



# **ANGLO AUSTRALIAN RESOURCES NL**

**ABN 24 651 541 976**

## **INTERIM FINANCIAL REPORT**

**FOR THE HALF YEAR ENDED  
31 DECEMBER 2017**

**This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2017 and any public announcements made by Anglo Australian Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.**

**ANGLO AUSTRALIAN RESOURCES NL**

**31 DECEMBER 2017**

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**DIRECTORS' REPORT**

Your directors are pleased to present their report on Anglo Australian Resources NL for the half-year ended 31 December 2017.

**DIRECTORS**

The names of the directors who held office during or since the end of the half-year are:

- John Jones AM
- Graeme Smith
- Peter Stern

**REVIEW AND RESULTS OF OPERATIONS**

The loss after tax of the Company for the six months ended 31 December 2017 amounted to \$405,179 (31 December 2016: loss of \$241,970).

**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.

**Think Big Prospect**

The Think Big Prospect was initially located by first-round aircore drilling earlier in 2017 after a detailed ground magnetic survey highlighted the southern continuation of the shear zone corridor hosting the Ethereal prospect (and now referred to as the Ethereal Shear Zone).

During the period, the Company received results of the 17 hole, third round Aircore drilling campaign undertaken previously, the aim of which was further definition of the Think Big Prospect. (ASX – 04/08/17)

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.

The campaign successfully extended the Think Big prospect to the south and further defined the geometry of supergene and bedrock gold anomalism in preparation for RC drilling.

On the basis of a +100 ppb gold anomaly threshold (denoted by the orange contour in Figure 2), the Think Big anomaly is now interpreted as being more than 1.6 kilometres in length and is open to the southeast.

DIRECTORS' REPORT (continued)

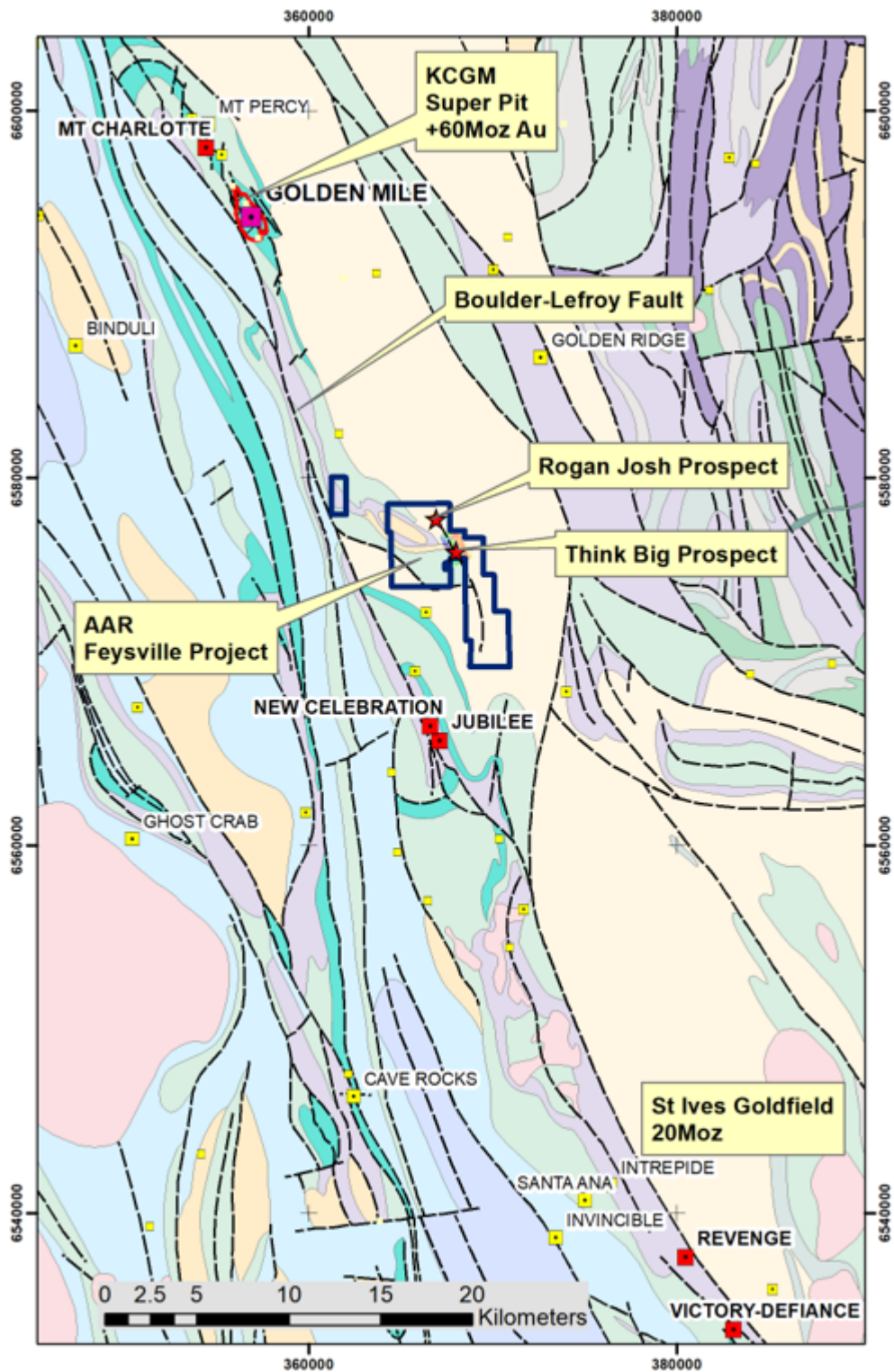


Figure 1: Feysville Gold Project Location Map

The core of the anomaly is defined by greater than 200 ppb gold bedrock contour over an 800 metre strike length, with a width of between 100 and 200 metres. Within this core anomaly lies a peak 1,000 ppb gold contour (denoted by the pink line in Figure 2) which extends over a 200 metre length and contains a maximum value of approximately 3.6 g/t gold.

DIRECTORS' REPORT (continued)

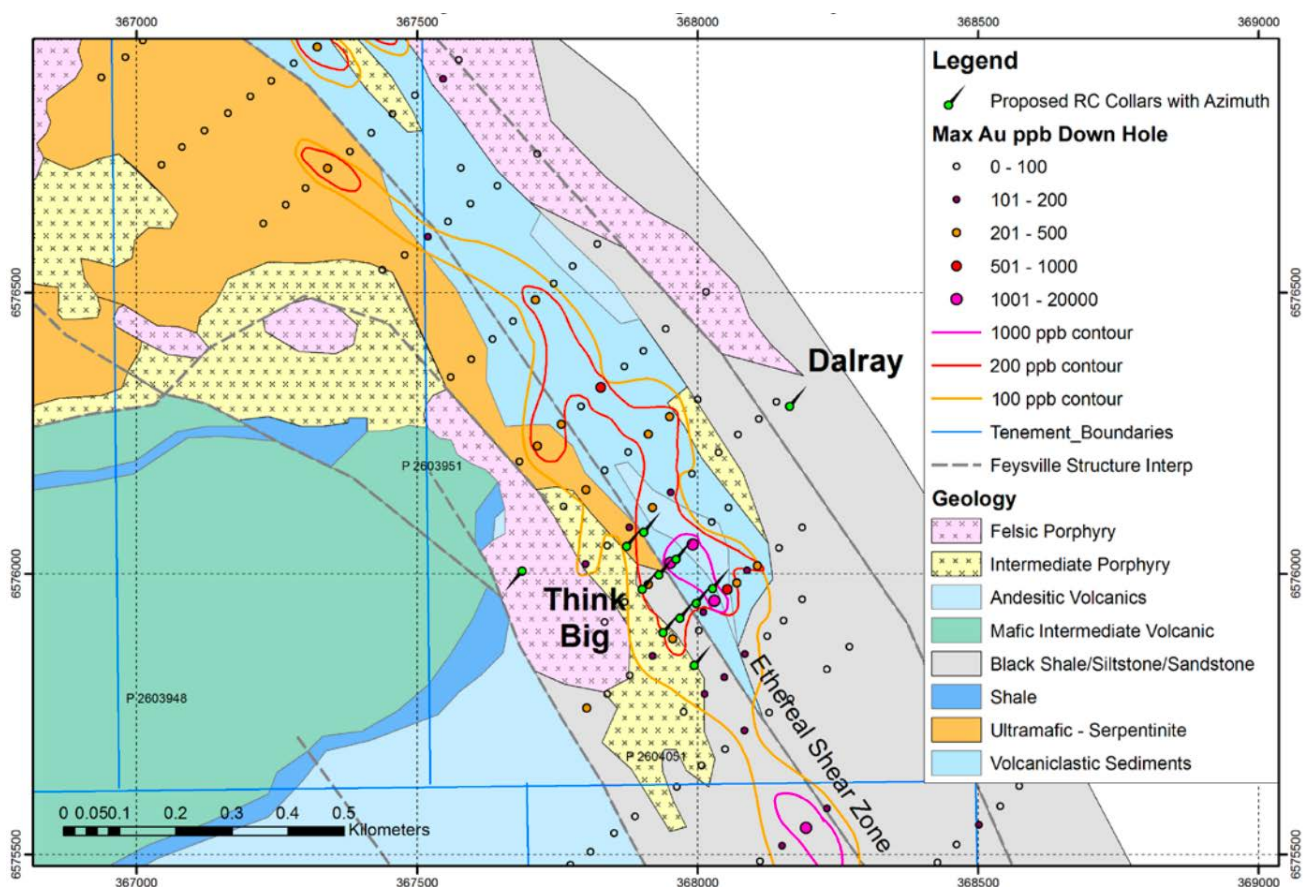


Figure 2. Geology showing location of Think Big with contoured gold results from aircore drilling rounds 1, 2 & 3

Following the aircore drilling campaign, the Company undertook a first-round Reverse Circulation (“RC”) drilling campaign involving the drilling of 18 holes at Think Big. (ASX 03/10/17).

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.

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



DIRECTORS' REPORT (continued)

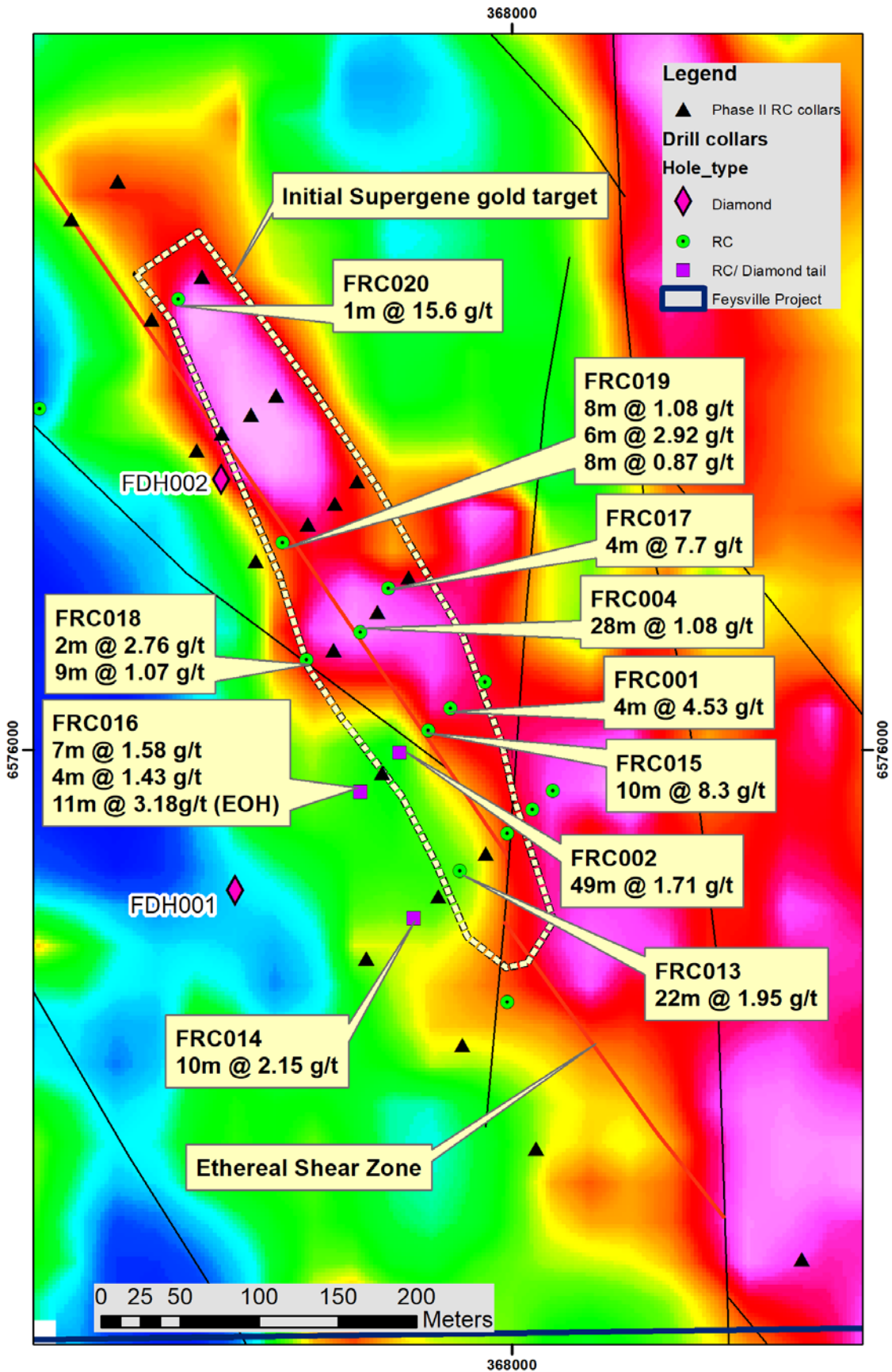


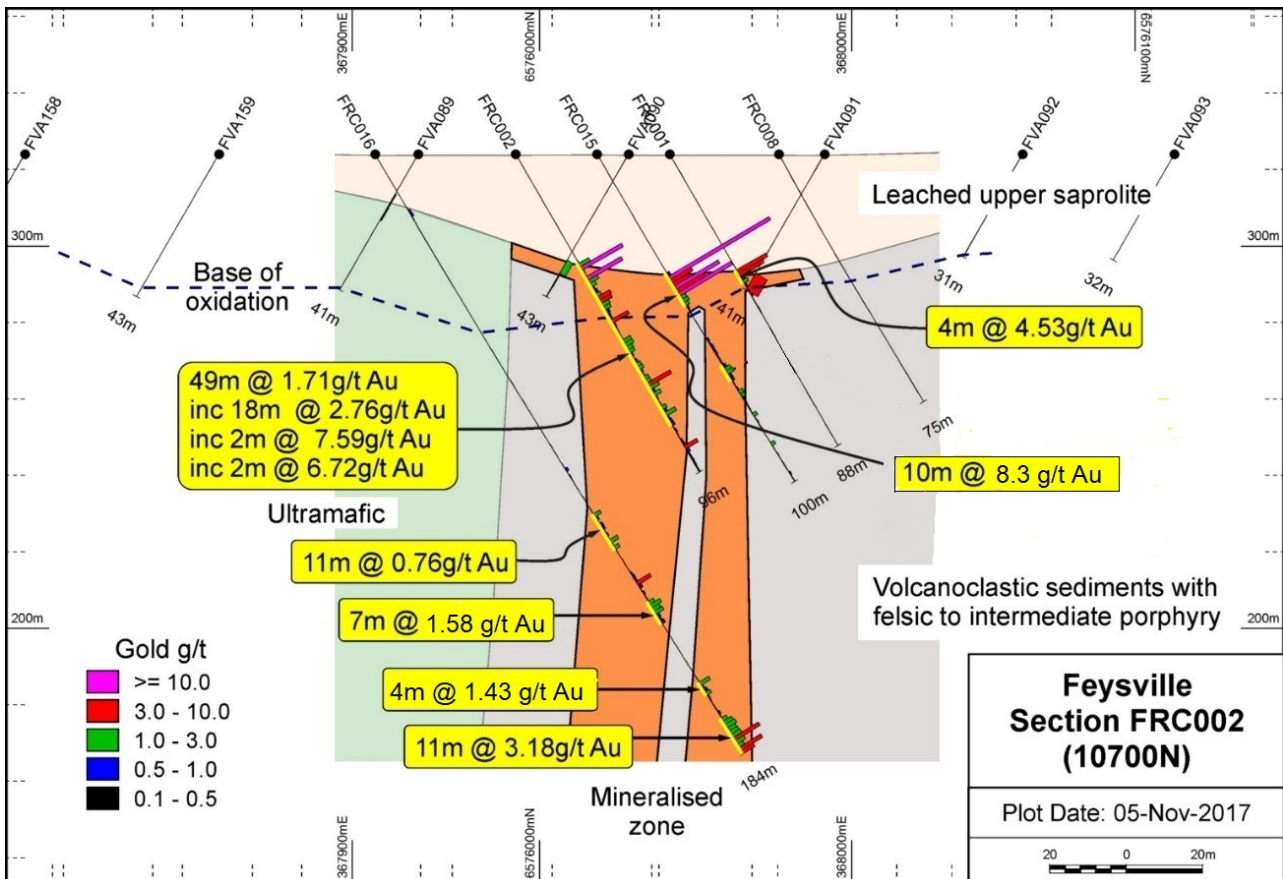
Figure 3: Phase 1 Think Big RC drilling results (min 5 gm metres) & showing recent diamond and RC program. Apparent resistivity image from Gradient Array IP is shown as the background.

**DIRECTORS' REPORT (continued)**

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 in Figure 4.



**Figure 4: 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.**

**Rogan Josh, Dalray and Kamperman Prospects**

An aggregate of 7 holes of the RC program were drilled at the Rogan Josh, Dalray and Kamperman Prospects. Minor gold values were recorded from 2 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.

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

Given that significantly anomalous gold values have been recorded in close proximity, the results of the current campaign at these prospects were somewhat disappointing.

Four holes were completed at Kamperman, with anomalous gold identified in four zones in FRC006, including 6 metres at 3.5 g/t gold from 49 metres, and in three zones in FRC009, including 4 metres at 3.12 g/t gold

**DIRECTORS' REPORT (continued)**

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from 50 metres. The results are considered encouraging and warrant additional drilling to further define the orientation and continuity of gold mineralisation.

**Diamond Drilling**

An inaugural diamond drilling campaign at Feysville was commenced following the RC program.

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 4, 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, 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 in Figure 5.



**DIRECTORS' REPORT (continued)**

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**Figure 5: 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.**

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.

The drilling campaign was completed mid-January 2018.

### **MANDILLA GOLD PROJECT – WA**

*Anglo Australian – 100%*

The Mandilla Project, situated in the northern part of the Widgiemooltha corridor, hosts significant nickel and gold deposits including Ghost Crab (+1Moz gold) about 30 km to the north, and the high-grade Wattle Dam deposit just 3 km to the west of Mandilla which produced 880,000 tonnes @ 10.1 g/t for 286,000 oz of gold from open pit and underground operations.

The geology of the Mandilla project comprises a belt of ultramafic and high-magnesian basalts along the western flank, transitioning to the Spargoville volcanoclastic sediments to the east. Intruding the sedimentary sequence is the Emu Rocks granite (a high-level stock of porphyritic monzogranite). A significant NNW-trending structural corridor passes along the western flank of the Emu Rocks granite, along the entire length of the Mandilla project. This structural corridor, and its interaction with the western flank of the Emu Rocks granite, is the prime focus of gold exploration at Mandilla.

DIRECTORS' REPORT (continued)

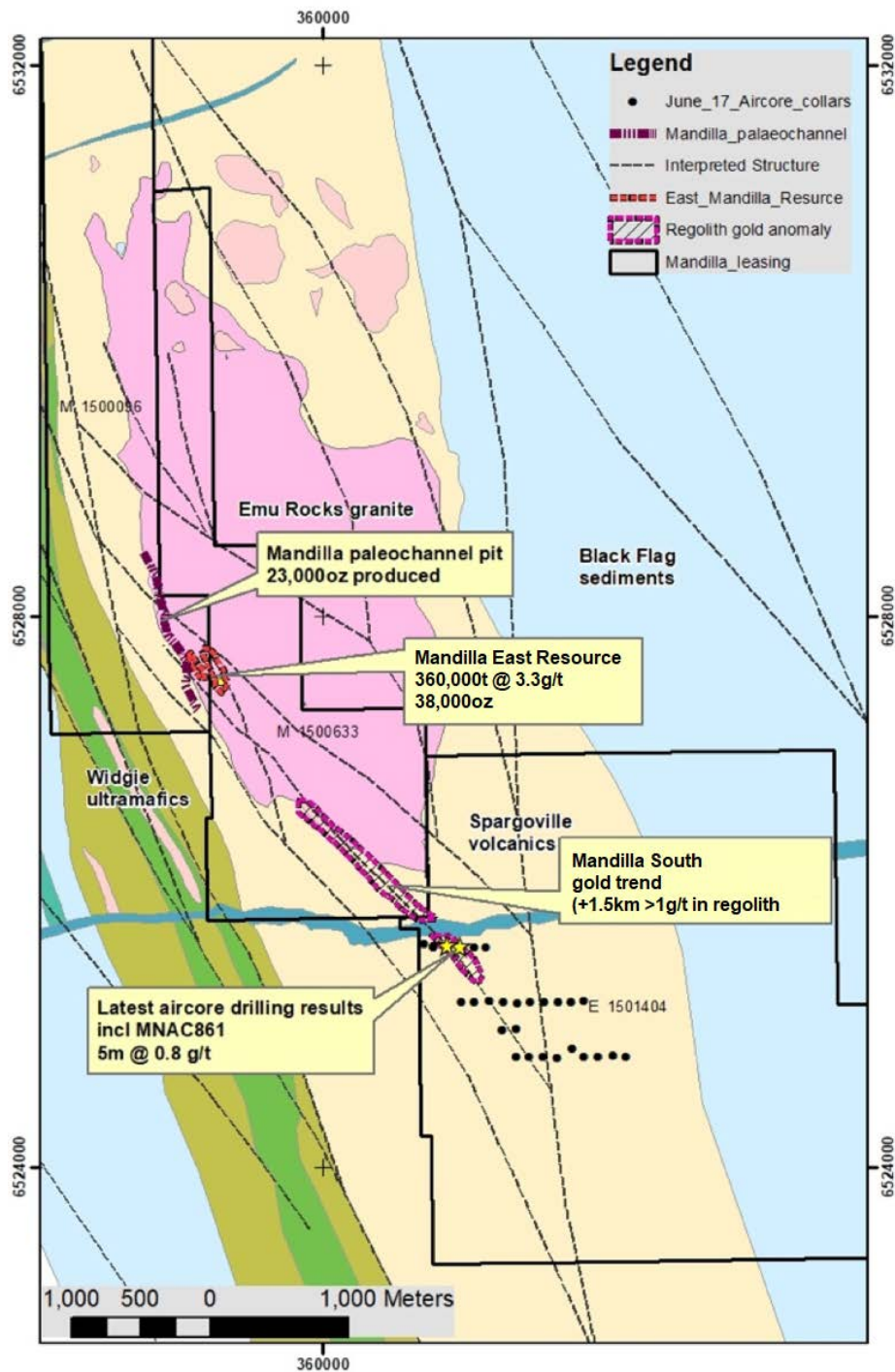


Figure 6: Mandilla Project tenement map illustrating key geological features.

During the 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. (ASX – 04/08/17)

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.

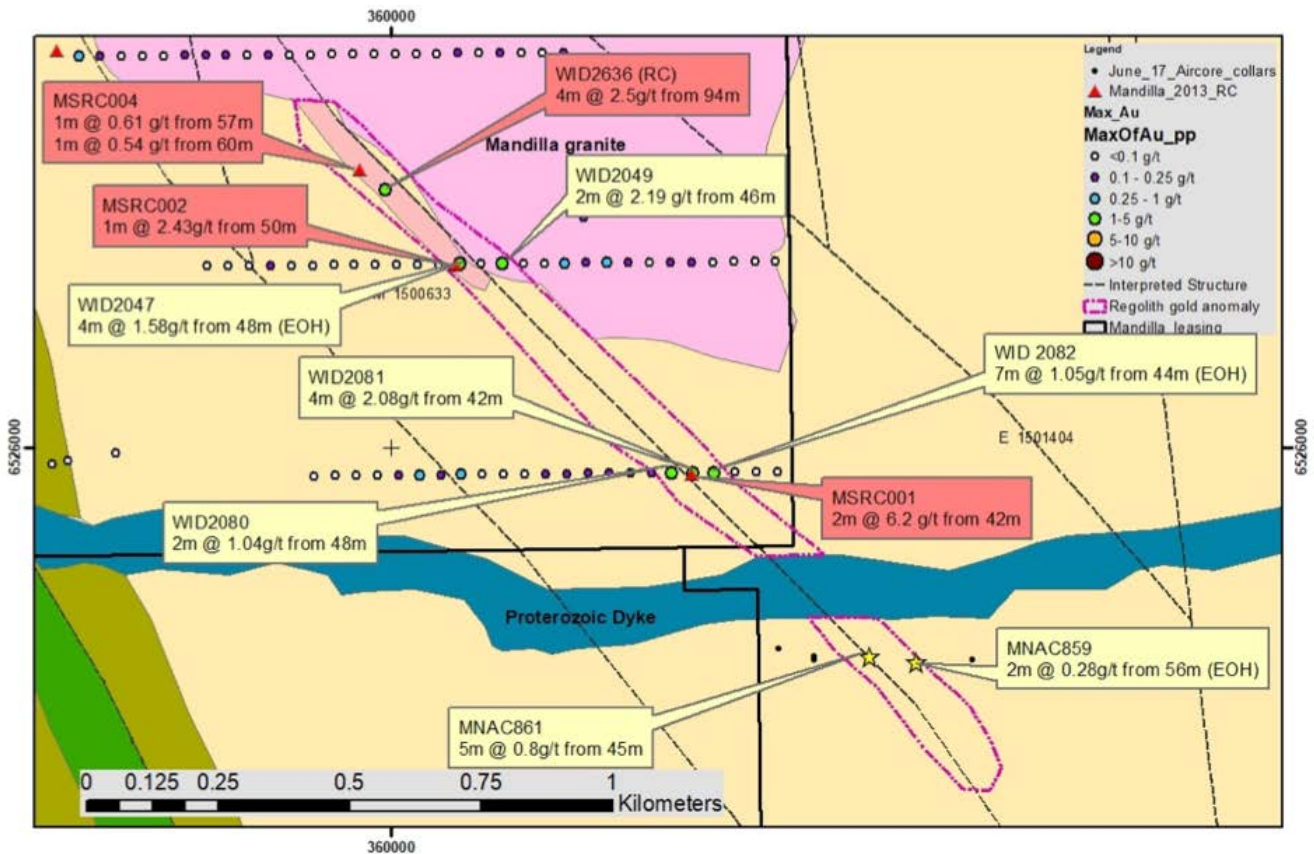
Moderate gold mineralisation was intersected in adjacent holes MNAC859 and MNAC861 with a 4 metre composite sample returning a maximum value of 821 ppb gold from 44 metres. Mineralisation was hosted by saprolitic meta sediments and foliated granitoid rocks with quartz veining. Results are summarised in Table 2.

**DIRECTORS' REPORT (continued)**

After more fully evaluating 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 in Figure 7.



**Figure 7: 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.



**DIRECTORS' REPORT (continued)**

**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 8.

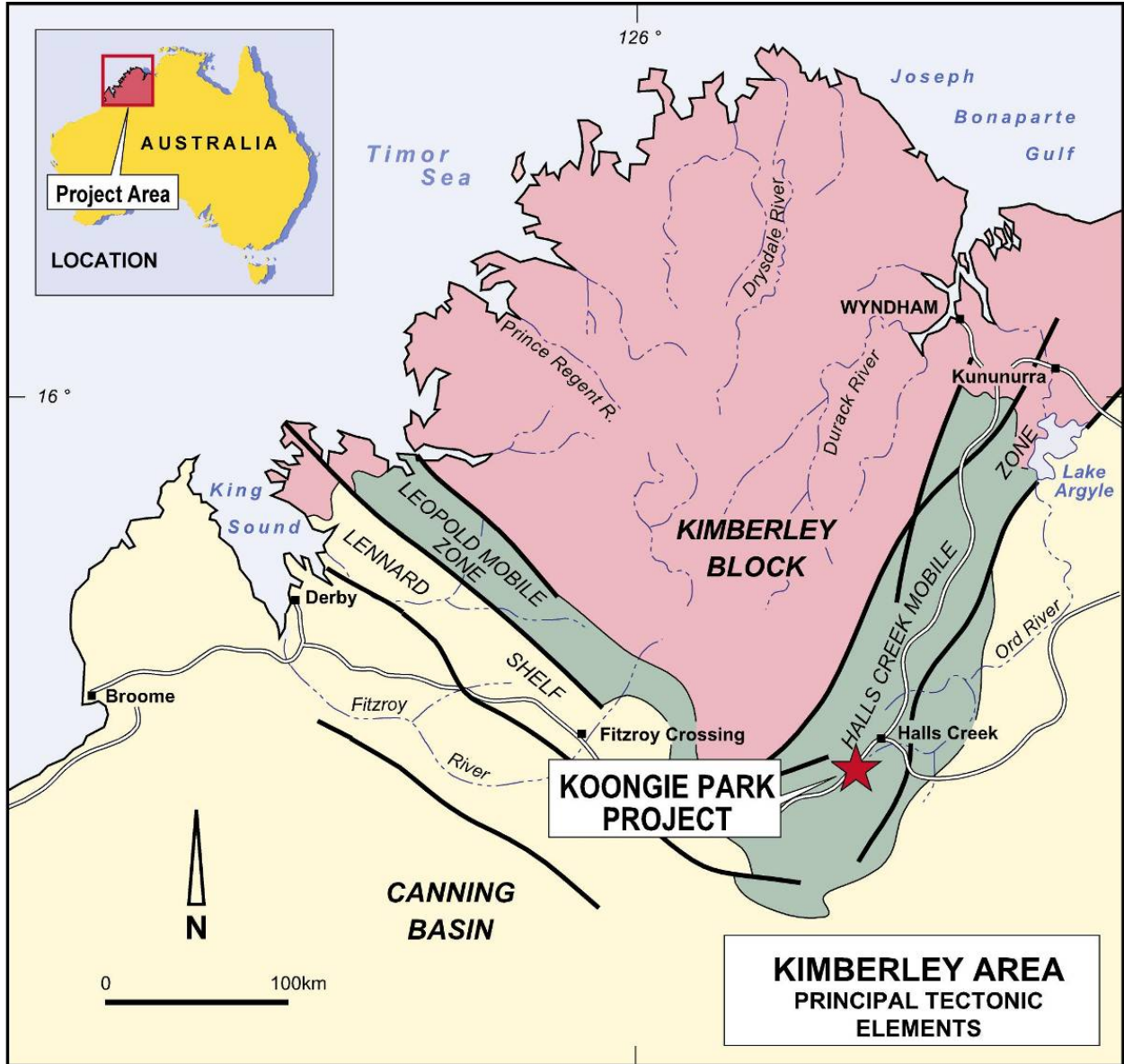


Figure 8: Koongie Park location map.

Anglo Australian holds a significant tenement position, illustrated in Figure 9.

DIRECTORS' REPORT (continued)

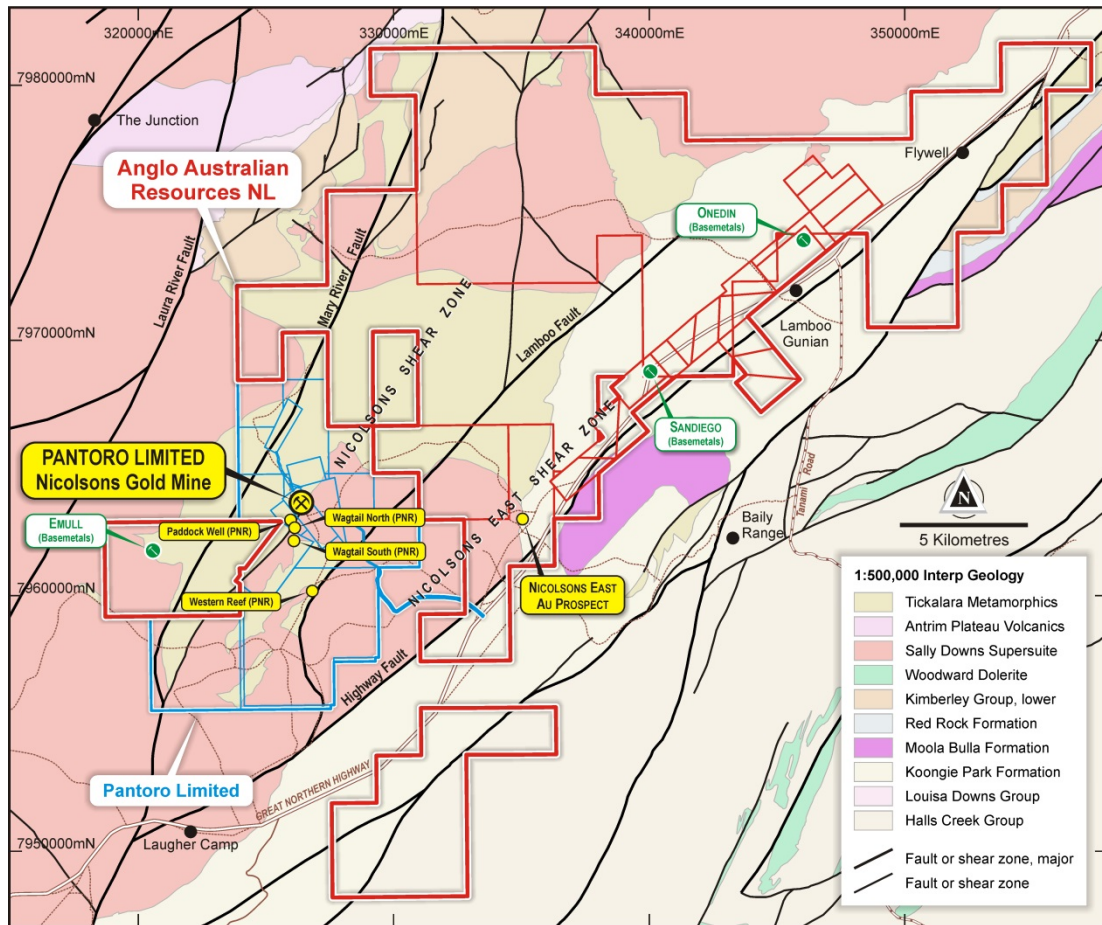


Figure 9: Koongie Park tenement map illustrating key features.

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.



DIRECTORS' REPORT (continued)

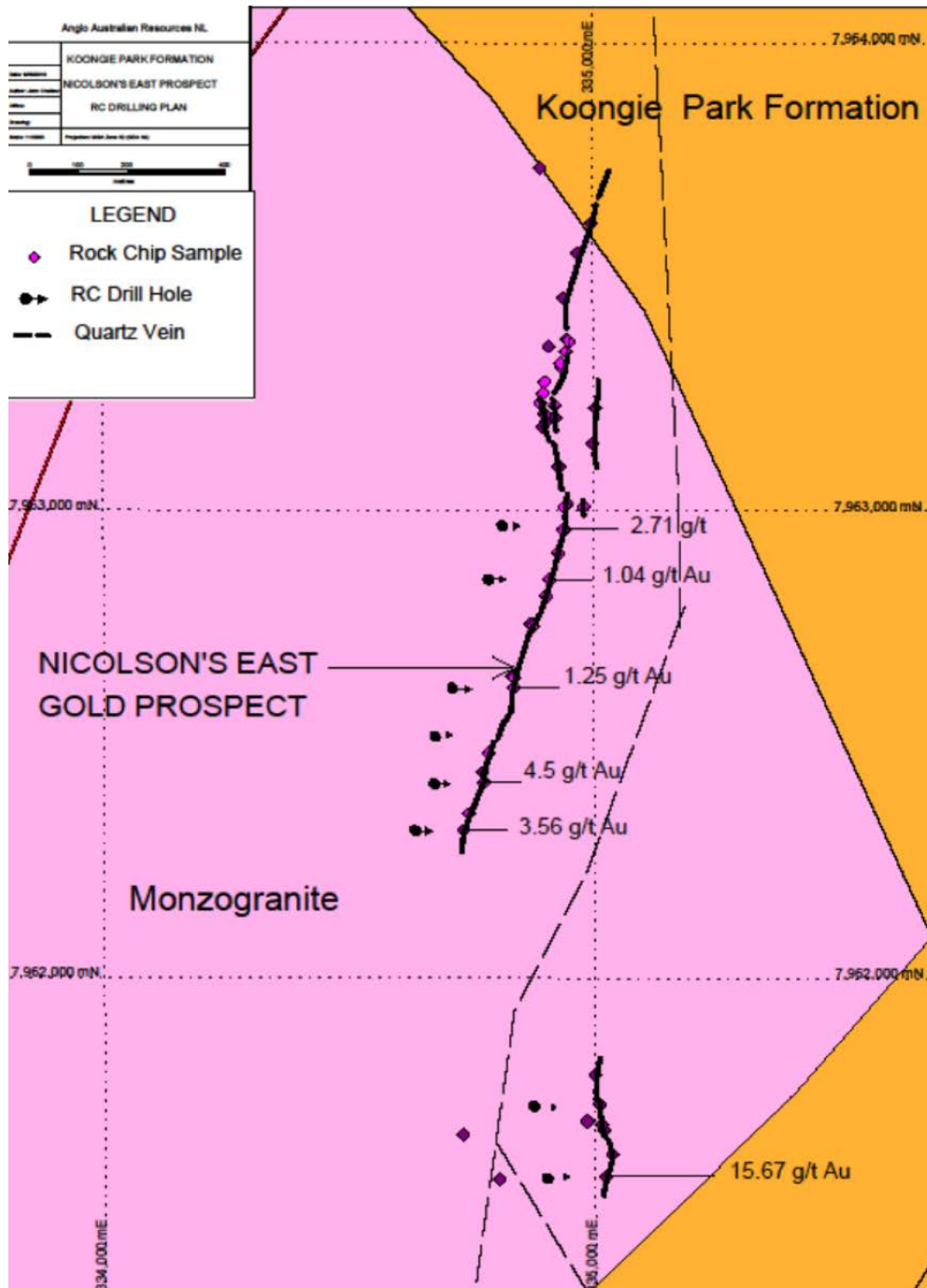


Figure 10: Nicolsons East Gold Prospect.

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.

**DIRECTORS' REPORT (continued)**

**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
<b>Total in situ Metal</b>	<b>50,000 tonnes copper, 115,000 tonnes zinc, 2 million ounces of silver &amp; 26,000 ounces of gold</b>

**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
<b>Total in situ Metal</b>	<b>36,000 tonnes copper &amp; 140,000 tonnes zinc metal</b>

**Figure 11: Koongie Park base metals mineral resources. (ASX – 13/06/13)**

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.

During the period, 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.

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**DIRECTORS' REPORT (continued)**

**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
<b>Think Big</b>										
<b>FRC001</b>	367960	6576026	60	50	88	<b>35</b>	<b>39</b>	<b>4</b>	<b>4.53</b>	
<i>including</i>						35	37	2	7.92	
<b>FRC002</b>	367931	6575998	60	50	96	<b>33</b>	<b>82</b>	<b>49</b>	<b>1.71</b>	
<i>including</i>						33	51	18	2.76	
<i>including</i>						33	35	2	7.59	
<i>including</i>						37	39	2	6.72	
<i>including</i>						67	73	6	2.31	
						88	90	2	2.25	
FRC003	368026	6575974	60	50	89					No significant values
<b>FRC004</b>	367904	6576074	60	50	93	<b>35</b>	<b>63</b>	<b>28</b>	<b>1.08</b>	
<i>including</i>						35	37	2	3.4	
<i>including</i>						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
<b>FRC013</b>	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
<b>FRC014</b>	367938	6575893	60	50	88	62	63	1	4.09	
						77	87	10	2.15	
<b>FRC015</b>	367947	6576012	60	50	100	36	46	10	8.3	
						64	74	10	0.88	
<b>FRC016</b>	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
<b>FRC017</b>	367922	6576102	60	50	82	<b>26</b>	<b>30</b>	<b>4</b>	<b>7.70</b>	
						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	

ANGLO AUSTRALIAN RESOURCES NL

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**DIRECTORS' REPORT (continued)**

Prospect/ Hole Number	E GDA94	N GDA94	Dip°	Az°	Depth (m)	From	To	Interval (m)	Au Grade (g/t)	Comment
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
<b>Kamperman</b>										
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	
<i>including</i>						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	
						58	60	2	1.06	
<b>Dalray</b>										
FRC022	368163	6576326	60	50	136	39	40	1	2.11	
<b>Rogan Josh</b>										
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

**Table 2**

**MANDILLA AC DRILLING SUMMARY - July 2017:**

Prospect	Hole Id	E GDA94	N GDA94	From m	To m	Width m	Dip °	Az °	Au ppb AR25/MS	Comments
Pipe Line	MNAC859	361000	6525591	40	44	4	0	0	100	
				56	58	2			313	EOH.
	MNAC861	360909	6525601	44	52	8	0	0	557	
				incl.	44	48	4	0	0	821
MNAC864	361003	6525201	32	36	4	0	0	123		

Cutoff < 100ppb

**DIRECTORS' REPORT (continued)**

**SCHEDULE OF MINING TENEMENTS**

Project	Tenement	Company Interest	Title Registered to
<b>Western Australia</b>			
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 P26/4031 -4034	100%	Anglo Australian Resources NL
Mandilla	M15/96 M15/633 E15/1404	Option Agreement 100% gold rights only 100% gold rights only 100%	R Borromei 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.



**DIRECTORS' REPORT (continued)**

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**CORPORATE**

**Capital Raising**

During the reporting period, \$2,567,050 was raised in cash and for services through the placement of shares to sophisticated and professional investors.

Following approval at a General Meeting in August 2017, Directors exchanged \$285,000 of outstanding and current Directors' fees for shares and options in the capital of Anglo Australian.

**SUBSEQUENT EVENTS**

Other than noted elsewhere in this report, no matters or circumstances have arisen since the end of the half year that have 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.

**ANGLO AUSTRALIAN RESOURCES NL**

**31 DECEMBER 2017**

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 21.

This report is made in accordance with a resolution of directors.

A handwritten signature in blue ink, appearing to read 'John Jones', with a stylized flourish at the end.

**John Jones AM**

Chairman

16 March 2018



## Auditor's Independence Declaration

To those charged with the governance of Anglo Australian Resources NL

As auditor for the review of Anglo Australian Resources NL for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*Greenwich & Co Audit Pty Ltd*

**Greenwich & Co Audit Pty Ltd**

*Andrew May*

**Andrew May**  
Audit Director

16 March 2018  
Perth

**ANGLO AUSTRALIAN RESOURCES NL**

**31 DECEMBER 2017**

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Note	Half-year ended	
		2017	2016
		\$	\$
Interest		1,671	18
Depreciation and amortisation expenses		-	-
Rental expense		(32,570)	(39,244)
Directors fees		(105,545)	(80,000)
Share based payments expense		(77,099)	(43,000)
Other expenses		(191,636)	(79,744)
Exploration expenses		-	-
<b>LOSS BEFORE INCOME TAX</b>		<b>(405,179)</b>	<b>(241,970)</b>
Income tax expense		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ANGLO AUSTRALIAN RESOURCES NL</b>		<b>(405,179)</b>	<b>(241,970)</b>
Basic and diluted loss per share (cents per share)		<b>(0.15)</b>	<b>(0.11)</b>

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**ANGLO AUSTRALIAN RESOURCES NL**

**31 DECEMBER 2017**

**CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

	Note	31 December 2017 \$	30 June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,320,247	178,786
Trade and other receivables		142,623	27,660
<b>TOTAL CURRENT ASSETS</b>		<b>1,462,870</b>	<b>206,446</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables		-	38,000
Plant and equipment		-	-
Exploration and evaluation assets	4	3,052,108	2,230,612
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,052,108</b>	<b>2,268,612</b>
<b>TOTAL ASSETS</b>		<b>4,514,978</b>	<b>2,475,058</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		272,484	521,577
Borrowings		-	2,987
<b>TOTAL CURRENT LIABILITIES</b>		<b>272,484</b>	<b>524,564</b>
Rehabilitation provision		65,220	65,220
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>65,220</b>	<b>65,220</b>
<b>TOTAL LIABILITIES</b>		<b>337,704</b>	<b>589,784</b>
<b>NET ASSETS</b>		<b>4,177,274</b>	<b>1,885,274</b>
<b>EQUITY</b>			
Issued capital	5	32,555,524	30,057,224
Reserves		916,649	717,770
Accumulated losses		(29,294,899)	(28,889,720)
<b>TOTAL EQUITY</b>		<b>4,177,274</b>	<b>1,885,274</b>

The above condensed statement of financial position should be read in conjunction with the accompanying notes.



**ANGLO AUSTRALIAN RESOURCES NL**

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**CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Issued Capital	Options Reserve	Accumulated Losses	Total
	\$		\$	\$
BALANCE AT 1 JULY 2016	29,213,403	569,770	(28,372,572)	1,410,601
Loss for the half-year	-	-	(241,970)	(241,970)
TOTAL COMPREHENSIVE LOSS	-	-	(241,970)	(241,970)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued	181,051	-	-	181,051
Options issued during the period	-	148,000	-	148,000
BALANCE AT 31 DECEMBER 2016	29,394,454	717,770	(28,614,542)	1,497,682
<b>BALANCE AT 1 JULY 2017</b>	<b>30,057,224</b>	<b>717,770</b>	<b>(28,889,720)</b>	<b>1,885,274</b>
Loss for the half-year	-	-	(405,179)	(405,179)
TOTAL COMPREHENSIVE LOSS	-	-	(405,179)	(405,179)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued	2,498,300	-	-	2,498,300
Options issued during the period	-	198,879	-	198,879
<b>BALANCE AT 31 DECEMBER 2017</b>	<b>32,555,524</b>	<b>916,649</b>	<b>(29,294,899)</b>	<b>4,177,274</b>

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

**ANGLO AUSTRALIAN RESOURCES NL**

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**CONDENSED STATEMENT OF CASH FLOWS  
FOR THE HALF-YEAR ENDED 31 DECEMBER 2017**

	Half-year	
	2017	2016
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers	(292,491)	(149,274)
<b>Net cash used in operating activities</b>	<b>(292,491)</b>	<b>(149,274)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	1,671	18
Payments for exploration and evaluation expenditure	(793,187)	(175,651)
<b>Net cash used in investing activities</b>	<b>(791,516)</b>	<b>(175,633)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of ordinary shares	2,228,455	111,052
Repayment of borrowings	(2,987)	(70,000)
Proceeds from borrowings	-	10,000
<b>Net cash provided by financing activities</b>	<b>2,225,468</b>	<b>51,052</b>
Net increase/(decrease) in cash and cash equivalents	1,141,461	(273,855)
Cash and cash equivalents at the beginning of the half-year	178,786	279,415
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR</b>	<b>1,320,247</b>	<b>5,560</b>

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

# ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2017

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2017 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by Anglo Australian Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### Going Concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary course of business. For the half-year ended 31 December 2017 the Company incurred a loss of \$405,179 and had a net working capital balance of \$1,190,386.

The directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due for the next 12 months is dependent on the ability of the Company to secure additional funding through either the issue of further shares and / or options.

The directors have reviewed the business outlook and are of the opinion that the use of the going concern basis of accounting is appropriate as they believe the Company will achieve the matters set out above and the Company has approximately \$800,000 in cash as at the date of this financial report. The directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

#### Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2017, the Company has reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2017.

It has been determined by the Company that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change is necessary to Company accounting policies.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

## ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2016`

### NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

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#### NOTE 2: SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed by the Board in assessing performance and determining the allocation of resources. The Company has also had regard to the qualitative thresholds for the determination of operating segments.

For management purposes the Company is organised into one operating segment, which involves mining exploration and mining throughout Australia. The Company's principal activities are interrelated, and the Company has no revenue from operations. Furthermore the Company has no assets or liabilities arising from operations based outside of Australia.

All significant operation decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

#### NOTE 3: SHARE BASED PAYMENTS

The Group measure the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of options is determined by an internal valuation using a Black-Scholes option pricing model. The valuation relies on the use of certain assumptions. If the assumptions were to change, there may be an impact on the amounts reported.

3,580,500 Shares valued at \$143,220 (2016: 5,833,333 Shares, valued at \$70,000) and 6,950,000 Options valued at \$154,437 (2016: 13,500,000 Options, valued at \$148,000) were issued to Directors during the 6 month period to 31 December 2017 in lieu of directors fees and loan amounts owed by the Company to the directors.

A summary of shares and options issued is at Note 5

#### NOTE 4: EXPLORATION & EVALUATION EXPENDITURE

	Half-year Ended 31 Dec 2017	Year ended 30 June 2017
	\$	\$
Balance at beginning of the period	2,230,612	1,672,004
Exploration expenditure capitalised during the period	821,496	576,711
Exploration expenditure written off during the period	-	(18,103)
Balance at end of the period	<u>3,052,108</u>	<u>2,230,612</u>

**ANGLO AUSTRALIAN RESOURCES NL**

**31 DECEMBER 2017**

**NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)**

**NOTE 5: CHANGES IN EQUITY SECURITIES ON ISSUE**

	<b>31 Dec 2017 Shares</b>	<b>31 Dec 2017 \$</b>
<b>Issues of ordinary shares during the half-year</b>		
Balance at 1 July	258,339,441	30,057,224
Shares issued at 4.8 cents per share	16,045,335	770,176
Shares issued at 7.8 cents per share	19,230,765	1,500,000
Option conversion at 4 cents	500,000	20,000
Share based payments <sup>1</sup>	6,644,146	276,874
Costs of issues	-	(68,750)
Balance at 31 December	<b>300,759,687</b>	<b>32,555,524</b>

1. Includes 3,580,500 shares issued to directors in lieu of directors fees and loan amounts owed by the Company.

**Movements of options during the period**

EXPIRY DATE	EXERCISE PRICE (CENTS)	1 JULY 2017	LAPSED	ISSUED	EXERCISED	BALANCE AT THE END OF THE PERIOD	VESTED AND EXERCISABLE AT THE END OF THE PERIOD
30 November 2019	2.0	32,300,000	-	-	-	32,300,000	32,300,000
30 November 2020	2.0	37,200,000	-	-	-	37,200,000	37,200,000
30 November 2020	2.5	10,500,000	-	-	-	10,500,000	10,500,000
30 November 2020	4.0	3,000,000	-	-	(500,000)	2,500,000	3,000,000
30 November 2020	8.0	-	-	6,950,000 <sup>1</sup>	-	6,950,000	6,950,000
30 November 2020	8.0	-	-	2,000,000 <sup>2</sup>	-	2,000,000	2,000,000

1. Options issued to directors in lieu of directors fees owed by the Company.

2. Options issued to contractors in consideration for services rendered.

**NOTE 6: CONTINGENCIES**

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

**NOTE 7: SUBSEQUENT EVENTS**

No matters or circumstances have arisen since 31 December 2017, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

## ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2017

### DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on the preceding pages are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
2. 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 directors.



**John Jones AM**  
Chairman  
16 March 2018



## Independent Auditor's Review Report

To the members of Anglo Australian Resources NL

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Anglo Australian Resources NL, which comprises the condensed statement of financial position as at 31 December 2017, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Directors' Responsibility for the Half-Year 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 is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Anglo Australian Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Anglo Australian Resources NL is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date;
- and complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

### *Emphasis of matter - Inherent uncertainty regarding continuation as a going concern*

Without modifying our opinion, we draw attention to Note 1 to the financial statements which outlines that the ability of the Company to continue as a going concern is dependent on the Company securing additional funding through either the issue of further shares and/or options.

As a result there is material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

*Greenwich & Co Audit Pty Ltd*  
**Greenwich & Co Audit Pty Ltd**



**Andrew May**  
Audit Director

16 March 2018