



ANGLO AUSTRALIAN RESOURCES NL

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24 September 2018

MANDILLA GOLD PROJECT UPDATE

Anglo Australian Resources NL (“Anglo Australian” or the “Company”) is pleased to announce the commencement of a drilling campaign at Mandilla South, a part of the Company’s 100%-owned Mandilla Gold Project, approximately 75 kilometres south of Kalgoorlie, Western Australia.

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

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 Au from 42 metres (ASX 30/01/14).

In a release to the ASX on 23 October 2017, Anglo Australian announced that, following a further aircore drilling campaign undertaken at Mandilla South, the Company had identified a weathered bedrock target extending along the NW-SE strike of more than 1.5 km in length, and with a width of typically 100 metres, with gold values exceeding 1 g/t Au 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 strongly gold anomalous trend appears to be related to a shear zone close to the margin of the Emu Rocks Granite, where the orientation swings around to the more favourable NW around the rigid granite body.

The Mandilla South target, identified by way of significant results from previous broad-spaced drilling (RC results in red, aircore results in yellow), is illustrated below in Figure 1.

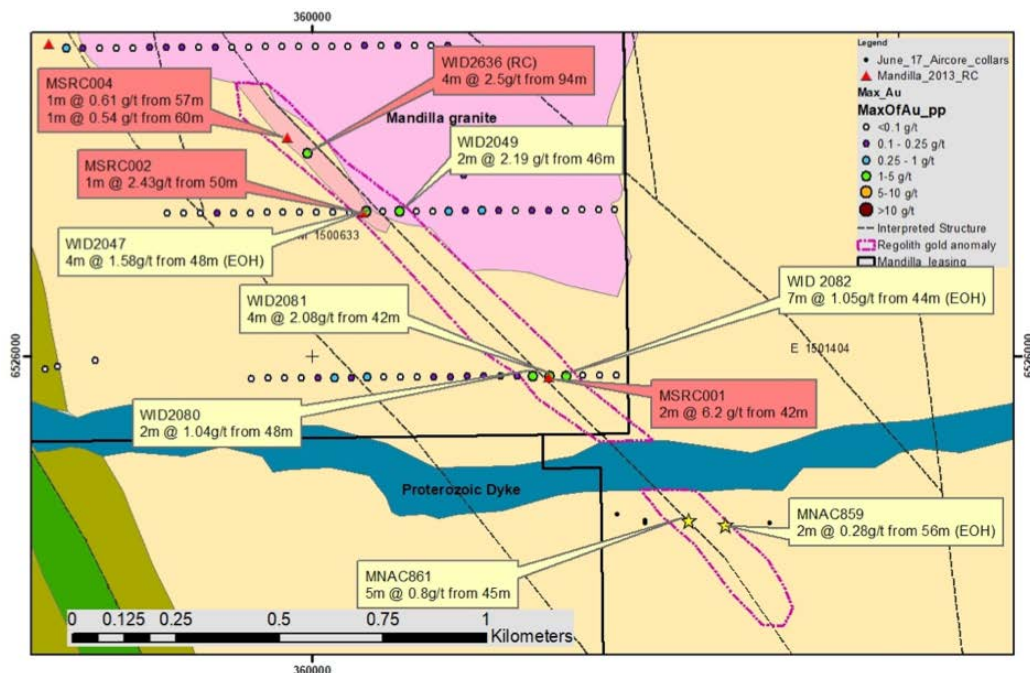


Figure 1: Mandilla South target (previous RC results in red, aircore results in yellow).

The new drilling campaign, which commenced on 19 September 2018, will be undertaken using a rig that drills by way of aircore down to blade refusal, with the capability to continue by way of reverse circulation drilling if required.



The campaign is planned to encompass the drilling of 70 holes along 10 variably spaced lines for an aggregate of approximately 5,000 metres drilled, or an average of approximately 70 metres per hole.

The lines/ holes have been located to infill previous drilling and extend the size of the target.

A parallel structure, interpreted to lie 200 to 400 metres west of the main target, has previously returned significant gold anomalism and will also be tested on several of the proposed drill traverses

A map illustrating the Mandilla South target, identifying previous drilling locations and results, and intended new drilling locations, is set out in Figure 2.

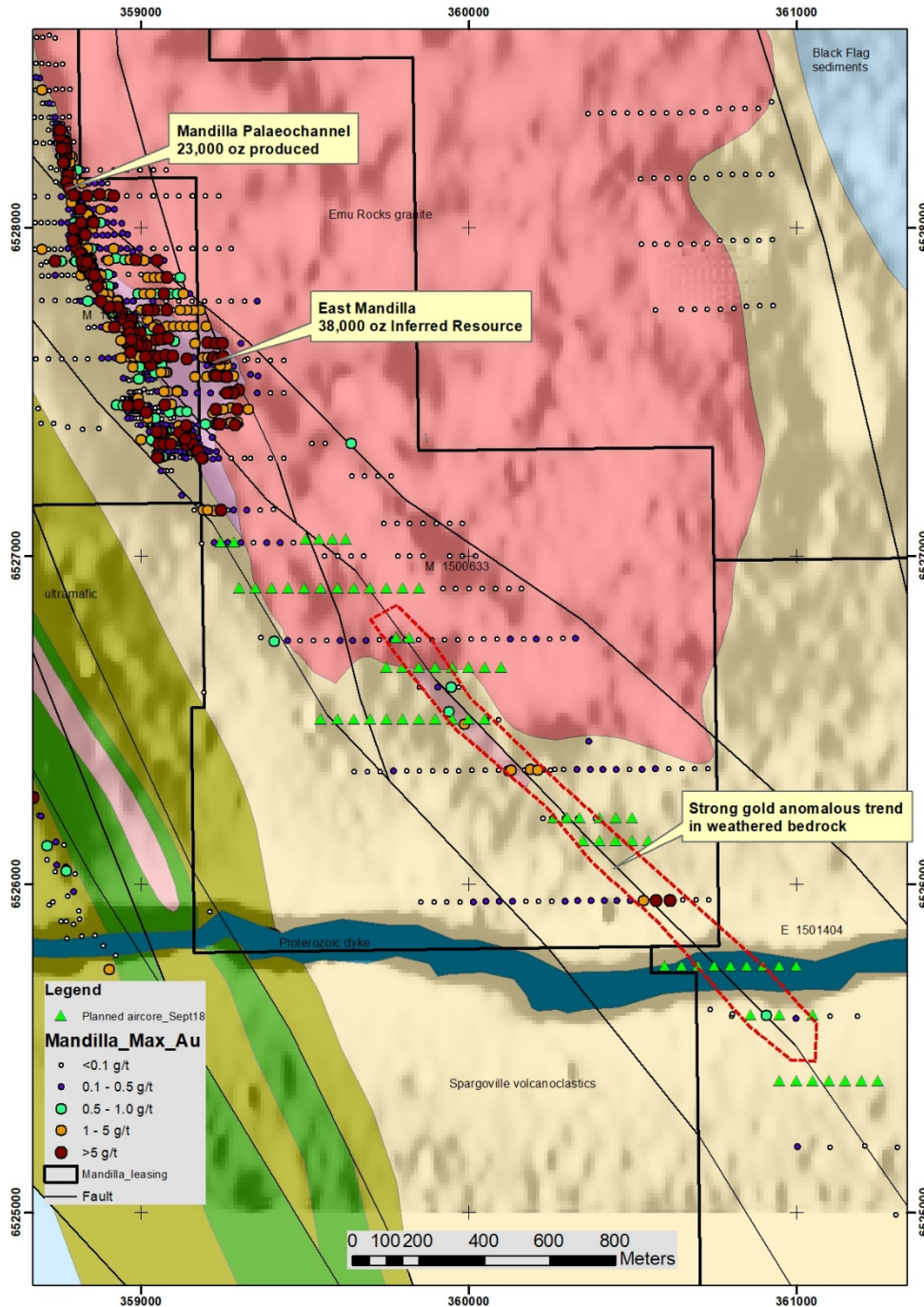


Figure 2: Mandilla South – identifying previous drill locations and results, and intended new drill locations.

As previously advised, Anglo Australian was recently granted funding assistance by the Department of Mines and Petroleum, Western Australia under its Exploration Incentive Scheme Co-funded Exploration Drilling Program for the drilling of three deep diamond drill holes at Mandilla South in the amount of \$100,000.



When appropriate, Anglo Australian will make use of such funds to test the key gold mineralized structures at Mandilla South, identified through the current and previous drilling campaigns.

John Jones, Chairman of Anglo Australian, said today:

“Our Mandilla South target, currently at approximately 1.5 km long with gold values exceeding 1 g/t Au for most of its length, would be attractive to any gold exploration company, particularly located as close as it is to Kalgoorlie.

“I’ve been keen to return to Mandilla South since we identified it in late 2017.

“However, such is the perceived potential of our Feysville Gold Project that we haven’t done so until now.

“Having recently raised additional funds by way of a placement, and with the recent grant of government funding assistance for diamond drilling at Mandilla, it’s time we looked further into this opportunity.”

About the Mandilla Gold Project

The Mandilla Project is situated in the northern part of the Widgiemooltha corridor, which 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.

At the Mandilla Project, the geology 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.

Gold mineralisation at Mandilla, including the Mandilla East resource, is related to extensional quartz vein arrays and potentially shear-hosted lodes in the Emu Rocks granite. Visible gold occurs within the quartz veins, and the eroded products of this mineralisation were deposited in ancient stream drainages overlying and adjacent to the granite. Anglo Australian produced approximately 23,000 ounces of gold from one such palaeochannel in 2006 and 2007.

For further information:

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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.