



ANGLO AUSTRALIAN RESOURCES NL

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MANDILLA GOLD PROJECT UPDATE – NOVEMBER 2018

Anglo Australian Resources NL (“**Anglo Australian**” or the “**Company**”) is pleased to provide the following update in relation to its 100%-owned Mandilla Gold Project, approximately 75 kilometres south of Kalgoorlie, Western Australia.

Highlights

- **The Mandilla South target is now of substantial size, with the supergene enriched gold zone exceeding 2.5 kilometres in strike length and with a width of up to 250 metres**

Key assay results from the September 2018 drilling campaign include:

- In MNAC921, **1 m @ 6.05 g/t Au** from 55 m
- In MNAC927, **1 m @ 4.13 g/t Au** from 60 m
- In MNAC940, **1 m @ 3.55 g/t Au** from 37 m
- Identification of a bedrock target now becomes a high priority

As set out in Anglo Australian’s “*Mandilla Gold Project Update*” ASX announcement, in September, the Company commenced a drilling campaign at Mandilla.

The campaign, to confirm the size and extent of the Mandilla South target, was undertaken using a rig that drills by way of aircore down to blade refusal, with the capability to extend the hole depth using reverse circulation drilling if required.

The campaign comprised 31 holes for an aggregate 1,631 metres, or an average depth per hole of approximately 54 metres.

Four metre composite samples were submitted for assay. Intersections of interest were subsequently re-assayed over one metre intervals. These results are set out in Table 1.

Multiple holes returned gold values in excess of 1 g/t Au, with key results including:

- In MNAC921, **1 m @ 6.06 g/t Au** from 55 m
- In MNAC927, **1 m @ 4.13 g/t Au** from 60 m
- In MNAC940, **1 m @ 3.55 g/t Au** from 37 m

Anomalous gold values are associated with a flat-lying supergene enriched gold zone which occurs at the base of the weathering profile at a depth of typically 40 to 50 metres beneath transported Tertiary-aged sediments and highly leached upper saprolite.

The supergene enriched gold zone is of substantial size as defined by the 1 g/t Au contour, exceeding 2.5 kilometres in strike length, whilst open to the south-east, and up to 250 metres in width.



A map illustrating the Mandilla South target, as well as key drill holes and assay results, is set out as Figure 1.

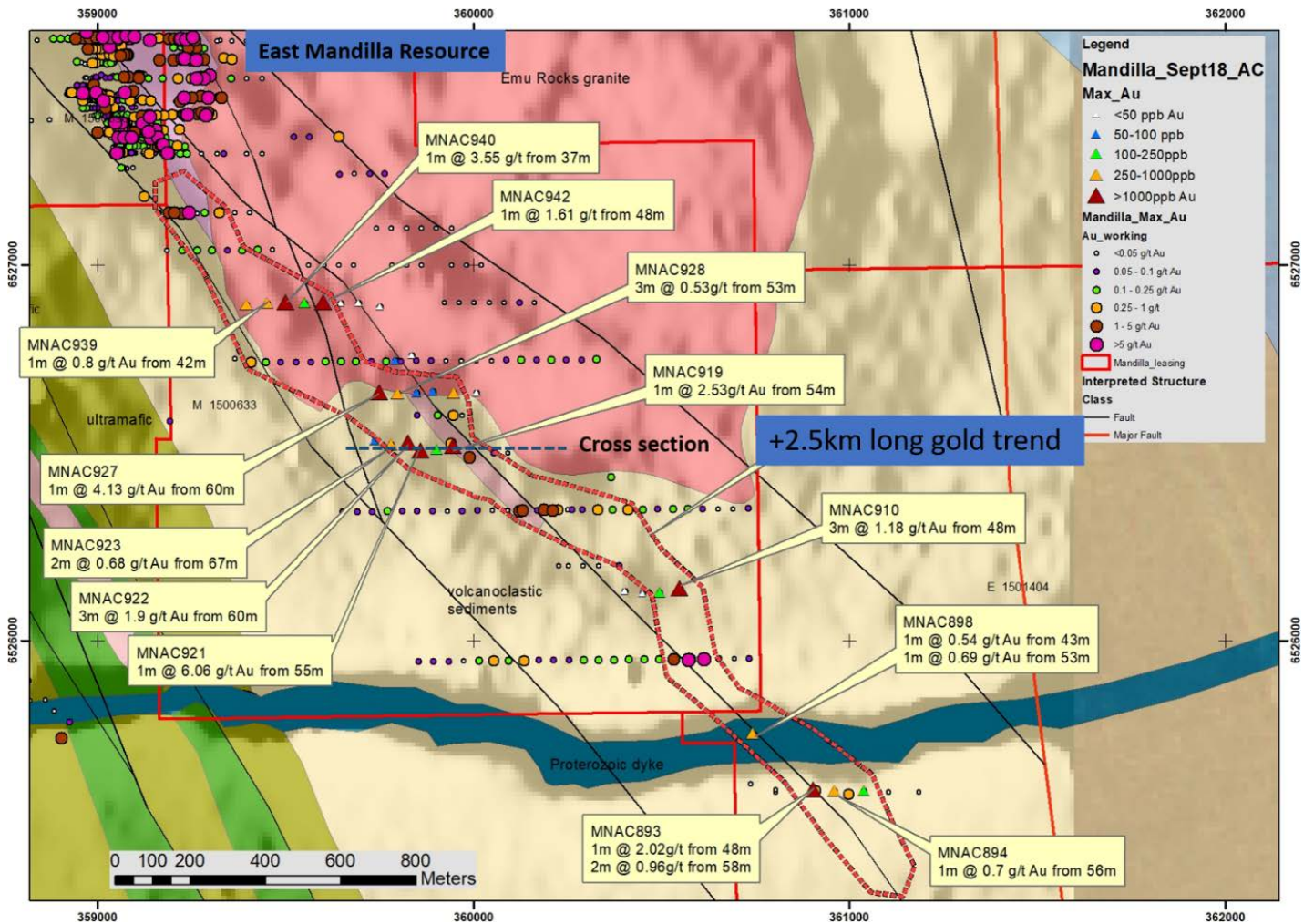


Figure 1: Map of Mandilla South target illustrating key drill holes and assay results.

The supergene enriched zone is developed close to the margin between the Emu Rocks granite intrusion and volcanoclastic sediments of the Spargoville Volcanic sequence.

The contact is interpreted to be associated with a significant shear zone which will be the target of future bedrock drilling.

A cross-section of the Mandilla South target on section 6,526,500N (refer location in Figure 1), identifying the supergene enriched gold zone, is set out as Figure 2

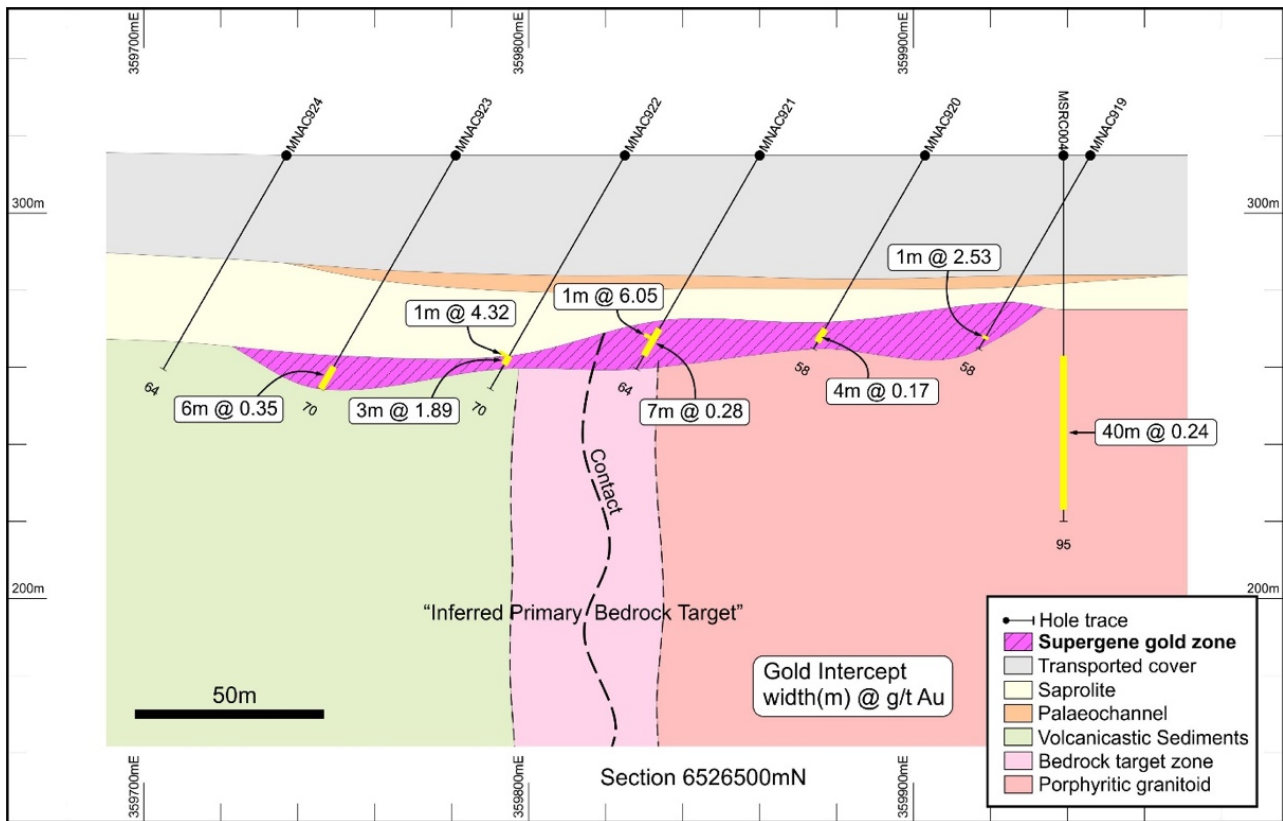


Figure 2: Cross section of the Mandilla South target on section 6,526,500N identifying the supergene enriched gold zone.

At this location, the supergene enriched gold zone is developed over a cross-strike width exceeding 100 metres.

In due course, a further infill aircore drilling campaign will be undertaken to seek to define the core of the gold anomalous trend.

The campaign will also see re-drilling of certain historic aircore holes that were not drilled deep enough to intersect the main supergene-enriched gold blanket zone.

This aircore campaign will optimize locations for a future reverse circulation (“RC”) drilling campaign to test for bedrock mineralisation.

Shareholders will recall that Anglo Australian has previously been granted funding assistance by the Department of Mines and Petroleum, Western Australia under its Exploration Incentive Scheme Co-funded Exploration program for drilling three deep diamond drill holes at Mandilla South in the amount of \$100,000.

That being the case, , Anglo Australian has a clear and substantially-well-funded path to evaluating Mandilla South.

Mr John Jones, Chairman of Anglo Australian, said today:

“With a footprint of more than 2.5 kilometres in strike length and with a width of up to 250 metres, as defined by the 1 g/t Au contour, Mandilla South represents a compelling target.

“By comparison, prior to our first RC campaign at Think Big in our Feysville Project area, that target, as defined by the 1 g/t Au contour, was only 200 metres in length and 50 metres in width.

“Beneath the supergene enriched gold blanket, there might well be a bedrock target of significant size.

“I very much look forward to undertaking an RC campaign at Mandilla South to see what might lie beneath.

“Whilst the Feysville Project has very much been the Company’s focus, and still is as we move towards its development, such is the prospectivity of Mandilla South, not to mention its proximity to Kalgoorlie, that this target also demands significant early attention.”



About the Mandilla Gold Project

At Mandilla East, Anglo Australian 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).

At Mandilla South, along strike and potentially linked with 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 kilometres 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.

For further information:

John L C Jones AM – Chairman

Telephone: (08) 9322 4569

Compliance Statement

The information in this report that relates to 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 Results.

There is information in this report relating to exploration results which were previously announced on 24 September 2018. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement.



TABLE 1

Mandilla Project - Table of Significant RC/AC Assay Results > 0.5 g/t Au:

Hole No.	Easting	Northing	Dip°	Az°	Depth m	From	To	Interval	Au/Grade g/t	Comments
MNAC893	360903	6525603	60	270	82	48	49	1	2.01	1 metre intervals
						58	60	2	0.96	
MNAC894	360960	6525599	60	270	78	56	57	1	0.7	
MNAC898	360742	6525752	60	270	60	43	44	1	0.54	
						53	54	1	0.69	
MNAC910	360549	6526139	60	270	58	48	51	3	1.37	
MNAC919	359946	6526517	60	270	58	54	55	1	2.53	
MNAC921	359860	6526506	60	270	64	55	56	1	6.05	
MNAC922	359825	6526528	60	270	70	60	63	3	1.9	
							incl	1	4.33	
MNAC923	359781	6526521	60	270	70	67	69	2	0.67	
MNAC927	359749	6526661	60	270	68	60	61	1	4.13	
MNAC928	359799	6526657	60	270	58	53	54	1	0.92	
						55	56	1	0.6	
MNAC939	359451	6526899	60	270	44	42	43	1	0.8	
MNAC940	359500	6526900	60	270	42	37	38	1	3.55	
MNAC942	359600	6526901	60	270	50	48	49	1	1.61	

APPENDIX 1

Section 1: Sampling Techniques and Data - Mandilla

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • <i>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.</i> • <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> • <i>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 30 g 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.</i> 	<p>All Aircore 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.</p> <p>All samples were trucked to Intertek in Kalgoorlie each day. On completion of the drilling program the samples were submitted for analysis.</p> <p>Intertek assay standards, blanks and checks and were inserted at regular intervals.</p>
Drilling techniques	<ul style="list-style-type: none"> • <i>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).</i> 	<p>Aircore Drilling - blade bit. For a 4.5 inches diameter hole.</p>
Drill sample recovery	<ul style="list-style-type: none"> • <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> • <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> • <i>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.</i> 	<p>Visual – amount in sample piles, poor recoveries recorded in sample book.</p> <p>Not known at this stage: more drilling is required to establish if there is any sample bias.</p>
Logging	<ul style="list-style-type: none"> • <i>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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<p>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.</p> <p>Logging is carried out at metre intervals.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> 	<p>The AC 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.</p> <p>Standard Western Australian sampling techniques applied. There has been no statistical work carried out at this stage.</p> <p>Intertek assay standards, blanks and checks and were inserted at regular intervals. No duplicates or standards were submitted by the company.</p>

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	Sample sizes are appropriate to the grain size of the material being sampled.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> 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. 	<p>Sample receipt – LIMS Registration – Sample sorting and Reconciliation</p> <p>Sample weights are recorded – Samples dried on trays 105° C for a minimum of 12 hours</p> <p>Samples are pulverised to 85% passing 75um using a LM5 Pulveriser.</p> <p>Pulps sent to Intertek Perth. 25 gram sample split off.</p> <p>Assayed for Au, As Co, Cu, Ni, Pb, Zn by method AR25/MS, Samples assaying greater than 1000ppb Au assay by AR25hMS</p> <p>Standard Intertek Minerals protocols re blanks, standards & duplicates applied.</p> <p>Certified Reference Material (G311 , G314- 8 , G910 – 6 & G911 – 6) from Geostats Pty Ltd submitted at 50 metre intervals approximately.</p> <p>Referee sampling has not yet been carried out.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> 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. 	<p>Contractor J Chellew verified hole position on site</p> <p>Standard data entry used on site, backed up in Subiaco WA.</p> <p>No adjustments have been carried out</p>
Location of data points	<ul style="list-style-type: none"> 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. 	<p>Drill holes have been picked up by hand held Garmin GPS 78). (5 -10 metre accuracy)</p> <p>Grid: GDA94 Datum UTM Zone 51</p>
Data spacing and distribution	<ul style="list-style-type: none"> 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 Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<p>Drill hole spacing is 50 to 100m on section, with 200 and 400m sectional spacing; (approximate).</p> <p>Sample compositing was undertaken over 4 metre intervals where possible.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	All samples taken daily to Intertek yard in Kalgoorlie.
Audits or reviews	<ul style="list-style-type: none"> 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 - Mandilla

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> 	<p>Mining Leases 15/96 and 15/633 and Exploration Licence 15/1404. All are owned 100% by Anglo Australian Resources NL</p> <p>The licences are in good standing.</p> <p>No known impediments.</p>
Exploration done by other parties	<ul style="list-style-type: none"> • <i>Acknowledgment and appraisal of exploration by other parties.</i> 	Unavailable at current time.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	Archaean orogenic gold mineralisation hosted by felsic to intermediate schist, Mafic volcanics, ultramafic intrusives and porphyry.
Drill hole Information	<ul style="list-style-type: none"> • <i>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:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> • <i>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.</i> 	This Information has been summarised in Table 1 of the ASX announcement.
Data aggregation methods	<ul style="list-style-type: none"> • <i>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.</i> • <i>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.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<p>No data aggregation methods have been used.</p> <p>A 100 ppb Au lower cut off has been used to calculate grades.</p> <p>This has not been applied</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	Not known at this stage.
Diagrams	<ul style="list-style-type: none"> • <i>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</i> 	Applied

Criteria	JORC Code Explanation	Commentary
	<i>plan view of drill hole collar locations and appropriate sectional views.</i>	
Balanced reporting	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	<p>Follow up Aircore, Reverse Circulation & Diamond Drilling is planned.</p> <p>No reporting of commercially sensitive information at this stage.</p>