Az°	Depth (m)	From	To	Interval (m)	Au Grade (g/t)	Comment
Kamperman										
FRC005	364703	6577119	60	180	120	20	21	1	0.64	
						100	107	7	0.95	
FRC006	364782	6577131	60	180	105	32	33	1	0.69	
						37	39	2	0.8	
						49	**55**	**6**	**3.5**	
including						*50*	*51*	*1*	*17.74*	
FRC009	364778	6577091	60	180	130	63	66	3	1.97	
						80	84	4	3.12	4 m composite
FRC010	364706	6577027	60	360	105	44	50	6	2.23	
including						*58*	*60*	*2*	*1.06*	
Dalray										
FRC022	368163	6576326	60	50	136	39	40	1	2.11	
Rogan Josh										
FRC024	366816	6577804	60	50	148	76	80	4	0.65	4m composites
FRC025	366717	6577865	60	50	148	32	36	4	0.51	4m composites

APPENDIX 1

Section 1: Sampling Techniques and Data - Feysville

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	All Reverse Circulation (RC) drill samples were laid out in 1 metre increments and a representative 500 – 700 gram spear sample was collected from each pile and composited into a single sample every 4 metres. Average weight 2.5 – 3 kg sample. All samples were trucked to Intertek in Kalgoorlie each day. On completion of the drilling program the samples were submitted for analysis. Intertek assay standards, blanks and checks and were inserted at regular intervals. Company blanks and duplicates were inserted at 40 metre intervals.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	RC Drilling using a blade bit. Diameter of hole 5. 5 inches
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	Visual – amount in sample piles, poor recoveries recorded in sample book. Not known at this stage: more drilling is required to establish if there is any sample bias.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	All 1m samples of AC chips were logged by a contract geologist on the rig; Sample chips from each hole were collected and put in chip trays and retained as a record. Logging is carried out at metre intervals.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	The RC drill samples were laid out in one metre intervals. Spear samples were taken and composited for analysis as described above. Representative samples from each 1m interval were collected and retained as described above.

Criteria	JORC Code Explanation	Commentary
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	Standard Western Australian sampling techniques applied. There has been no statistical work carried out at this stage. Intertek assay standards, blanks and checks and were inserted at regular intervals. Company blanks and duplicates were inserted at 40 metre intervals. Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	Sample receipt – LIMS Registration – Sample sorting and Reconciliation Sample weights are recorded – Samples dried on trays 105° C for a minimum of 12 hours Samples are pulverised to 85% passing 75um using a LM5 Pulveriser. Pulps sent to Intertek Perth. 25gram sample split off. Assayed for Au by method FA50/OE and for Ag, Al, As, Ba, Bi, Ca, Cd, Ce, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Ti, Tl, V, W and Zn by method 4A/OE. Standard Intertek Minerals protocols re blanks, standards & duplicates applied. Certified Reference Material (G311-7, G314- 8, G910 – 6 & G911 – 6) from Geostats Pty Ltd submitted at 40 metre intervals approximately. Referee sampling has not yet been carried out.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	Contractor J Chellew verified hole position on site Standard data entry used on site, backed up in Subiaco WA. No adjustments have been carried out
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill holes have been picked up by hand held Garmin GPS 78). (5 -10 metre accuracy) Grid: GDA94 Datum UTM Zone 51 Elevation: nominal 325 metres for all holes.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore*	Drill hole spacing between 20m to 40m on section, and at 80 metre sectional spacing;

Criteria	JORC Code Explanation	Commentary
	Reserve estimation procedure(s) and classifications applied. • *Whether sample compositing has been applied.*	Sample compositing was undertaken over 4 metre intervals where possible.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	All drill holes have been drilled normal to the interpreted strike.
Sample security	• *The measures taken to ensure sample security.*	All samples taken daily to Intertek yard in Kalgoorlie.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No audits have been carried out at this stage.

Section 2: Reporting of Exploration Results - Feysville

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Prospecting Licenses P26/3942 – 3951, P26/4051 – 4052, P26/4074 - 4077. Are owned 100% by Anglo Australian Resources NL The licences are in good standing. No known impediments.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	Modern exploration in the project area was initially carried out by Western Mining Corporation (WMC) during the period from 1981 to 2001. This work, consisting of ground electrical and magnetic geophysical surveys and soil geochemistry followed by RAB and RC drilling, lead to the identification of gold anomaly 12 (later named Rogan Josh) as well as other gold and nickel anomalies. A single diamond drill hole was completed at Anomaly 36 (Ethereal) 500 meters southwest of Rogan Josh. Gold mineralisation up to 9.5 g/t Au over 0.45m associated with magnetite and hematite-silica alteration zones, was intersected between 78.45m and 85m depth with an average gold grade of 2.22 g/t Au over this width of 5.55m. In 2001 WMC sold its St Ives and Agnew gold assets to subsidiaries of Gold Fields Limited and in 2003 Anglo Australian Resources NL purchased all the mineral rights to Feysville. Under AAR exploration continued with several AC and RC drilling programs, electromagnetic surveys and reprocessing of ground

Criteria	JORC Code Explanation	Commentary
		magnetic data. Importantly drilling at Rogan Josh defined coherent gold mineralisation to the extent that preliminary evaluation indicated an exploration target of 300,000 tonnes to 350,000 tonnes at 2.0 to 2.5 g/t Au containing between 20,000 and 25,000 ounces of gold. In summary: Previous drilling in the project area consists of: • 980 AC holes; • 4 Diamond core holes (Empire Rose, Empire Rose South, Kamperman, Ethereal) • 102 RAB holes; and • 634 RC holes; including previous drilling at Rogan Josh of 252 holes comprising: • 183 AC holes to an average depth of 34.5metres and a maximim depth of 78metres all drilled vertically. • 69 RC holes to an average depth of 80.5 metres and a maximum depth of 132 metres. 13 holes were drilled vertically. 53 holes drilled at a declination of -60 degrees towards magnetic azimuth of 270 degrees and 3 holes at a declination of -60 degrees magnetic azimuth 90 degrees.
Geology	• *Deposit type, geological setting and style of mineralisation.*	Archaean orogenic gold mineralisation hosted by felsic to intermediate schist, mafic volcanics, ultramafic intrusives and porphyry.

Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length.*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		This Information has been tabled in Table 1 of the ASX announcement.
		
		The area of drilling has a flat topography and a nominal elevation of 325 metres has been applied to the collar of each RC hole.

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No data aggregation methods have been used. A 0.5 g/t Au lower cut off has been used to calculate grades. This has not been applied
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	Not known at this stage.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Applied
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Balanced reporting has been applied.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	No other substantive exploration data.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Follow up Reverse Circulation & Diamond Drilling is planned. No reporting of commercially sensitive information at this stage.

+Rule 5.5

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	**Quarter ended ("current quarter")**
24 009 159 077	31 December 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (6 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(724)	(918)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(41)	(196)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
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**	**(764)**	**(1,113)**

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 (6 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	1,571	2,341
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	(87)	(87)
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 (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**1,484**	**2,254**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	600	179
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(764)	(1,113)
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)	1,484	2,254
4.5	Effect of movement in exchange rates on cash held		
4.6	**Cash and cash equivalents at end of period**	**1,320**	**1,320**

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	10	50
5.2	Call deposits	1,310	550
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)**	**1,320**	**600**

6.	Payments to directors of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	6
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

7.	Payments to related entities of the entity and their associates	Current quarter $A'000
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

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
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.

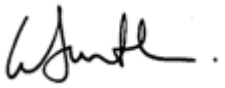
9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	300
9.2	Development	
9.3	Production	
9.4	Staff costs	
9.5	Administration and corporate costs	100
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**400**

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				

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: ..... Date: ...22 January 2018.....
(Company secretary)

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.