ANGLO AUSTRALIAN RESOURCES NL

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KOONGIE PARK GOLD PROJECT UPDATE – JANUARY 2019

Anglo Australian Resources NL ("**Anglo Australian**" or the "**Company**") is pleased to update the market in relation to its 100%-owned Koongie Park Gold Project, located approximately 20 kilometres to the south west of Halls Creek in the Eastern Kimberley region of Western Australia.

Highlights

- Substantial ground position – approximately 549 square kilometres of tenure – adjacent to Pantoro's producing Nicolsons Gold Project
- Ground position highly prospective for gold encompassing approximately 30 kilometres of Nicolsons Shear Zone hosting gold deposits being mined by Pantoro. Other than six historical drill holes at the Bulldog Prospect, there remains approximately 40 kilometres of the Nicolsons East Shear Zone which is yet to be drill tested but on which numerous targets have been identified from rock chip samples including:
    - Nicolsons East Prospect – which **assays up to 15.7 g/t Au** and which **outcrops over approximately two kilometres**
    - Bulldog Prospect – which **assays up to 73.58 g/t Au**
- With Native Title clearance recently received, drilling and related activities can now commence
- **Inaugural 15 hole, 1,000m RC drilling campaign of Nicolsons East Shear Zone targets will commence once weather conditions permit**

Background

The Koongie Park Project is a large and under-explored shear-hosted gold and volcanic-hosted massive sulphide (VHMS) base metal project in the East Kimberley region of Western Australia, near the town of Halls Creek. The region has been intermittently mined for gold since Western Australia's first gold rush in 1885.

The project is situated within the metal endowed Halls Creek Orogen, a major north-easterly trending orogenic belt developed within the Early Proterozoic of the East Kimberley region of Western Australia. The Halls Creek Orogen is strikingly similar in age and stratigraphy to the highly gold endowed Granites-Tanami province in the Northern Territory which hosts Newmont's world class Callie gold deposit.

The location of Anglo Australian's Koongie Park Gold Project is illustrated in Figure 1.

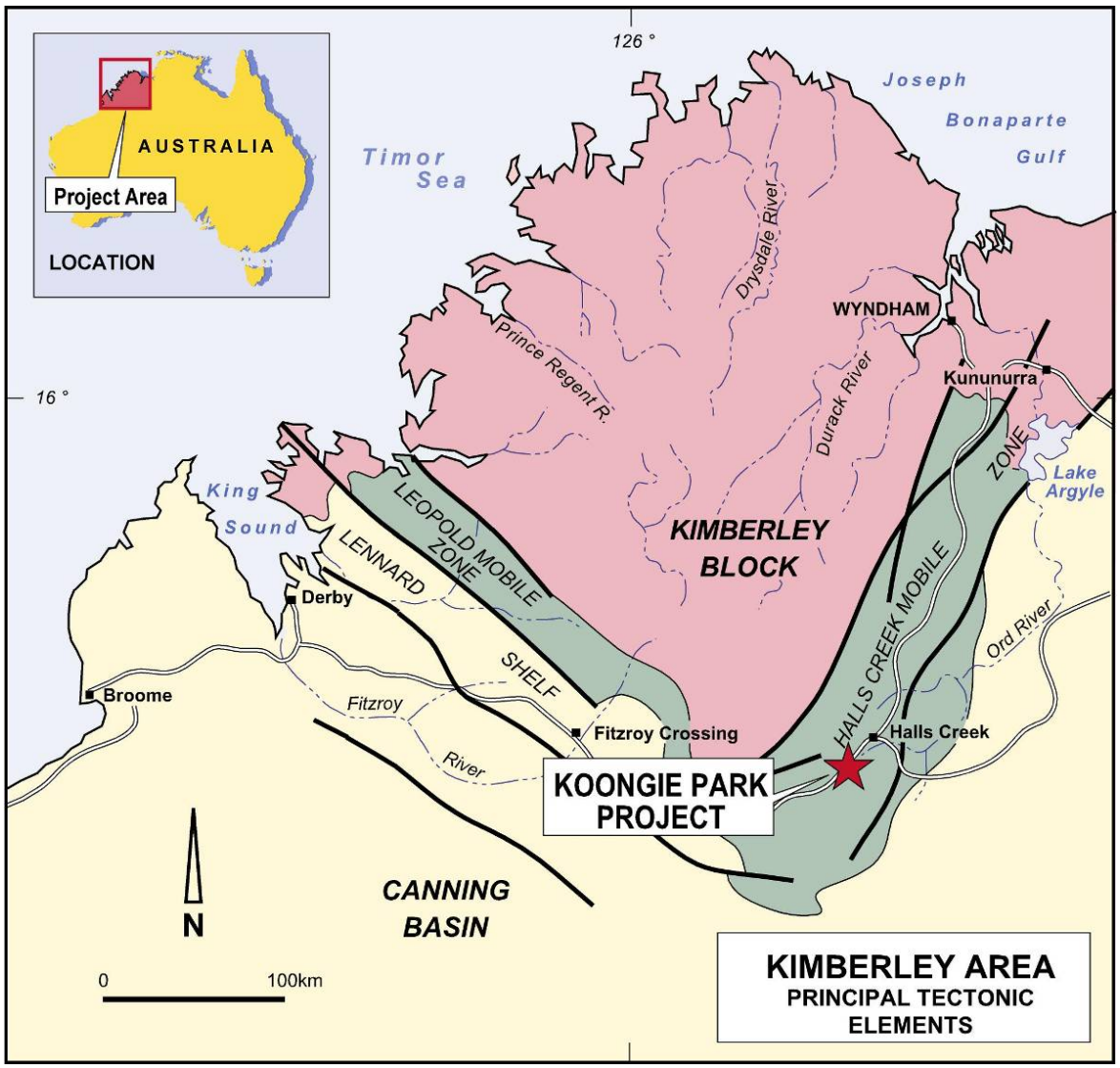

Figure 1: Regional map illustrating location of Koongie Park Project.

Anglo Australian's easily accessible tenements are adjacent to the Nicolsons Gold Project owned by the ASX-listed Pantoro Limited (current market capitalisation of approximately $210 million), which is currently producing gold at a rate of approximately 55,000 ounces per annum.

The NNE-SSW trending Nicolsons Shear Zone on which the Nicolsons Mine is situated also hosts other gold deposits held by Pantoro including Rowdies, Wagtail North and Wagtail South.

As at 31 May 2018, Nicolsons Mine has total Resources of approximately 1.5 million tonnes at 8.3 g/t Au for approximately 400,000 ounces of gold.

The Nicolsons Mine is structurally controlled within a 400 metre wide NNE trending strike-slip shear zone adjacent to the northwest margin of the Lodestone Monzogranite. Host rocks comprise folded and metamorphosed turbiditic greywackes, felsic vocaniclastics, mafic volcanic and laminated siltstone and mudstone of the Koongie Park Formation. Mineralisation is strongly associated with discontinuous quartz veining and iron-silica-potassium alteration.

Anglo Australian has built a substantial ground position at Koongie Park. Recently, Anglo Australian lodged an application for tenement E80/5263, increasing its ground position to approximately 549 square kilometres – refer Figure 2.

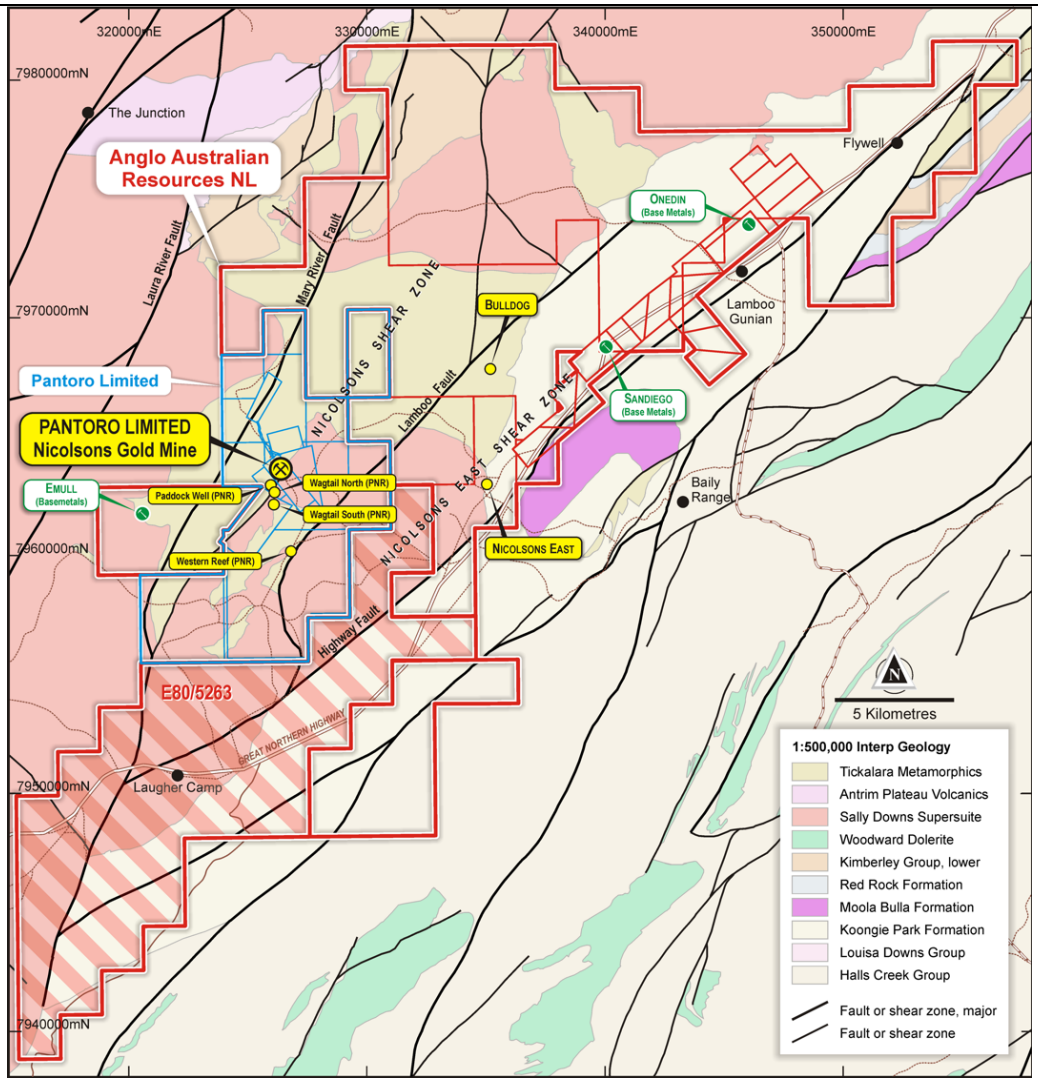

Figure 2: Map of Koongie Park illustrating the ground positions of both Anglo Australian (shown in red) and Pantoro (blue). Tenement E80/5263, for which Anglo Australian recently applied, is shaded.

Anglo Australian's ground position encompasses approximately 15 kilometres of the Nicolsons Shear Zone to the north of ground held by Pantoro, as well as 15 kilometres of the Nicolsons Shear Zone to the south, all of which is yet to be drill tested.

Anglo Australian also holds approximately 40 kilometres of strike along the Nicolsons East Shear Zone, which is approximately 8 kilometres to the east of and sub-parallel to the Nicolsons Shear Zone.

Historically, the general area has seen several exploration programs since the 1970s, including prospecting, soil sampling, geological mapping, drill core logging, soil sampling, and interpretation of airborne geophysics.

The general historic focus has been on base metal exploration, with limited focus on gold.

Recent Field Work

In 2017, Mr Shawn Hood, on behalf of Anglo Australian, undertook a mapping and sampling effort at Koongie Park.

This effort successfully extended gold mineralisation associated with quartz vein outcrops at Nicolsons East Prospect (Mt Angelo Well) by 650 metres to 1.7 kilometres and generated new targets at the Bulldog prospect – refer Figures 3.

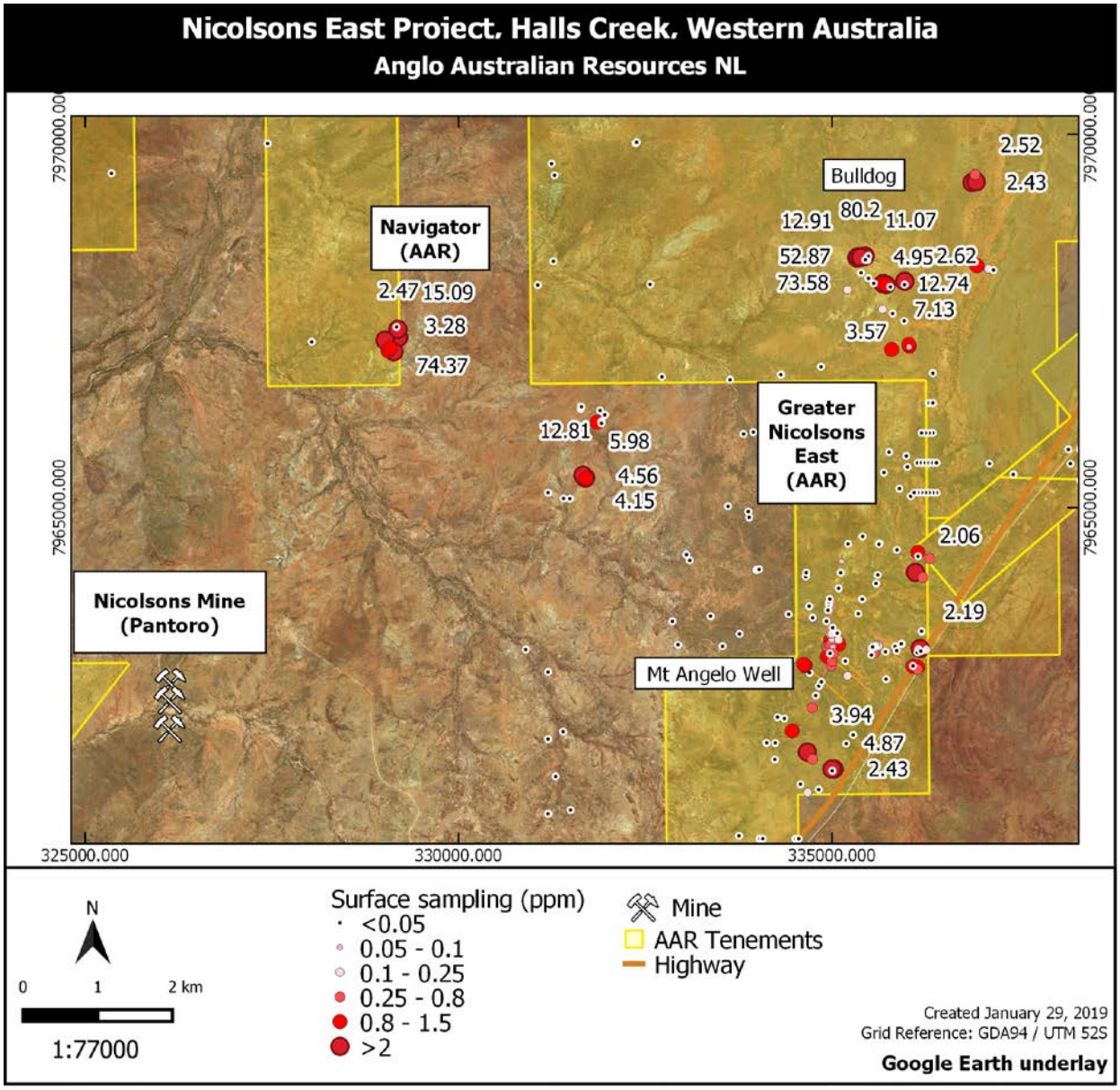

Figure 3: Key targets and assay results identified at Nicolsons East and Bulldog.

Key results are tabulated in Table 1.

SAMPLE ID	EAST	NORTH	FROM	AU_PPM	LOCATION	GEOLOGY
5431	335383	7968354	subcrop	73.58	Bulldog	E-W shear zone, quartz veining in TM
5438	335687	7967999	subcrop	12.74	Bulldog	E-W shear zone, quartz veining in TM
5425	335441	7968365	outcrop	11.77	Bulldog	E-W shear zone, quartz veining in TM
5424	335439	7968366	subcrop	5.869	Bulldog	Quartz veining in TM
5381	335000	7961500	outcrop	4.871	South from Nicolsons East	X-cutting 'Quartz Reef' veining in LM
5372	334670	7961727	outcrop	3.936	South from Nicolsons East	X-cutting 'Quartz Reef' veining in LM
5443	335973	7968031	float	2.615	Bulldog	Likely shed from hill of monzogranite, ~100 m north
5378	335026	7961500	float	2.429	South from Nicolsons East	X-cutting 'Quartz Reef' veining in LM
5356	336179	7963113	subcrop	2.194	East from Nicolsons East	Quartz veining in KPF
5439	335693	7967997	subcrop	1.819	Bulldog	Quartz veining in TM
5363	336083	7962874	outcrop	1.633	East from Nicolsons East	Quartz veining in KPF
5468	334639	7962885	outcrop	1.366	Nicolsons East	N-S shear zone x-cutting quartz vein
5470	334620	7962901	outcrop	1.273	Nicolsons East	N-S shear zone x-cutting quartz vein

Table 1: Significant recent rock chip sampling results from Nicolsons East prospects.

Two key zones of mineralisation have thus far been identified.

To the north, the Nicolsons East Shear Zone hosts the Bulldog Prospect where six historic holes were previously drilled.

From recent rock-chip sampling by Anglo Australian, assays of up to 73.58 g/t Au were recorded - refer Figure 4.

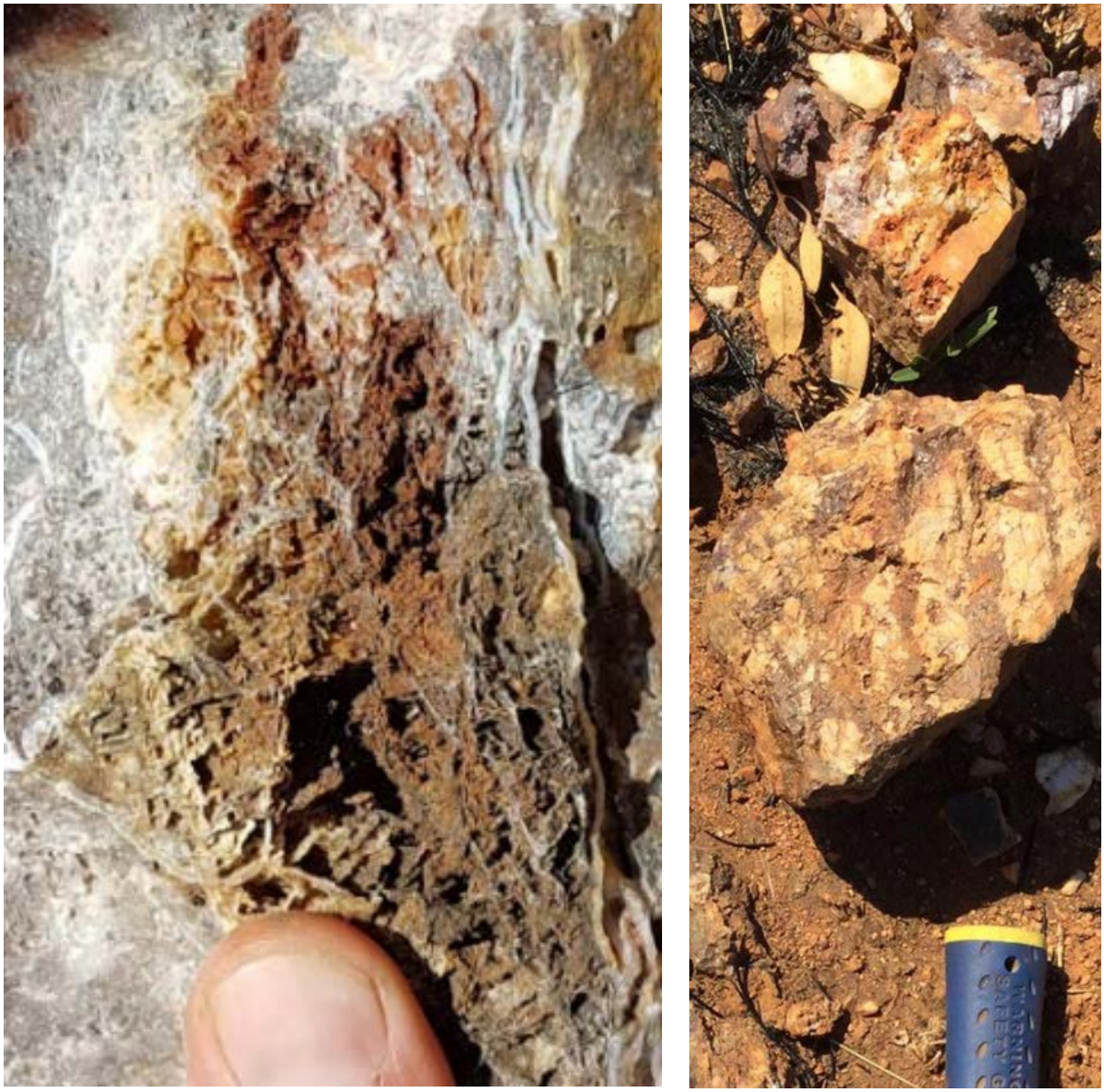

Figure 4: Examples of oxidised gold-bearing ore from the greater Nicolsons area. Left: ore (gossan in quartz veining) from Nicolsons Find open pit, exact location and grade unknown. Right: gossan in quartz veining sampled from the Bulldog target area during the 2017 field season, containing 73.58 g/t Au.

To the south, the Nicolsons East target, for which rock chip samples of up to 15.7 g/t[1] Au have been recorded, outcrops over two kilometres – refer Figure 5.

[1] ASX – 13 Feb 2017

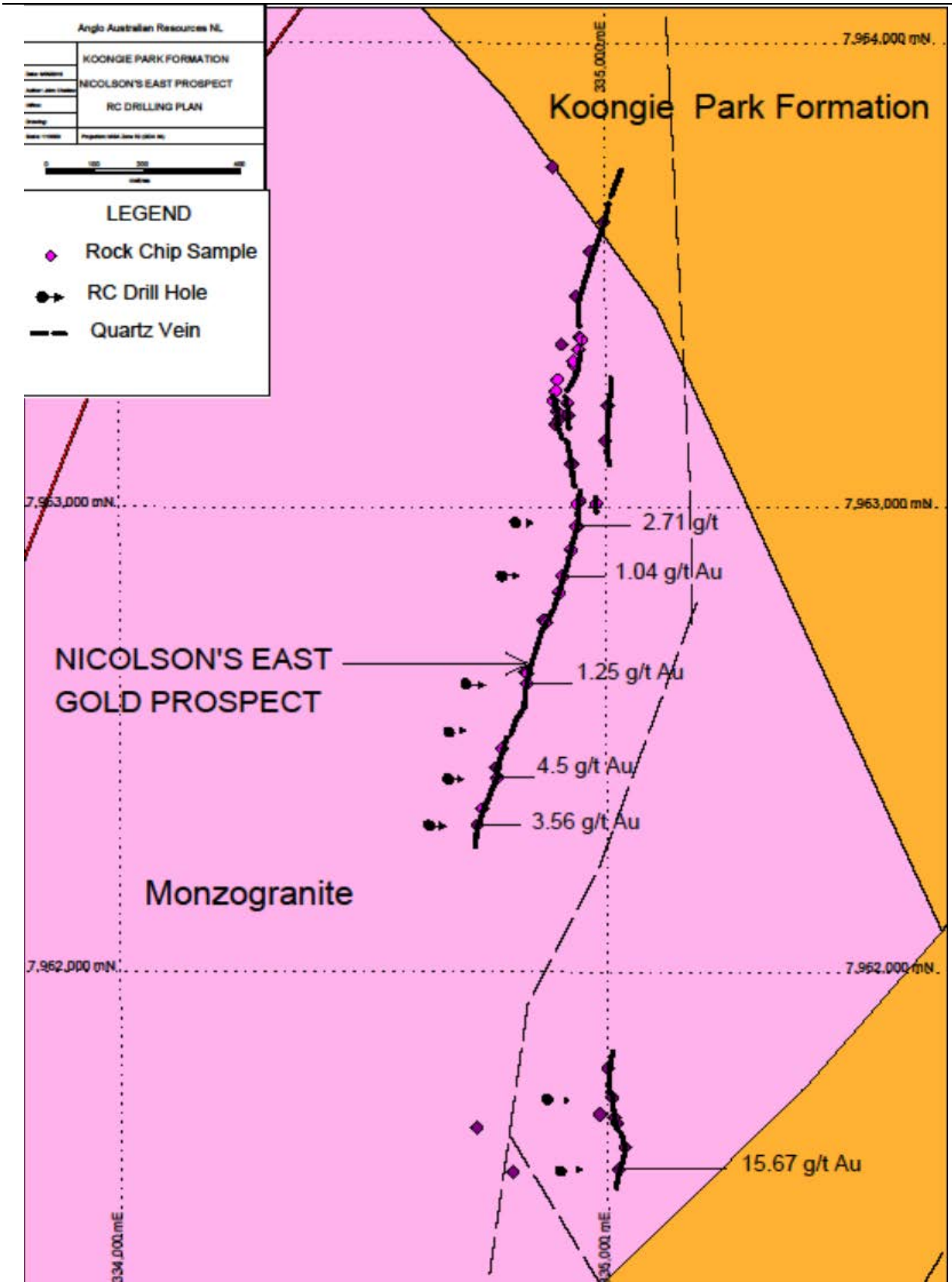

Figure 5: Map illustrating continuous two kilometre portion of the Nicolsons East Shear Zone, including rock chip that assayed 15.7 g/t Au.

Photos of the outcropping Nicolsons East Shear Zone are set out in Figure 6.

Figure 6: Photos of the outcropping Nicolsons East Shear Zone.

In his *"**2017 Field Season Report for Koongie Park Project**"*, Mr Hood commented:

"It is recommended that continued systematic exploration be completed, with the Nicolsons East (aka Mt Angelo Well) and Bulldog gold occurrences representing the highest rated target areas. Rock chip sampling has clearly defined mineralized trends within these areas. A programme of tightly spaced RC drilling on a 25 by 25m grid is recommended to test the extent and continuity of gold mineralization at depth. The goal is to define a potential, near-surface mineral resource amenable to future open pit mining methods. Regional exploration should continue, especially within the Greater Nicolsons East corridor; air core drilling will likely be the most efficient strategy for geochemical sampling and anomaly definition."

Native Title

Anglo Australian has recently received Native Title clearance in respect of Koongie Park and, accordingly, drilling and other exploration activities can commence.

Proposed RC Drilling Campaign

Anglo Australian is proposing to undertake a reverse circulation drilling campaign at Nicolsons East as soon as weather permits.

The campaign is expected to involve the drilling of 15 holes for an aggregate of 1,000 metres, or an average depth per hole of approximately 70 metres.

The holes will target structures beneath the mapped positions of quartz vein outcrops which recorded the high-grade gold values at Nicolsons East and Bulldog prospects (Figure 3) to test the potential scale and grade of these structures.

Mr John Jones, Chairman of Anglo Australian, commented:

"With geology at surface considered to be essentially the same as that encountered by Pantoro at its Nicolsons Project, we consider it highly likely that there is considerable gold mineralisation to be identified at Koongie Park on Anglo Australian ground just as is enjoyed by Pantoro on its ground.

"Moreover, with some significant gold identified from rock chips at surface – at Bulldog, for instance which has assayed up to 73.58 g/t Au – who knows what mineralisation awaits discovery.

"Now that we are able to move forward with drilling and other exploration activities, Koongie Park will thus become an active Project for the Company, along with both our exciting Feysville and Mandilla Projects.

"Accordingly, there should be no shortage of news for Anglo Australian shareholders moving forward."

For further information:

John L C Jones AM – Chairman
Telephone: (08) 9322 4569

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.

Annexure 1 – Koongie Park

Checklist of the JORC (2012) Guidelines

Section 1	Sampling Techniques and Data
Sampling techniques	• All samples collected during the reconnaissance exploration program were grab samples collected from rock outcrops. Areas for sampling were selected by a qualified geologist.
Drilling techniques	• No drilling was undertaken as only reconnaissance exploration was completed on the tenements.
Drill sample recovery	• No drill sampling was completed as no drilling was completed on the tenements.
Logging	• No drill core or chip logging was completed as no drilling was completed on the tenements.
Sub-sampling techniques and sample preparation	• All grab samples from rock outcrops collected weighed approximately 2kg for sample analysis. The samples were not subjected to further sub-sampling techniques as reconnaissance exploration was completed on the tenements. • All soil samples from termite mounds were taken from the top of the mound and sieved through a -10 mesh (2mm) sieve to collect approximately 1kg for each sample.
Quality of assay data and laboratory tests	• All rock samples were dispatched to independent laboratory Genalysis in Perth, WA and assaying completed for Au determined by FA50/MS. • No duplicate samples, standards or blanks were inserted into the sample stream due to the reconnaissance nature of the exploration program and the limited number of samples collected from each widely spaced sample location.
Verification of sampling and assaying	• Independent verification was not undertaken due to the reconnaissance nature of the exploration program and limited number of samples collected from each widely spaced sample location.
Location of data points	• Sample locations were recorded using a hand held Garmin GPS for easting and northing coordinates. The datum used was GDA94 Zone 52.
Data spacing and distribution	• A total of 181 location sites were inspected and sampled during the reconnaissance exploration program. • Sample site location spacing ranged from 10m to approximately 10km. The sample spacing is only sufficient for reconnaissance exploration to define areas of mineralisation that may require follow-up exploration.
Orientation of data in relation to geological structure	• Due to the reconnaissance nature of the sampling, the orientation of the data in relation to geological structure cannot be quantified.
Sample security	• Samples were bagged and sealed at the sample site and dispatched by road transport to Genalysis, Perth WA. All sample preparation and assaying was completed under the supervision of the independent laboratory.
Audits or reviews	• No audits or reviews have been completed due to the reconnaissance nature of the exploration program.

Section 2	Reporting of Exploration Results
Mineral tenement and land tenure status	• Koongie Park tenements are all 100% owned by Anglo Australian Resources NL
Exploration done by other parties	• Historical exploration of the Koongie Park tenement area is extensive involving numerous operators over a period of 50 years. It includes the discovery of the Sandiego and Onedin VMS copper-zinc deposits.
Geology	• The geology of the Koongie Park tenements consists predominantly of volcano sedimentary sequences of Proterozoic age intruded by granitic bodies of similar age.
Drill hole information	• No drilling was undertaken as only reconnaissance exploration was completed on the tenements.
Data aggregation methods	• No data aggregation methods were applied to the rock outcrop grab sample results.
Relationship between mineralisation widths and intercept lengths	• No drilling was undertaken as only reconnaissance exploration was completed on the tenements.
Diagrams	• Diagrams showing the location of Nicholson's Find East quartz vein within E80/4389 and E80/4960 relative to geology and other prospects are exhibited as Figures 3 and 5.
Balanced reporting	• A total of 181 samples were collected and submitted for assaying at the end of the exploration program. • Significant assays have been received and reported in Tables 1. • More information of the assay results of the samples is given in the announcement.
Other substantive exploration data	• No other substantive exploration data can be reported at this time as only reconnaissance exploration was completed on the tenements.
Further work	• Further follow-up reconnaissance exploration is in planning.