Anglo Australian Resources NL

ABN 24 651 541 976

Annual Report

for the year ended 30 June 2019

CORPORATE DIRECTORY

ABN 24 651 541 976

Directors

John Jones AM (Executive Chairman)

Graeme Smith (Non-Executive Director)

Peter Stern (Non-Executive Director)

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Stock Exchange Listing
Anglo Australian Resources NL shares are listed on the Australian Securities Exchange (ASX code: AAR).

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CHAIRMAN'S REPORT

Dear Shareholders

I am pleased to report to you on the significant progress made the during the year, particularly in respect of the Think Big Prospect, a part of the Feysville Gold Project, and the Mandilla Gold Project.

This time last year, Think Big had been identified as a mineralised system of approximately 500 metres in length and 100 metres in width characterised by a wide albeit thin zone of supergene-enriched gold mineralisation of typically 3 to 8 g/t Au at an average depth of approximately 20 metres overlaying primary gold mineralisation of lesser grade down to approximately 40 to 50 metres, though open at depth.

Today, Think Big presents as an Indicated and Inferred Mineral Resource Estimate of 116,000 ounces of gold, with more than 80% of the Resource categorised as Indicated. Mineralisation remains open at depth. A high-grade supergene enriched gold blanket of 20,1000 ounces is present at typically 20 metres below the surface, whilst lower grade primary mineralisation is open along strike and at depth.

Metallurgical test work has demonstrated that excellent recoveries are achievable using conventional gold processing technology. With a feasibility study to assess mining and processing options well underway and the grant of a Mining License awaited, the Company considers it likely that Think Big will be in production by early next year.

Similarly, this time last year, in addition to the previously Inferred Resource at Mandilla East of 38,000 ounces, Anglo Australian had recently identified Mandilla South as an approximately +1.5 kilometres in strike, 100-metre wide generally +1 g/t Au mineralised target.

Here, things have also advanced significantly.

At Mandilla East, beneath the Inferred Resource, the Company has identified a steeply dipping gold mineralised envelope of seemingly good/ excellent gold grade, currently with a strike length of approximately 300 metres but open along strike in both directions, and with an apparent width on section of approximately 70 metres, which is potentially suitable for mining by way of open pit.

At Mandilla South, the Company has identified wide intersections of mineralisation in basement beneath a supergene enriched gold zone some 300 metres in strike length of a +5 g/t Au contour.

As we write, Mandilla East and Mandilla South are the subject of ongoing reverse circulation drilling campaign.

At the Koongie Park Gold Project, receipt during the year of Native Title clearance permitting drilling and other exploration activities to proceed represented a significant milestone. An inaugural RC campaign during the year will be followed up by a second campaign in due course.

During the year, approximately $1.2 million was raised through the issue of new shares to sophisticated investors and a further $200,000 through the exercise of options held by Directors, resulting in cash on hand at 30 June 2019 of approximately $450,000. A further $1.4 million was raised since year end by way of a placement.

I take the opportunity to thank my fellow Directors, consultants, contractors and other stakeholders for their outstanding efforts during the year.

Finally, a big thanks to you our loyal shareholders for all your support in 2019.

I firmly believe that, in both Think Big and Mandilla in particular, we have every reason to look to 2020 with much excitement.

Yours sincerely,

John L C Jones AM
Executive Chairman
Anglo Australian Resources NL

REVIEW OF OPERATIONS

Anglo Australian Resources NL has interests in projects targeting gold and base metals, primarily copper and zinc, all in Western Australia.

PROJECT	EXPLORATION STATUS	LOCATION	PROSPECTIVITY
Feysville Gold	116,100 oz Mineral Resource at Think Big. Drilling ongoing at Saintly and Hyperno targets	Highly strategic, 14 kilometers south of the Super Pit	Extremely high
Mandilla Gold	Resource at Mandilla East of approximately 38,000 oz as part of a 300-metres-long 70-metres-wide system; Mandilla South target 2.5 km long +1 g/t Au supergene anomaly	75 km south of Super Pit	Extremely High
Koongie Park Gold	Many kilometres of under explored shear zones	Highly strategic	Very high
Koongie Park Base Metals	Indicated Mineral Resources with contained 86,000 t Cu, 255,000 t Zn, 2 MOz Au and 26,000 Oz Au	Highly strategic, with numerous VMS targets existing	Very high
Leonora Base Metals	Significantly underexplored	Strategic, along strike from the Jaguar and Bentley Mines	Modest
Carnilya Hill Gold	Geochemical anomaly and nugget patch identified on adjacent lease	40 km south east of Kalgoorlie	Modest

FEYSVILLE GOLD PROJECT – WA

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

The Feysville Gold Project is located in Australia's premier gold belt, approximately 14 kilometres south of the giant Golden Mile deposit (70 MOz) at Kalgoorlie. The belt extends for some 100 kilometres along a NNW strike, and takes in major gold deposits at New Celebration (3 MOz), some 10 kilometres south of Feysville, and the large St Ives field (+15 MOz) 30 to 60 kilometres to the south. Numerous other economic gold deposits have also been discovered within the belt (refer Figure 1).

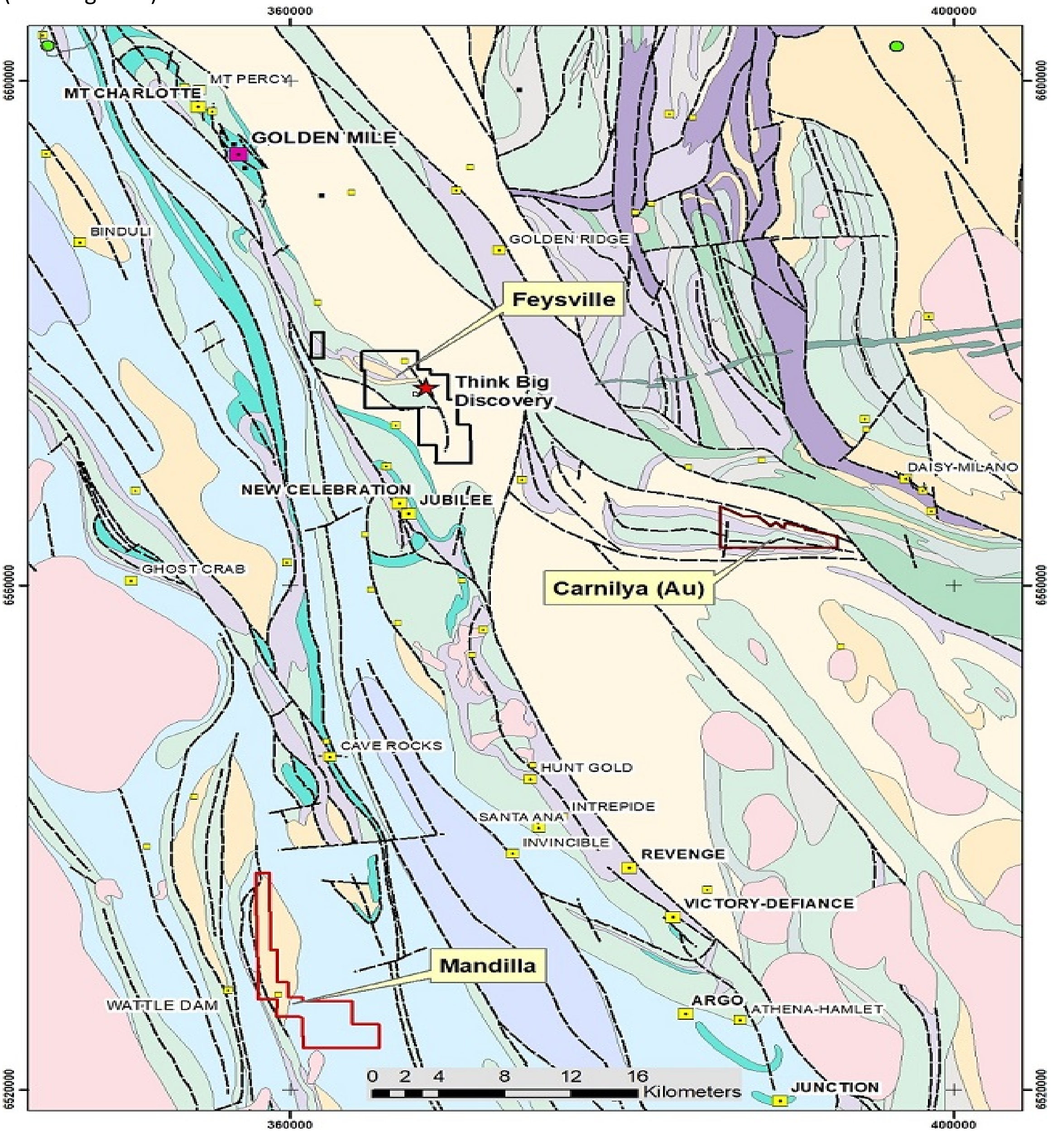


Figure 1: Feysville Gold Project Location Map

On 6 November 2018, Feysville Gold Pty Ltd, a wholly owned subsidiary of Anglo Australian, submitted to the Department of Mines and Petroleum of the Government of Western Australia a Mineralisation Report as part of an application for a Mining Lease pursuant to the Mining Act.

A map of the Mining Lease Application Plan illustrating key deposits and other features is set out as Figure 2.

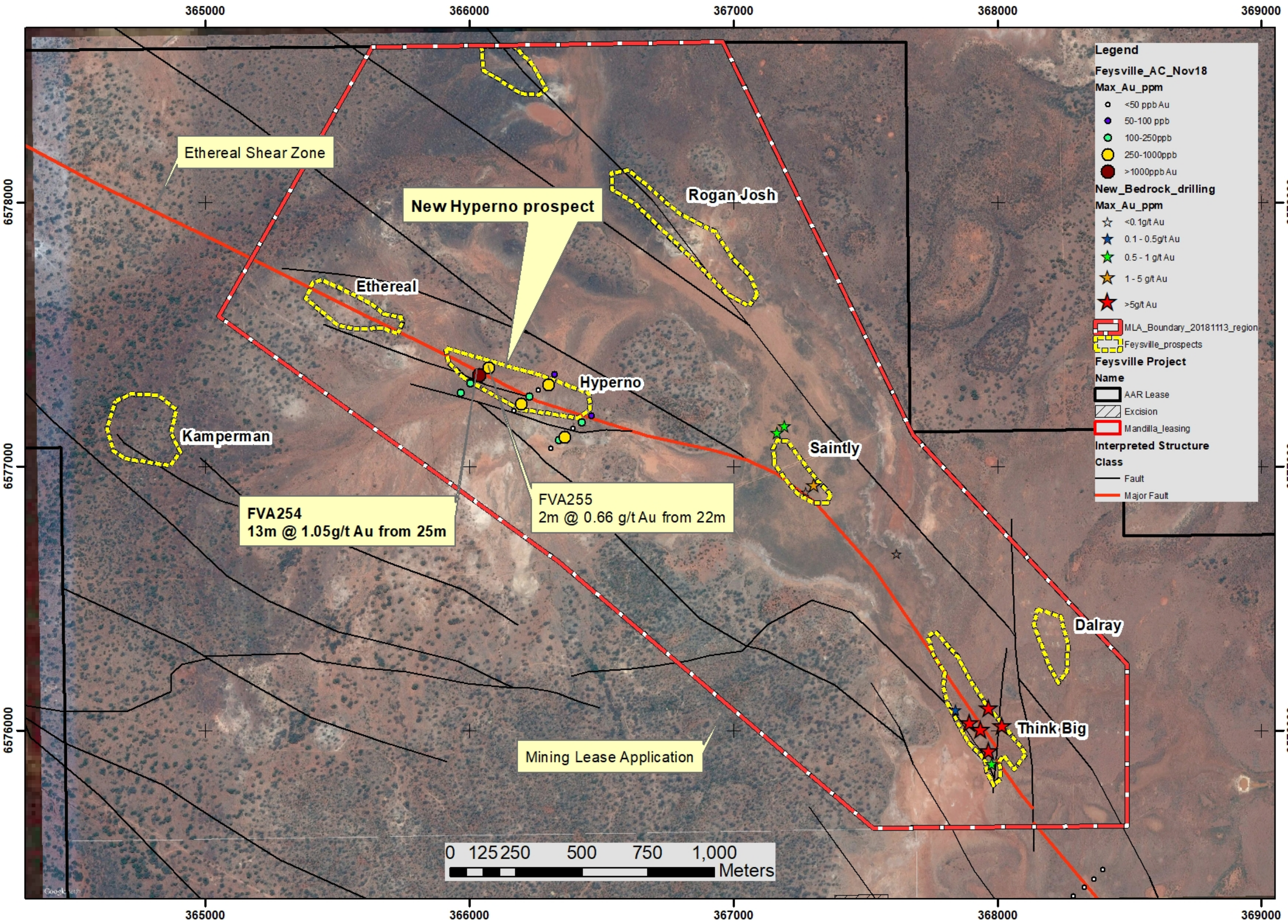


Figure 2: Mining Lease Application Plan illustrating key deposits and other features.

RESOURCE MODELLING

The Mineral Resource Estimate at Feysville, separately identifying Indicated and Inferred Resources for cut-off grades of 0.5, 0.8 and 1.0 g/t Au, is set out in Table 1.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	**0.5 g/t Au cut-off**	**2,285,000**	**1.3**	**95,900**
	0.8 g/t Au cut-off	1,541,000	1.6	80,700
	1.0g/t Au cut-off	1,214,000	1.8	71,400
Inferred	**0.5 g/t Au cut-off**	**572,000**	**1.1**	**20,200**
	0.8 g/t Au cut-off	416,000	1.3	17,000
	1.0g/t Au cut-off	299,000	1.4	13,600
TOTAL	**0.5 g/t Au cut-off**	**2,857,000**	**1.3**	**116,100**
	0.8 g/t Au cut-off	1,957,000	1.6	97,700
	1.0g/t Au cut-off	1,513,000	1.7	85,000

Table 1: Think Big Global Mineral Resource Estimate.

The Mineral Resource Estimate for the supergene enriched gold mineralisation (which is included within the Global estimate in Table 1) is set out in Table 2.

Category	Cut-off Grade	Tonnage	Grade	Ounces Au
Indicated	**0.5 g/t Au cut-off**	**279,000**	**2.2**	**20,100**
	0.8 g/t Au cut-off	250,000	2.4	19,500
	1.0 g/t Au cut-off	209,000	2.7	13,300
	3.0 g/t Au cut-off	54,600	5.5	9,800

Table 2: Think Big Supergene Enriched Gold Mineral Resource Estimate (included in Global estimate in Table 1).

The Resource encompasses results from 73 reverse circulation ("RC") drill holes and 12 diamond holes/ tails for an aggregate of 10,042 metres drilled on a 40 x 20 metre grid through the core of the deposit.

RC holes were initially sampled on 4 metre composites, with 1 metre samples subsequently submitted for analysis for composite intervals exceeding 0.25 g/t Au.

Grades were estimated in the primary lodes using ordinary kriging. Maximum block size is 10m x 10m x 10m with sub blocks to 1.25m x 1.25m x 1.25m. A minimum of 4 and a maximum of 15 samples were used for each estimation. The top cut applied was 20 g/t Au.

The project is anticipated to be mined via open pit mining methods with processing at third party plants. The cut-off grades reflect potential variability in processing and haulage costs for an open pit operation. The supergene mineralisation has been also been reported at a 3.0 g/t Au cut-off to illustrate the high grade 'core' of this mineralised unit.

No mining or metallurgical factors have been incorporated into the resource estimate apart from the cut-off grades used which reflect an open cut mine.

The Resource is primarily represented by a central core of 300 metres in strike length where the Prospect has been the subject of drilling on 40m-spaced lines, and to lesser extent by a further 200 metres of strike length where drilling is more widely spaced.

The sequence comprises, from surface, an intensely leached upper saprolite which is barren of gold mineralisation. This overlays a relatively thin supergene enriched sub-horizontal gold blanket at a depth below surface of typically 20 to 30 metres, close to the base of the weathering profile.

METALLURGY

METS Engineering Group was appointed to develop a metallurgical testwork program to expand on the results from the RC drill chip metallurgical testwork program completed in August 2018.

The results demonstrated that it is beneficial to mill the feed to a P_{80} of 75 µm, an established grind size for gold processing typical of custom milling operations. At this grind size, and with a cyanide concentration of 250 ppm, gold recoveries of 99.5% for the supergene ore, 95.2% for the transition ore and 80.4% for the primary ore were achieved, which is consistent with the RC drill chip testwork results from August 2018.

The gold is predominantly free and cyanide soluble, with cyanide and lime consumption are comparable to industry norms.

Comminution and physical characterisation testwork showed that the ore has good crushing and grinding characteristics.

Both the supergene and transition ore are classified as non-abrasive and the primary ore is classified as moderate abrasive. The results indicate that the wear rates for crushing and grinding equipment will be low in a process plant. Additionally, the Bond Ball Work index (BBWi) results are positive, indicating that energy requirements for grinding will not be an issue.

Gold grains occur in liberated ore minerals, silicates, silicate-carbonate minerals and non-sulphide gangue-rich particles. The gold is generally fine grained; no fully liberated gold particles were detected in the analysis.

No issues with deleterious elements were identified within the samples tested.

EXPLORATION

Think Big

At Think Big, an infill RC drilling campaign comprising 26 holes for 2,380 metres was completed. This has closed hole spacing down to 20 x 20 metres.

A photo of the drill rig is set out in Figures 3.

Figure 3: RC drill rig at Think Big.

A number of significant drill results have been returned including:

- FRC175 – 10 metres @ 3.6 g/t Au from 46 metres
- FRC185 – 10 metres @ 10.0 g/t Au from 23 metres

  incl 1 metre at 76.1 g/t from 23 metres
- FRC186 – 2 metres @ 11.1 g/t Au from 32 metres
- FRC192 – 2 metres @ 10.5 g/t Au from 29 metres

Drilling confirmed supergene gold mineralisation at Think Big is largely continuous over 200 metres in strike length and up to 80 metres in width.

The depth to the top of the supergene zone is as shallow as 15 metres and locally reaches up to 40 metres depth, but is generally in the range of 20 to 30 metres.

Several supergene intersections have peak 1-metre gold values exceeding 10 g/t Au, reaching a maximum of 76.1 g/t Au in FRC185.

The presence of such high-grade supergene gold is very encouraging for economic extraction of the shallow parts of the Think Big Resource.

The southern part of the infill drilling area also recorded several broad, moderate-grade primary gold intersections which confirms earlier drilling and appears to define a coherent plunging bedrock ore shoot at Think Big.

A map of Think Big illustrating significant drilling results is set out as Figure 4.

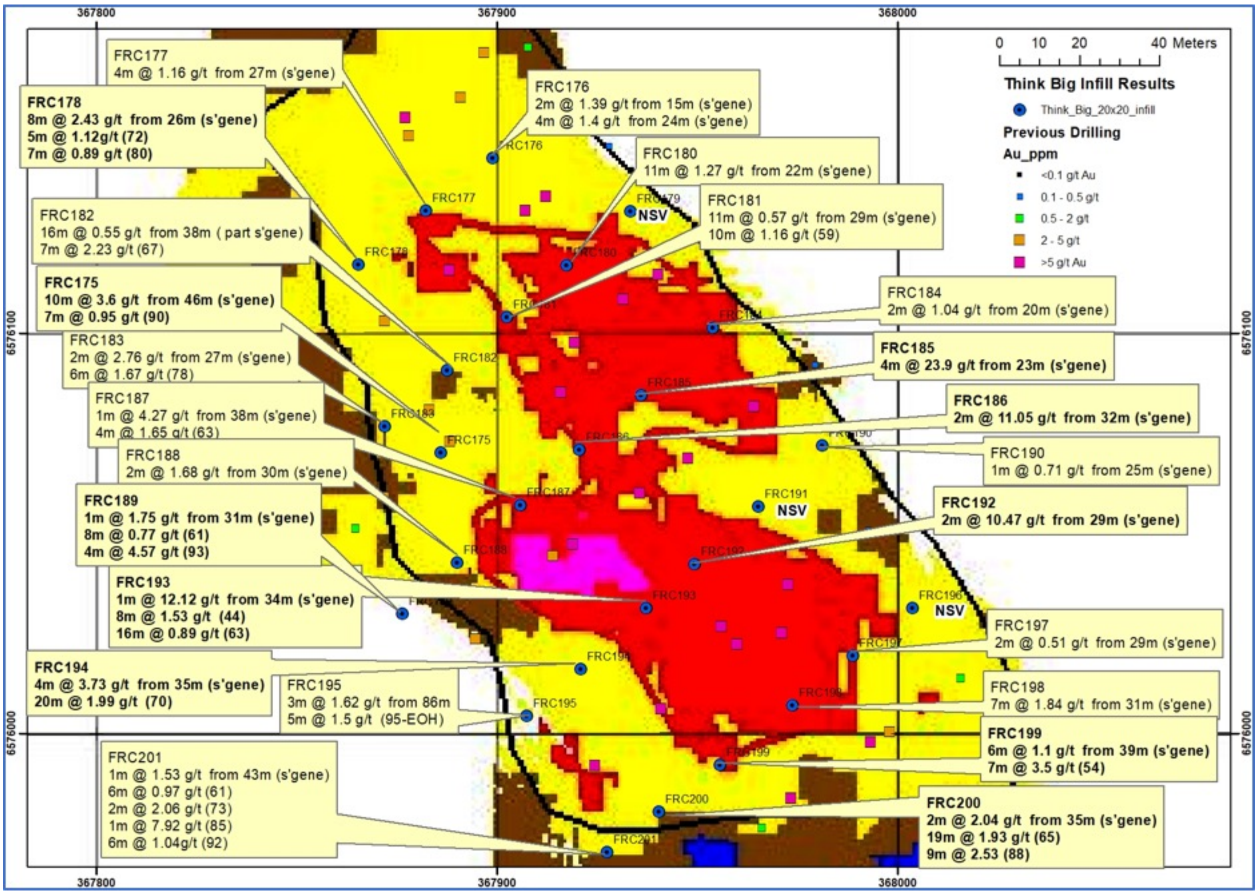


Figure 4: Map of Think Big illustrating significant drilling results. The background image is the existing supergene gold resource block model with magenta blocks >10 g/t Au, red blocks 3-10 g/t Au, and yellow blocks 1-3 g/t Au.

Updated geological interpretation and resource modelling at Think Big is currently underway.

Further definition of metallurgical domains within the resource will be undertaken as part of the resource modelling. Once complete, mining optimization studies will be undertaken with the objective of defining an initial mining reserve.

Hyperno

At the Hyperno Prospect, a 6-hole slim-line RC drilling campaign was undertaken to follow up a strongly gold anomalous reconnaissance aircore hole (FVA254 13 metres @ 1.05 g/t Au from 25 metres).

A single significant intersection of primary mineralisation of 10 metres @ 2.93 g/t Au from 56 metres depth in FRC169 was recorded in the north-west hole.

An east-west to west-north-west-striking shear zone (part of the Ethereal Shear Zone) is interpreted to control the mineralisation which appears to be open in all directions, including to the west towards the Ethereal Prospect approximately 300 metres to the north-west.

A supergene-enriched gold blanket is present at a depth of around 15 to 20 metres.

A map of the Hyperno Prospect illustrating key mineralised intersections is set out in Figure 5.

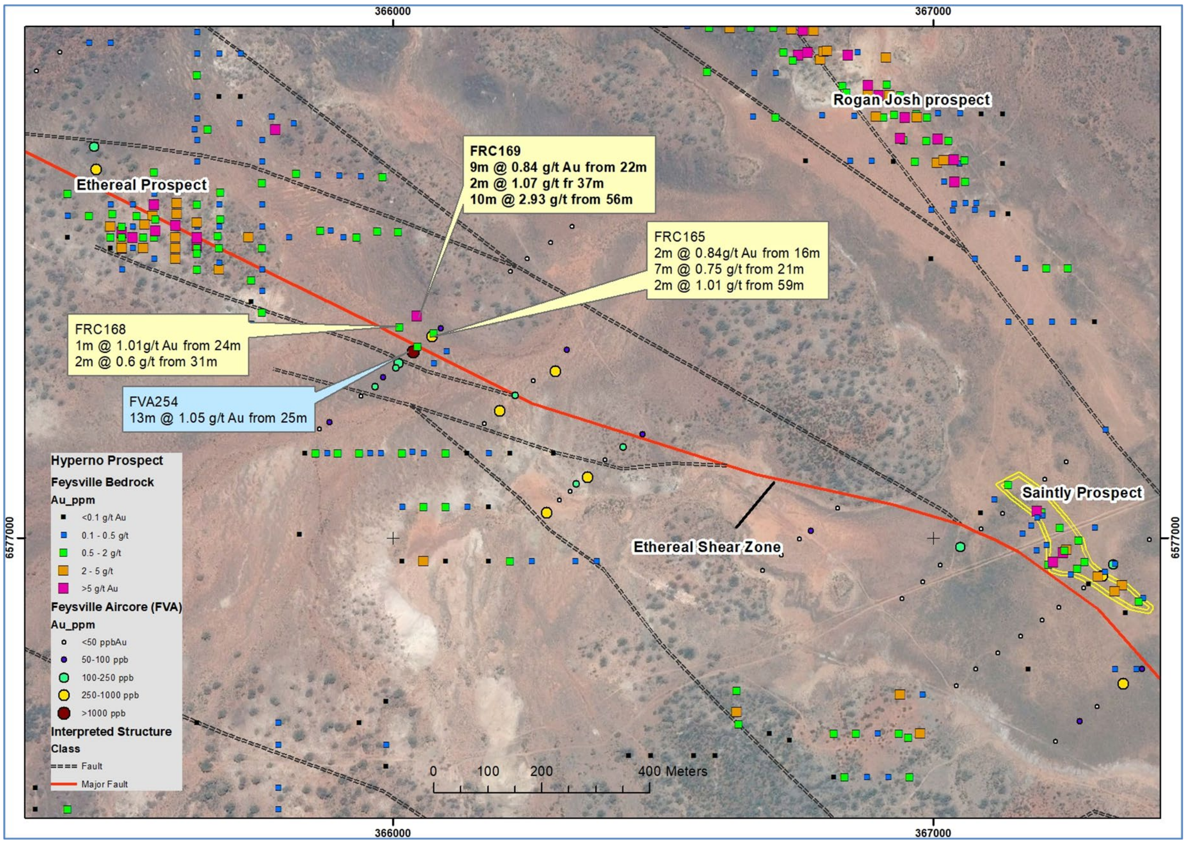


Figure 5: Map of the Hyperno Prospect illustrating key mineralised intersections.

Saintly

At the Saintly Prospect, a 14-hole RC campaign for an aggregate 1,260 metres on a variously 40 x 20 metre and 80 x 40 metre grid was undertaken to follow up on previously reported shallow high-grade supergene gold mineralisation along strike from FRC051 (21 metres @ 2.47 g/t Au from 20 metres) and FRC100 (3 metres @ 47.55 g/t Au from 19 metres).

A map of the Saintly Prospect illustrating key mineralised intersections is set out in Figure 6.

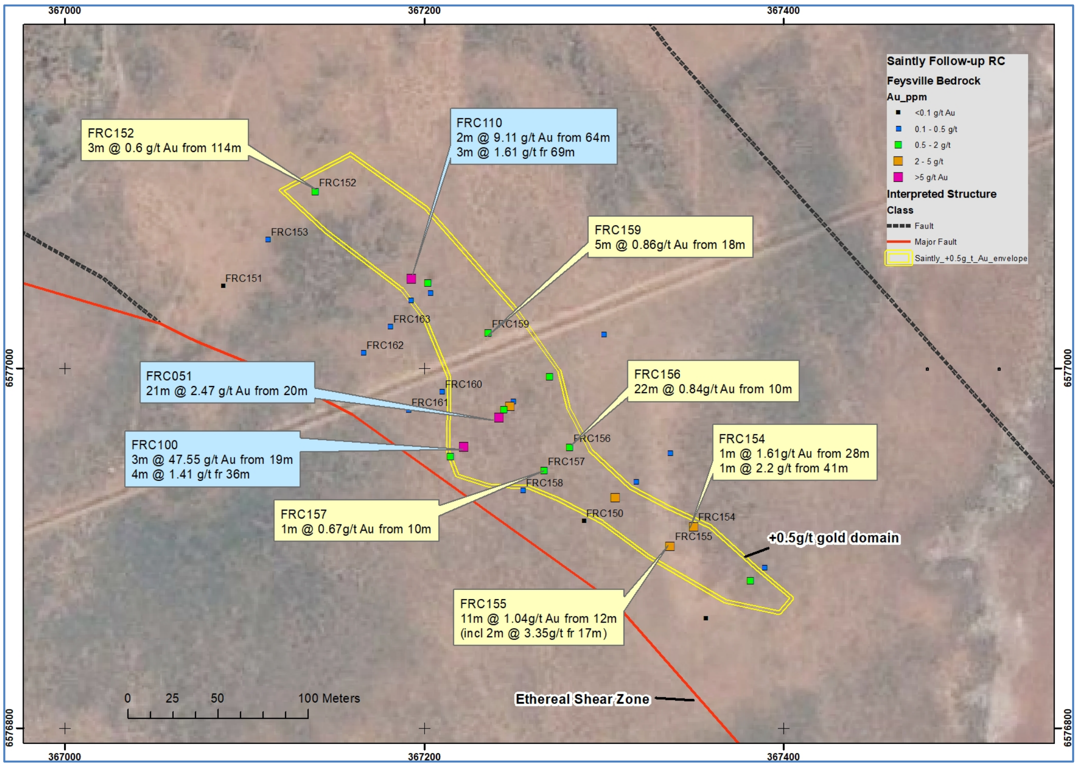


Figure 6: Map of the Saintly Prospect illustrating key mineralised intersections.

The drilling campaign successfully defined a north-west to west-north-west trending zone of supergene and bedrock gold mineralization over more than 300 metres in length using a 0.5 g/t Au low cut-off grade.

Gold mineralisation at Saintly remains open to the south-east and north-west.

Within this mineralized trend, significant supergene gold mineralization extends over a strike length of around 200 metres in the southern sector of the Prospect.

The latest drilling returned broad zones of mineralization containing gold grades averaging close to 1 g/t at shallow depths of 10 to 20 metres below surface.

The drilling campaign has seen the return of gold grades somewhat lower than for earlier RC holes FRC100 and FRC051; however, given the shallow depth, it nevertheless has potential to add modestly to the gold resource inventory.

MANDILLA GOLD PROJECT – WA

Anglo Australian – 100%

The Mandilla Gold Project, located approximately 75 kilometres south of Kalgoorlie, Western Australia, lies on the western margin of a porphyritic granitic intrusion known as the Mandilla Syenite. Recent petrology confirmed the intrusion as having a syenite-monzonite composition. The syenite intrudes volcanoclastic sedimentary rocks in the Project area which form part of the Spargoville Group.

A map of the Mandilla Gold Project, illustrating key locations and geological features, is set out as Figure 7.

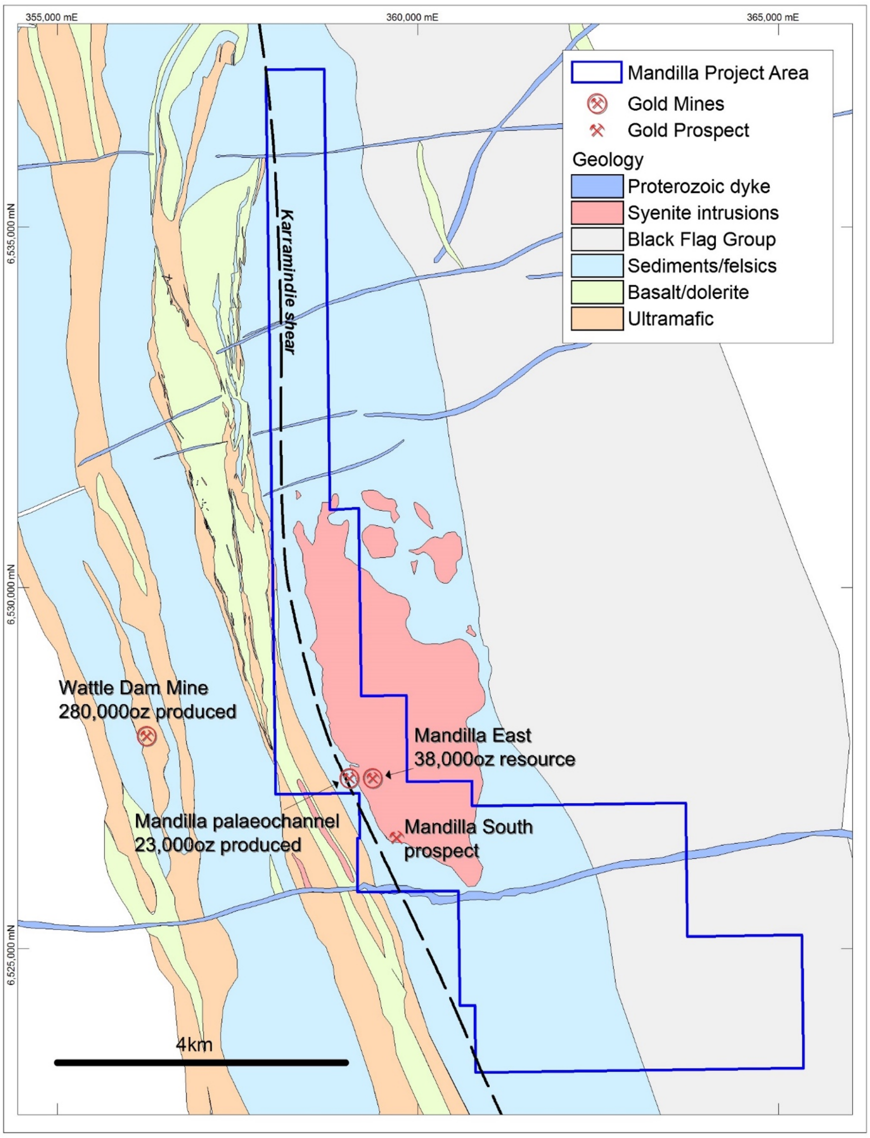


Figure 7: Map of Mandilla Project illustrating key locations and geological features.

Over the period 2006 to 2007, Anglo Australian mined approximately 23,000 ounces of gold at a recovered grade of approximately 7.5 g/t Au from two shallow (less than 20 metres deep) open pits at Mandilla West targeting paleochannel gold deposits (alluvial gold in ancient streams), the gold likely sourced from in-situ mineralized quartz vein deposits located nearby.

Mandilla East Prospect

At Mandilla East, Anglo Australian has previously identified a bedrock Inferred Resource, based on a low tonnage, high grade interpretation, of 357,000 tonnes at 3.3 g/t Au for approximately 38,000 contained ounces (ASX: 13/06/13). It is noted that much of the previous RC drilling upon which this Resource is based only penetrated from typically 20 to 60 metres into fresh rock and did not adequately define the depth extent of mineralisation at this location.

With the success in June of a diamond drilling "proof of concept" campaign at Mandilla, since completion of the financial year, the Company commenced a new RC campaign.

Announced to the ASX on 27 August 2019, the campaign was planned to encompass 31 holes – 23 at Mandilla East on 40 x 40 metre spacing and eight at Mandilla South on 80 x 40 metre spacing – for an aggregate 5,400 metres, or an average depth per hole of approximately 175 metres.

The campaign commenced at Mandilla East in early September.

At the time of writing, 20 holes have been completed at Mandilla East on 40 x 40 metres spacing for an aggregate 3,600 metres.

At an average depth per hole of 180 metres, this is significantly deeper than previous drilling at the Prospect.

One-metre intervals have been sampled and assayed using the "photon" technique using 500-gram splits.

Assay results have so far been received from eight holes.

Key results are set out as follows (with results exceeding 100 grams time metres shown in bold):

- MDRC101
  - ⇒ 19 m @ 1.08 g/t Au from 43 m
  - ⇒ 94 m @ 1.17 g/t Au from 101 m
- MDRC102
  - ⇒ 11 m @ 1.03 g/t Au from 72 m
  - ⇒ 45 m @ 4.25 g/t Au from 101 m (incl. 1 m @ 117.65 g/t Au from 135 m)
- MDRC109
  - ⇒ 1 m @ 16.45 g/t Au from 28 m
  - ⇒ 114 m @ 1.50 g/t Au from 41 m
- MDRC110
  - ⇒ 72 m @ 0.90 g/t Au from 84 m
  - ⇒ 18 m @ 0.73 g/t Au from 179 m
- MDRC114
  - ⇒ 3 m @ 11.44 g/t Au from 19m
  - ⇒ 5 m @ 2.04 g/t Au from 33m
  - ⇒ 93 m @ 3.11 g/t Au from 91 m (incl. 1 m @ 71.02 g/t Au from 69 m and 1 m @ 163.99 g/t Au from 100 m)
- MDRC115
  - ⇒ 3 m @ 4.07 g/t Au from 89 m
  - ⇒ 45 m @ 1.55 g/t Au from 131 m
- MDRC122
  - ⇒ 1 m @ 14.21 g/t Au from 125 m
- MDRC123
  - ⇒ 17 m @ 1.12 g/t Au from 74 m

Average grades are enhanced by individual metres containing very high gold grades, with the maximum being 164 g/t Au in MDRC114.

A map of Mandilla East illustrating the previously interpreted Resource area, as well as new drill hole locations and key intersections, is set out in Figure 8.

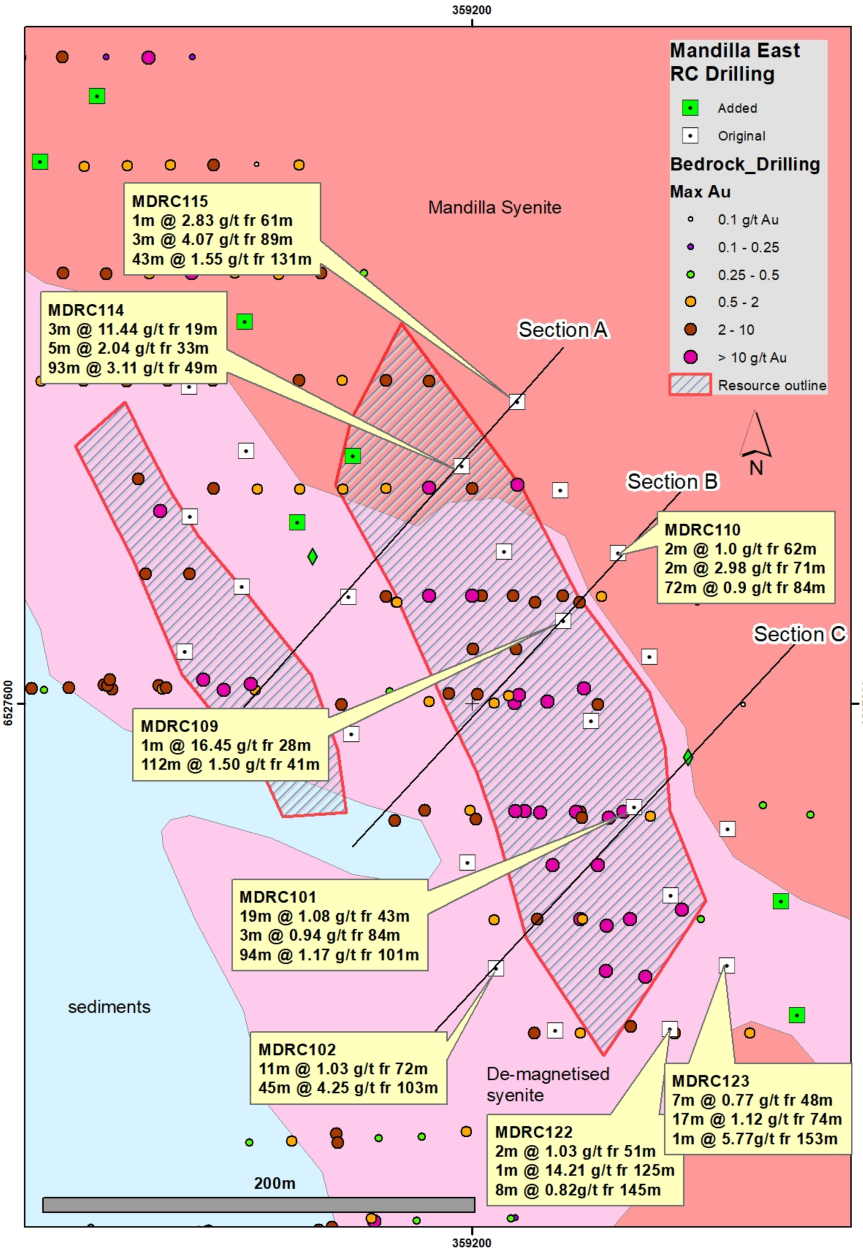


Figure 8: Map of Mandilla East illustrating drill hole locations and key intersections.

As illustrated, the main Mandilla East Resource area as interpreted prior to the current RC campaign was of a strike length of approximately 300 metres and a width of approximately 80 metres.

However, high grade mineralisation is known from previous drilling to extend along strike to the north-west of the interpreted Resource boundary.

Indeed, with northernmost Mandilla West palaeochannel mineralization continuing for at least 500 metres to the north of the current Mandilla East resource boundary, it is possible that gold associated with bedrock syenite-hosted mineralization at Mandilla East may continue for a similar distance.

Rock chips from the current campaign from holes drilled to the south of the Mandilla East boundary contain visually less quartz veining, particularly in MDRC122, and assay results show there to be less gold mineralisation.

Nevertheless, further drilling is required to close off mineralisation to the south of the Mandilla East system.

Cross sections through the main Mandilla East mineralised zone at the locations set out in Figure 8 above, with previous intersections shown in white boxes and new intersections from both the current RC campaign and the recent diamond drilling campaign shown in yellow boxes, are set out in Figures 9, 10 and 11 below.

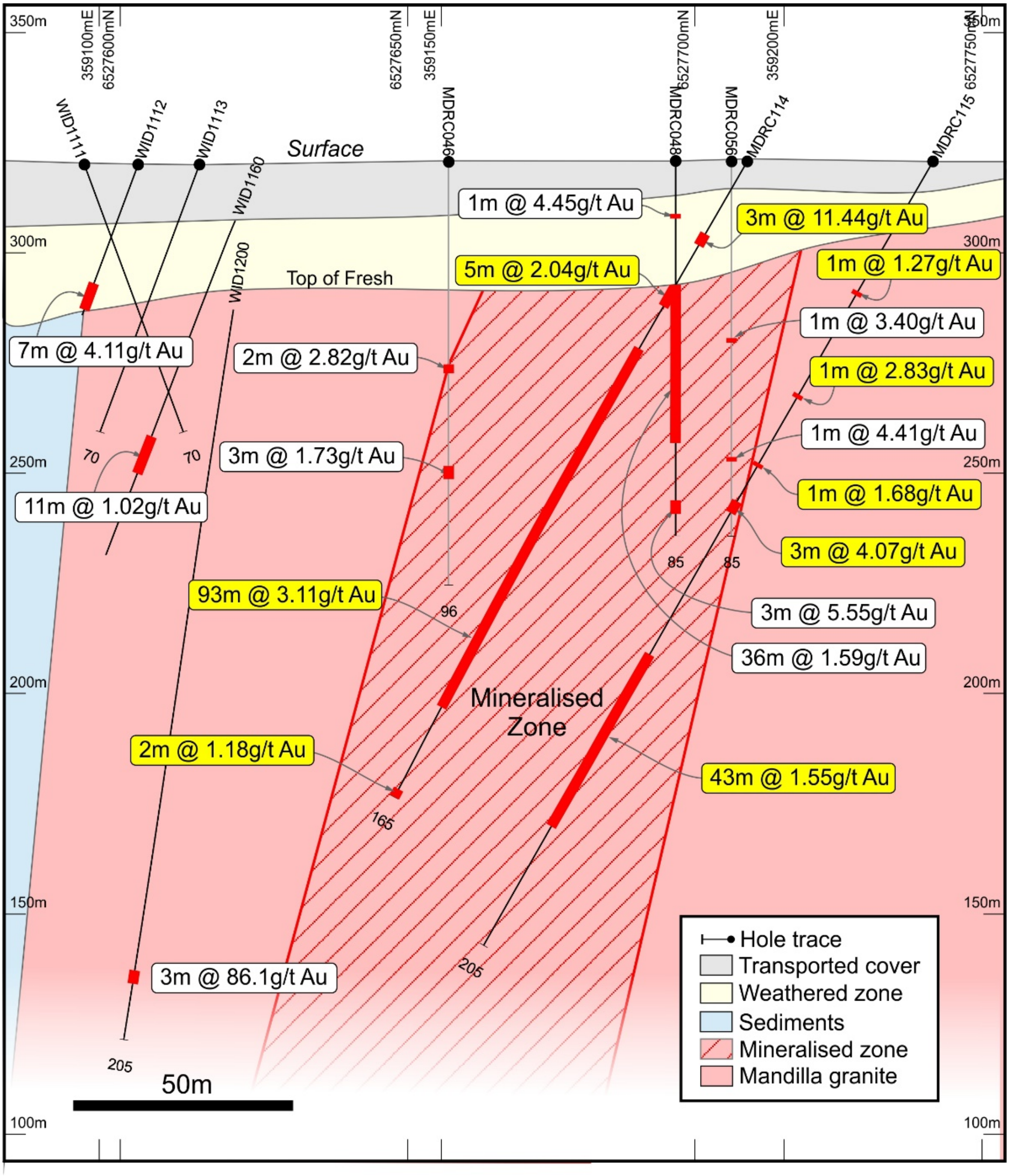


Figure 9: Cross section A illustrating bulked intersections and geological interpretation.

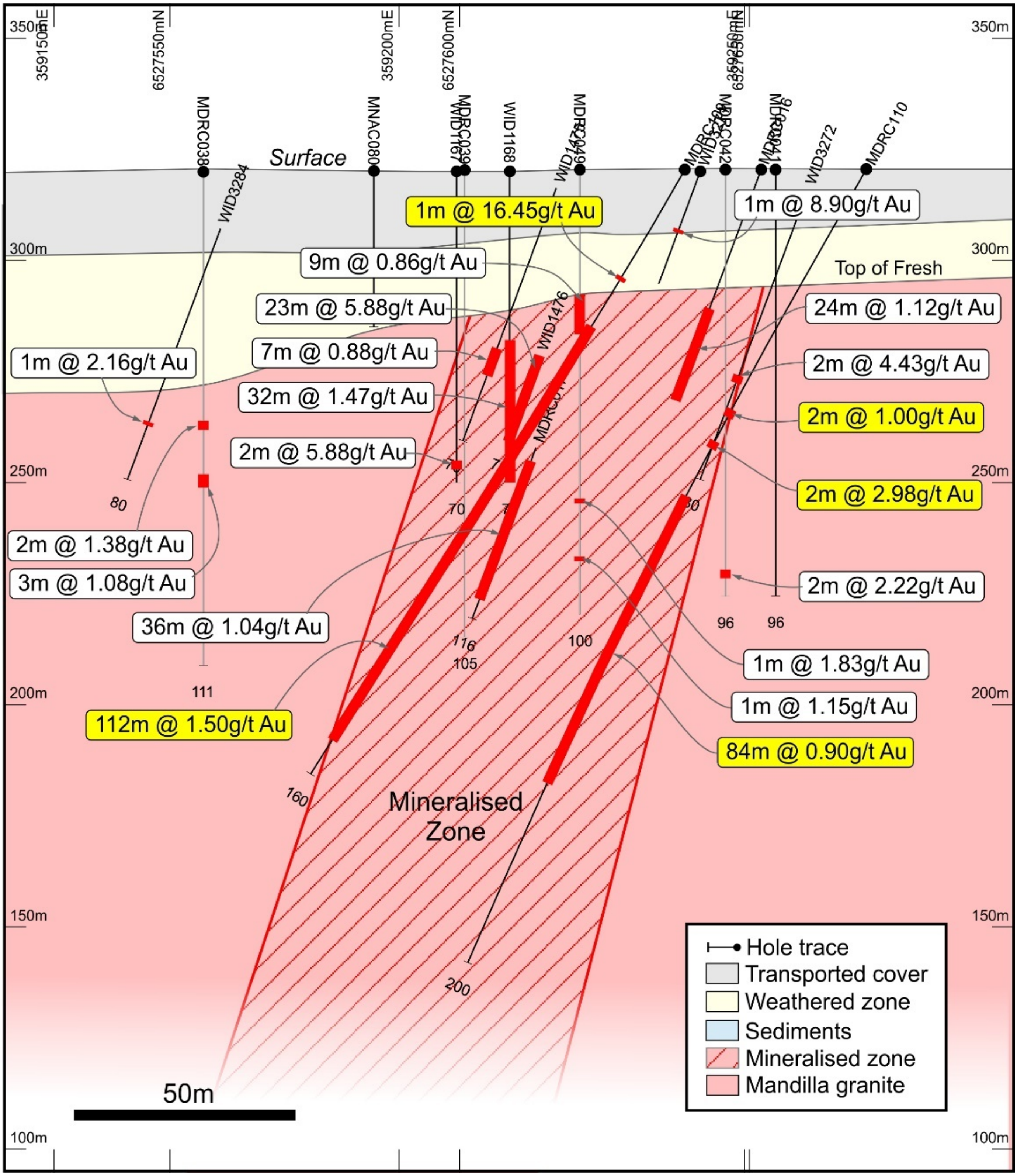


Figure 10: Cross section B illustrating bulked intersections and geological interpretation.

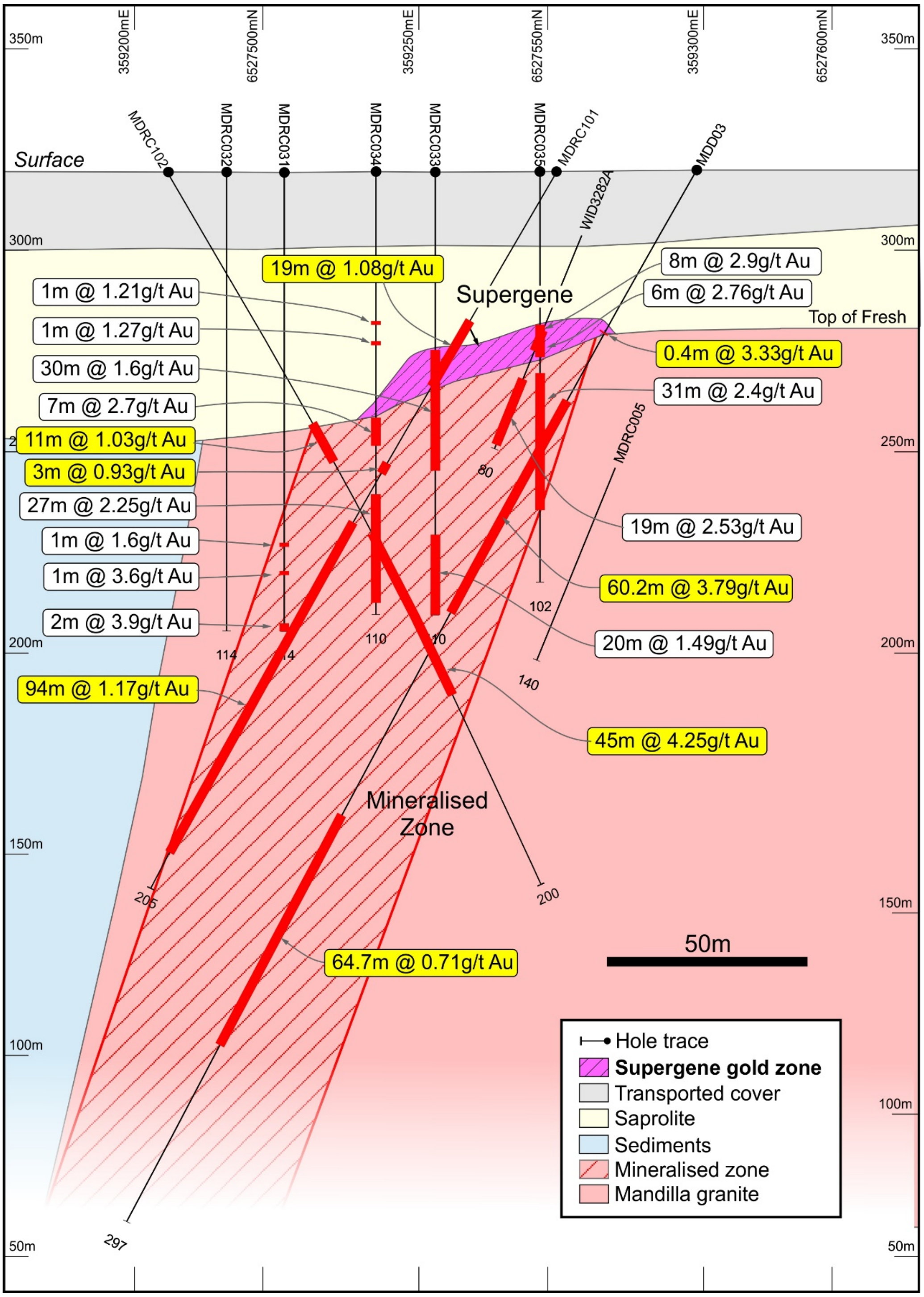


Figure 11: Cross section C illustrating bulked intersections and geological interpretation.

The three cross sections illustrate a gold-mineralised envelope that is relatively consistent along strike, steeply dips to the south-west, and has an apparent width on section of typically 70 metres.

That said, there are a number of attractive intersections outside of the currently interpreted 70-metres-wide envelope – for instance, 3 metres @ 86.1 g/t Au from WID1200 as illustrated in Figure 9 – and, accordingly, the mineralised envelope could be wider in some locations.

Gold distribution is closely associated with zones of quartz veining in the granite, surrounded by pale coloured alteration comprising albite, sericite, chlorite and carbonate, together with blebby pyrite. Less altered granite has a characteristic pale red background alteration caused by hematite dusting, together with dark mm-scale mineral fractures.

Significant enclaves several metres wide of essentially unmineralized granite occur within the bulked intersections. There is potential for these unmineralized enclaves to be mined as waste, thus boosting the grade of mill feed in a future open pit mining scenario.

The exact controls on quartz vein distribution is uncertain, but typically this type of gold mineralised system is linked in three dimensions via a fault/vein network or "mesh".

As set out in the Company's 27 August announcement, the variable distribution of quartz veins, together with the presence of coarse gold, means that a strong "nugget effect" exists at Mandilla East. For this reason, the Company chose to sample at 1 metre intervals and assay in respect of the current RC campaign and analyse by way of the photon technique, using 500-gram splits, rather than fire assay (50-gram splits) which was the previous approach adopted at Mandilla East and on which basis the 38,000 ounces Resource referred to above was previously calculated.

Evidence from assay results received to date point to the fact that the Company's hypothesis was correct – that it is critical to sample 1 metre intervals (rather than 4 metres composites, followed by selective 1 metre sampling) which, along with large sample size used in Photon analysis, is considered superior to the previous approach used at Mandilla. It is apparent that previous sampling and assaying has failed to identify significant gold zones. That being the case, previously reported mineralised intersections set out in the cross sections above would seem to significantly understate the amount of gold actually present and, hence, the size of the Resource previously reported.

Mandilla South Prospect

Mandilla South, along strike and down dip from Mandilla East, is a target of substantial size, with a supergene enriched gold zone exceeding 2.5 kilometres in strike length and with a width of up to 250 metres.

Mineralisation is interpreted to be associated with a significant shear zone.

During the year the Company undertook a slim-line RC drilling campaign primarily aimed at seeking to identify whether any higher grade supergene gold enriched zones were present along the length of the target.

A total of 27 holes were completed for an aggregate 1,898 metres of drilling, with an average depth per hole of approximately 70 metres. The holes were drilled on a broad 80 x 50 metre grid.

Four metre composite samples were submitted for assay. Intersections of interest were subsequently re-assayed over one metre intervals. Best intersections include:

- MNAC966: 11 m @ 1.49 g/t Au from 57 m, including 1 m @ 5.59 g/t Au from 61 m
- MNAC967: 8 m @ 0.96 g/t Au from 55 m
- MNAC977: 6 m @ 1.75 g/t Au from 64 m, including 1 m @ 5.24 g/t Au from 65 m
- MNAC978: 3 m @ 2.98 g/t Au from 61 m, including 1 m @ 7.46 g/t Au from 61 m

Although not the aim of the campaign, two of the holes did indeed penetrate up to ten metres into bedrock.

Both MNAC977 (12 m @ 0.4 g/t Au from 72 m in MNAC977) and the adjacent hole MNAC978 some 50 metres to the east (1 m @ 1.23 g/t Au from 70 m) established the presence of primary gold mineralisation.

A map of the Mandilla South Prospect, illustrating key intersections, is set out as Figure 12.

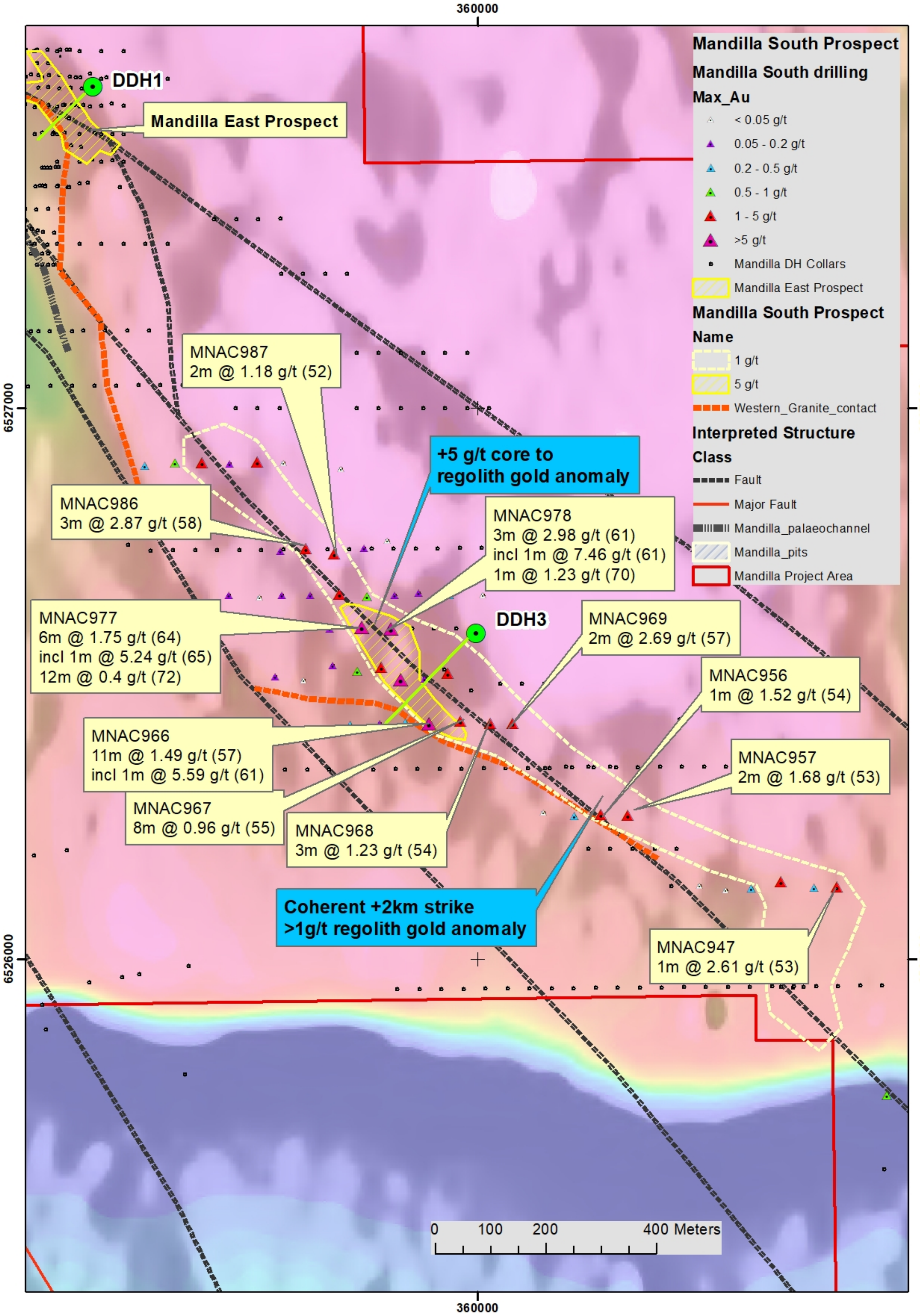


Figure 12: Map of Mandilla South Prospect illustrating key intersections.

The results of the campaign have identified a higher-grade core over a strike length of at least 300 metres with peak supergene values exceeding 5 g/t Au within the 2.5 kilometres long, 250 metres wide +1 g/t anomaly.

A cross-section of the Mandilla South Prospect on section 6,526,500N (refer location in Figure 12 above), identifying the supergene enriched gold zone, is set out as Figure 13.

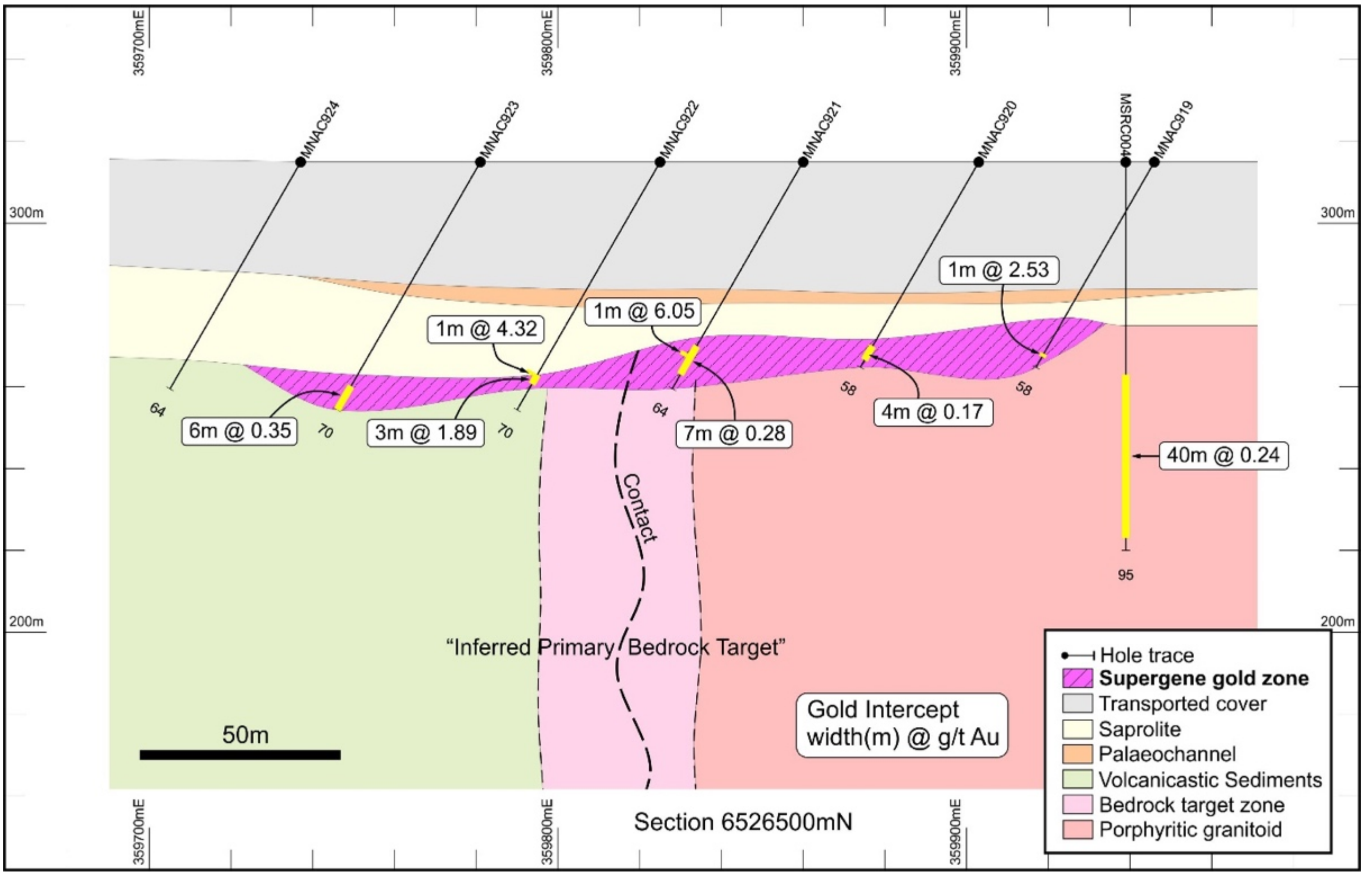


Figure 13: Cross section of the Mandilla South Prospect on section 6,526,500N identifying the supergene enriched gold zone.

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

Mandilla South appears to follow a NW-trending structure internal to the Mandilla Syenite.

The higher-grade core of the Prospect occurs close to the intersection of an interpreted E-W trending margin of the Mandilla Syenite with the NW structure, and within a distinct zone of demagnetisation of the Syenite, possibly representing gold-related hydrothermal alteration.

The latest drilling campaign has also confirmed that previous aircore drilling in the Mandilla South area failed to penetrate depleted saprolite into the supergene enriched gold zone which occurs at the contact with weakly weathered bedrock – the "saprock" boundary.

Significantly, with previous drilling in the 500-metre gap between the Mandilla East and Mandilla South Prospect now appearing to be ineffective, there is potential to link the two Prospects together into a four-kilometre-long camp-scale target.

KOONGIE PARK GOLD AND BASE METALS PROJECT – WA

Anglo Australian - 100% interest

The Koongie Park Project is situated 20 kilometres to the south-west of Halls Creek in the Eastern Kimberley region of Western Australian, illustrated in Figure 14.

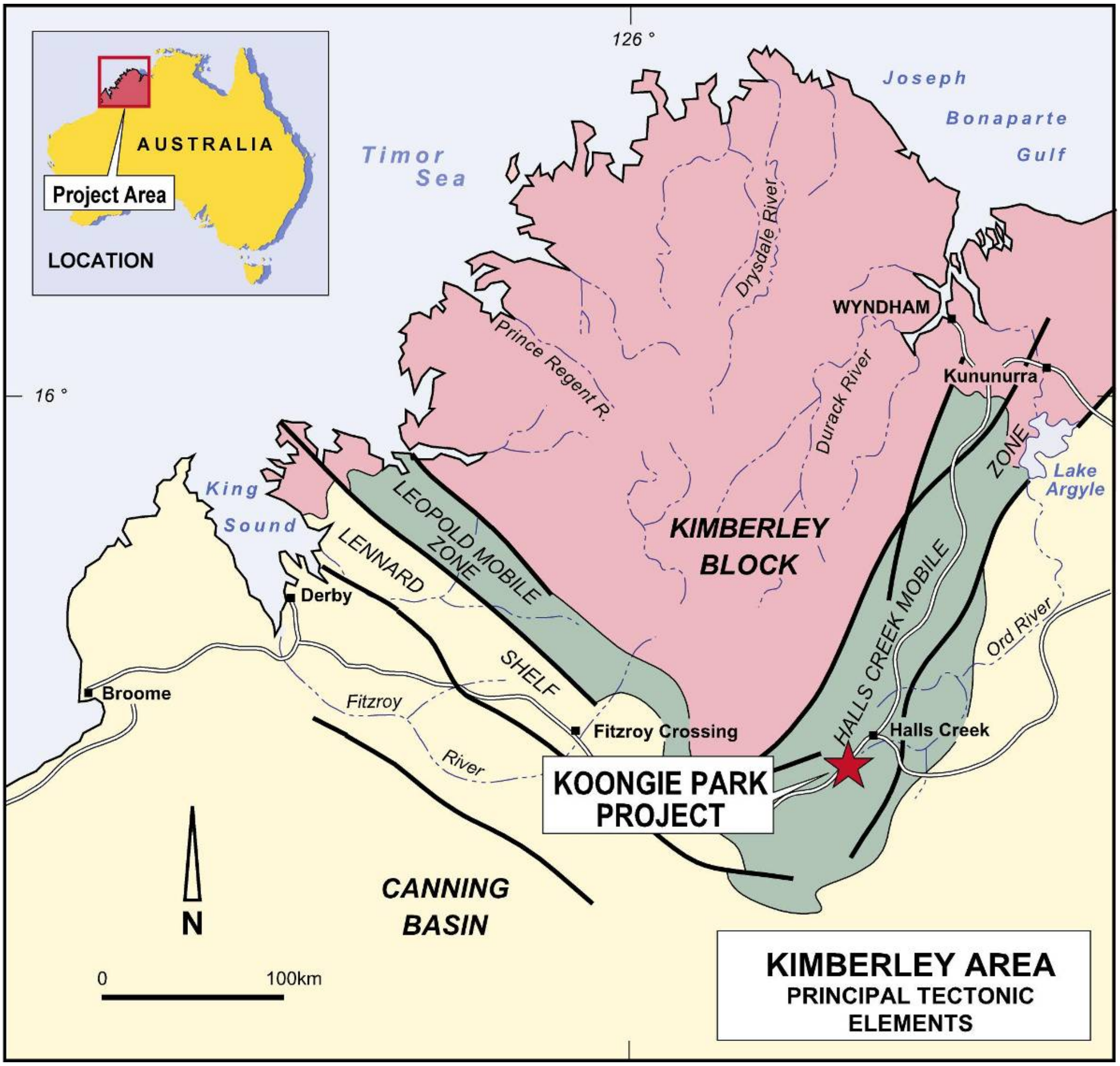


Figure 14: Koongie Park location map.

Anglo Australian's ground position at Koongie Park is considerable highly prospective for the discovery of gold. Various tenements held by Anglo Australian are adjacent to the ground position held by the ASX-listed, Pantoro Limited, which currently has a market capitalisation of approximately $212 million. Pantoro owns the Nicolsons Gold Project which is currently producing gold at a rate of approximately 50,000 ounces per annum though the company has announced plans to increase production significantly with the introduction of ore sorting technology.

Anglo Australian' ground position is substantial, as illustrated in Figure 15.

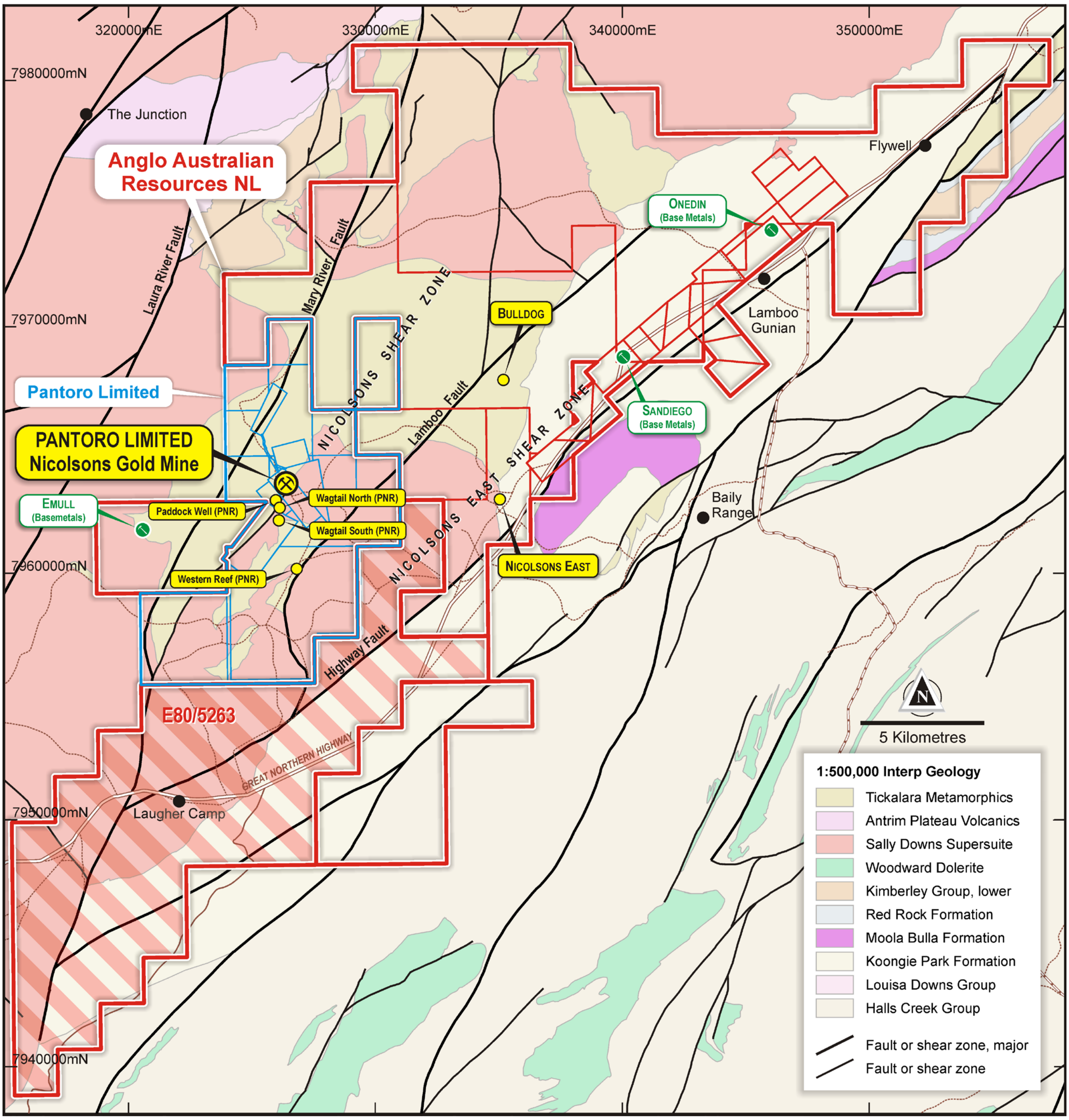
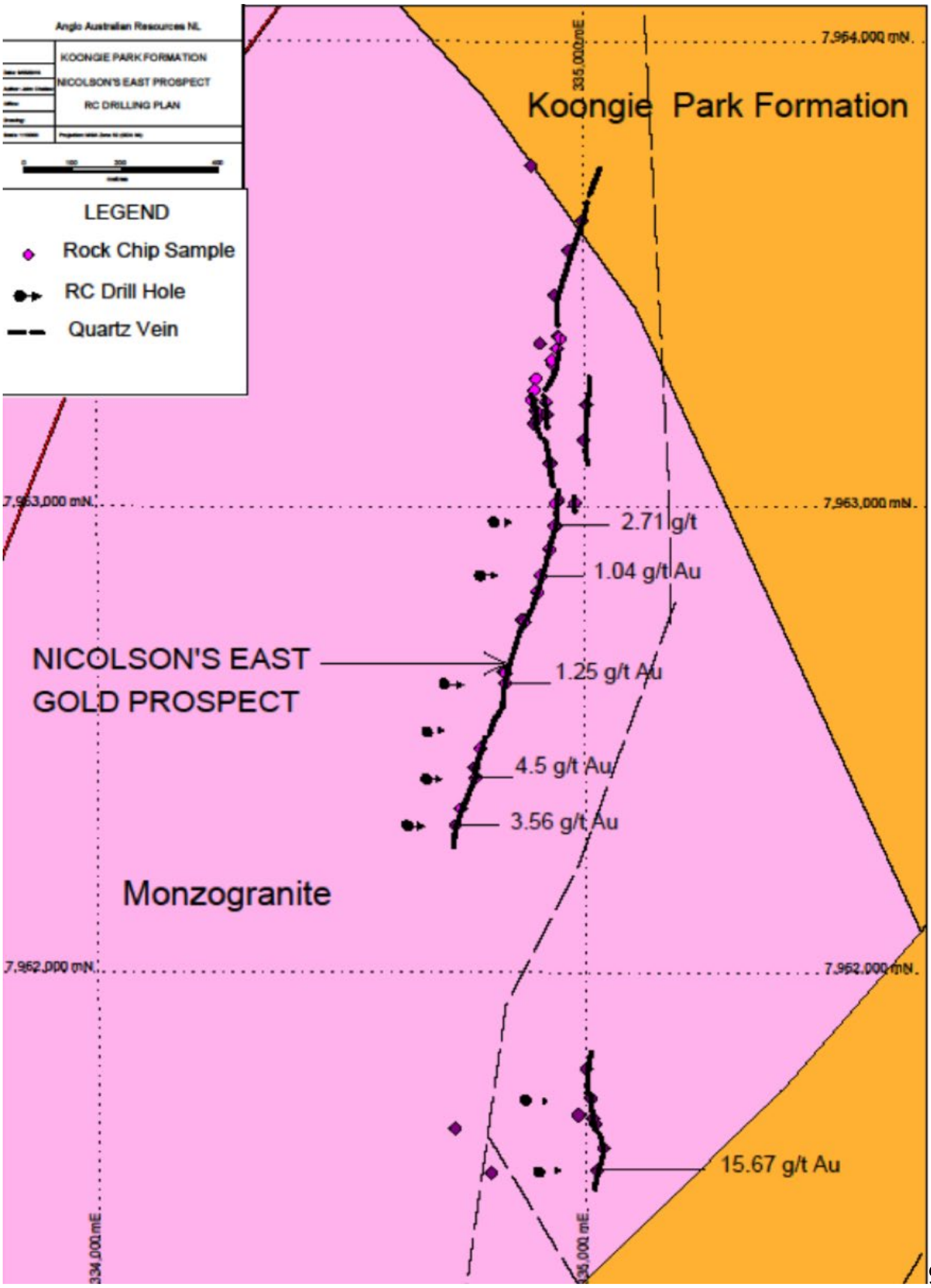


Figure 15: Koongie Park tenement map illustrating key features.

Anglo Australian hosts approximately 15 kilometres of the Nicolsons Shear Zone to the north of Pantoro's ground and approximately 15 kilometres to the south.

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 16.



9.

Figure 16: Nicolsons East Gold Prospect.

Following receipt of Native Title clearance in respect of Koongie Park permitting drilling and other exploration activities, during the year, the Company undertook the drilling of 15 RC holes for an aggregate 822 metres (or an average of approximately 55 metres per hole).

Two zones of known mineralisation were targeted:

- At the Bulldog Prospect, to the north, where rock-chip samples from surface have previously assayed at up to 73.58 g/t Au
- At the Nicolsons East Prospect, to the south, where rock-chip samples from surface have previously assayed at up to 15.7 g/t Au

The recently completed RC holes were located beneath the mapped positions of quartz vein outcrops at the two Prospects to test the potential scale and grade of these structures.

Drill hole locations and assay results are set out in Figure 17.

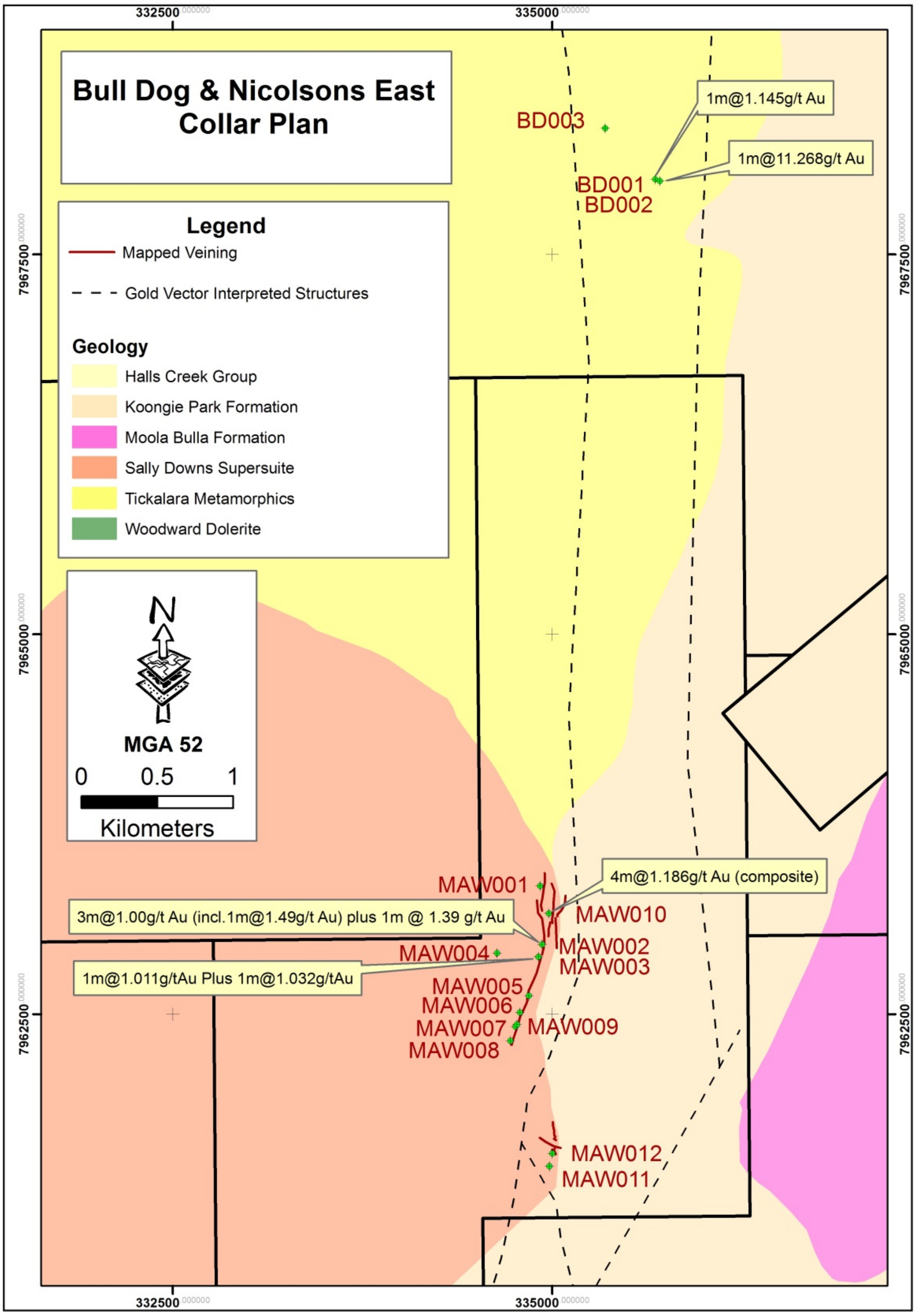


Figure 17: Map of Nicolsons East Shear Zone identifying drill holes and assay results from Bull Dog and Nicolsons East Prospects.

Best intersections recorded were:

- At Bulldog, from BD002, 1 metre @ 11.27 g/t Au from 22 metres
- At Nicolsons East, from MAW002, 3 metres at 1.00 g/t Au from 23 metres, including 1 metre at 1.49 g/t Au from 24 metres

Drilling confirmed zones of quartz veining in most of the holes with gold assays ranging from weakly gold anomalous to containing significant grades of up to 11.27 g/t Au over 1 metre in BD002.

The results validate the presence at both Prospects of gold mineralisation worthy of ongoing exploration for high-grade gold mineralisation of the type present at the Nicolsons Mine.

Anglo Australian has separately identified a number of other geochemical gold anomalies through its compilation of past exploration at the Project. These other geochemical gold anomalies will be the subject of further review including field validation in coming months.

Anglo Australian's ground position at Koongie Park is also highly prospective for base metals with significant mineralisation previously identified at Sandiego and Onedin, as follows:

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**

Along strike from Sandiego and Onedin, there remains a number of other hinge structures identified by airborne magnetics that are yet to be drill-tested.

The homogeneity of metal in rock at Sandiego and Onedin strongly suggests that the metal has been remobilized, rendering these other untested structures prospective for further discovery.

LEONORA BASE METALS PROJECT

Anglo Australian - 100% interest

Anglo Australian's Leonora Project comprises Exploration Licenses located approximately 12 kilometres to the North of the township of Leonora.

The Project covers approximately 12 kilometres of strike strategically located only 32 kilometres to the south of, and along strike from the Teutonic Bore – Jaguar – Bentley mineralized VMS corridor.

These deposits, discovered by drill testing bedrock electromagnetic conductors, occur near the boundary between mafic and felsic units.

Anglo Australian's project would appear to host these felsic volcanic and sediments broadly analogous to the geology at Jaguar and Bentley.

Based on interpretation of previous aircore drilling and aeromagnetic data, Anglo Australian considers 7 kilometres of this zone is highly prospective for VMS-style mineralisation.

As bedrock in the zone is mostly covered by younger transported sediments, the company has identified Moving Loop Electromagnetic (MLEM) survey as its primary exploration tool to search for VMS deposits that are generally highly conductive and amenable to location by such geophysical methods.

A MLEM survey completed in May 2011 (refer Figure 14) at the Leonora Project targeting potential massive copper-zinc mineralisation discovered a strong 800 metre long bedrock conductor. Sample spoils from previous aircore drilling indicated that the conductor was located within favourable stratigraphy proximal to the contact between felsic and mafic volcanic rocks. Preliminary interpretation of the MLEM anomaly by the company's geophysical consultants suggested the source of the conductor (potentially massive or disseminated sulphide) commenced at the base of weathering approximately 100 metres below surface and dipped steeply south west.

The conductor, which presented as an exciting and compelling drill target, is illustrated in Figure 18.

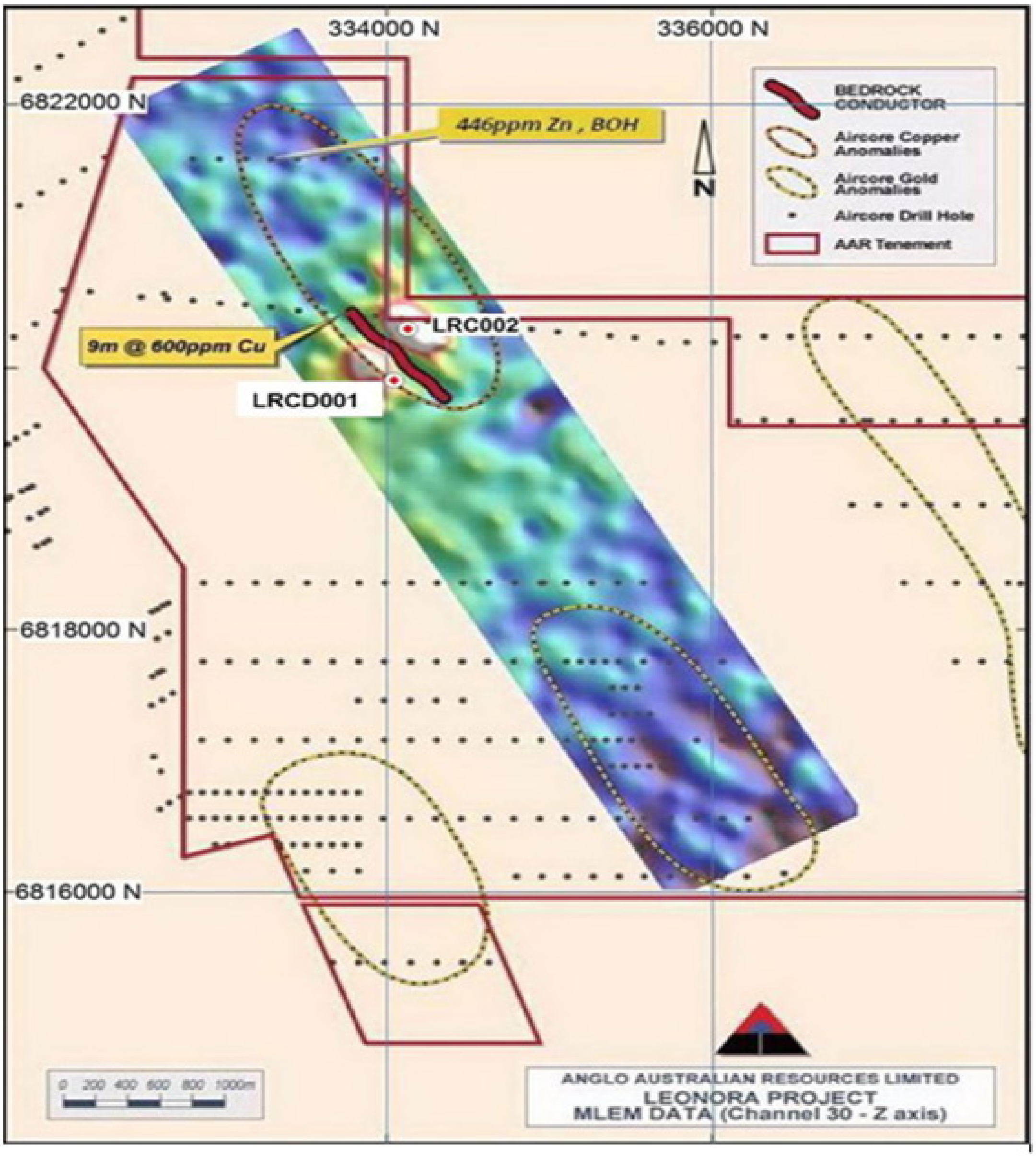


Figure 18: MLEM Survey

Two diamond core holes were completed in October 2012 as extensions to the pre-collar holes completed in May. Both diamond core holes intersected a sequence of mafic and felsic volcanic and volcaniclastic rocks with minor non-volcanic units. Trace to minor amounts of disseminated sulphides consisting of chalcopyrite, pyrrhotite and pyrite were observed in the core and a narrow zones of stringer chalcopyrite and pyrrhotite were intersected within a foliated mafic intrusive in hole LRCD001. Anomalous copper and zinc values supported by weakly anomalous values in antimony and tin were recorded in several of the intervals selected for assaying. The best intersection comprised a 0.65 metre interval at 2.08% copper from 233.25 metres in hole LRCD001. Narrow zones of black shale containing variable amounts of pyrite and pyrrhotite and minor amounts of chalcopyrite intersected in both holes most likely explain the source of the MLEM conductor.

A downhole EM survey was subsequently undertaken on each hole to define and confirm the conductive zone.

Analysis suggests a strong off hole conductor possibly related to massive sulphides has been detected in both holes.

CARNILYA HILL GOLD PROJECT

Anglo Australian - 100% of Gold Rights

Anglo Australian holds the gold rights in respect of the Carnilya Hill Gold Project.

Carnilya Hill is located approximately 20 kilometres east-south-east of the Company's Feysville Project and approximately 40 kilometres south-east of Kalgoorlie, Western Australia.

The Project encompasses various tenements – M26/047-049, M26/453 representing an aggregate area of approximately 2.65 square kilometres – with rights to nickel and other minerals held by Mincor Resources NL (ASX: MCR).

A newly defined prospect named Hang Glider Hill has been outlined by Lefroy Exploration Limited (ASX: LEX) immediately north of the Carnilya Hill tenements. The prospect comprises a surface gold geochemical anomaly where a number of gold nuggets have been recovered.

SCHEDULE OF MINING TENEMENTS

Project	Tenement	Company Interest	Title Registered to
		Western Australia	
Feysville	P26/3943 – 3951 P26/4031-4034 P26/4051- 4052 P26/4074 – 4077 P26/4293,4294	100%	Feysville Gold Pty Ltd
Mandilla	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Apollo Phoenix Resources Pty Ltd Anglo Australian Resources NL Anglo Australian Resources NL
Koongie Park	M80/276, 277 E80/4389,4766, E80/4957, 4960 E80/5076, 5087, E80/5127 P80/1802-10 P80/1831-1837	100%	Anglo Australian Resources NL
Leonora	E37/1287,1355	100%	Anglo Australian Resources NL
Carnilya Hill	M26/47 - 49 M26/453	100% gold rights only	Mincor 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.

The information in this announcement that relates to the Indicated Mineral Resource for the Sandiego and Onedin Deposits was first reported in accordance with JORC 2004 on 1 Nov 2010. The company confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.

The information in this announcement that relates to the Inferred Resource estimate for the Mandilla Gold Project was first reported in accordance with JORC 2004 on 30 Sept 2011. The company confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.

The information in this report that relates to Mineral Resources for the Feysville Gold Project was first reported in accordance with JORC 2012 on 8 Apr 2019 & is based on information compiled by Mr Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. The company confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.

Mr Maddocks 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 Maddocks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Maddocks is an independent consultant to Anglo Australian Resources.

Processing & Metallurgy

The information in this report that relates to the Processing and Metallurgy for the Feysville project is based on and fairly represents, information and supporting documentation compiled by Damian Connelly who is a Fellow of The Australasian Institute of Mining and Metallurgy and a full time employee of METS. Damian Connelly has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Damian Connelly consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

DIRECTORS' REPORT

The Directors present their report together with the financial report of Anglo Australian Resources NL ("the Company") for the year ended 30 June 2019 and the auditors' report thereon.

1. DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

Name, qualifications, experience, special responsibilities and other directorships and independence status

John Jones AM Executive Chairman	Mr Jones is a well-known and respected mining identity who has been associated with a number of successful mining corporations in his 44 years of business. Mr Jones has been a director of the Company since February 1990, is a Kalgoorlie pastoralist and businessman formerly associated with North Kalgurli Mines NL and was a founding director of Jones Mining Limited. Mr Jones is a Non-Executive Director of Troy Resources Limited, Image Resources NL and Tanga Resources Limited.
Interest in shares and options	Shares – 23,902,177 Options – 13,700,000 - $0.02 exp 30/11/19 Options – 23,200,000 - $0.02 exp 30/11/20 Options – 4,980,000 - $0.025 exp 30/11/20 Options – 3,550,000 - $0.08 exp 30/11/20
Peter Stern Non-Executive Director	Mr Stern is a graduate of Monash University with a Bachelor of Science (geology major). Mr Stern's career has been in corporate advisory, spending six years with Macquarie Bank and three years with both UBS and Deutsche Bank. In 2000, Mr Stern established Metropolis Pty Ltd, a corporate advisory firm specializing in M&A and capital raisings. Mr Stern is a Fellow of the Australian Institute of Company Directors. Mr Stern is Non-Executive Chairman of Troy Resources Limited.
Interest in shares and options	Shares – 9,706,252 Options – 1,100,000 - $0.02 exp 30/11/19 Options – 7,000,000 - $0.02 exp 30/11/20 Options – 2,000,000 - $0.025 exp 30/11/20 Options – 1,700,000 - $0.08 exp 30/11/20
Graeme Smith Non-Executive Director	Mr Smith is a finance professional with over 25 years' experience in accounting and company administration. He graduated from Macquarie University with a Bachelor of Economics degree and has since received a Master of Business Administration and a Master of Commercial Law. He is a Fellow of the Australian Society of Certified Practicing Accountants, the Institute of Chartered Secretaries and Administrators and the Governance Institute of Australia. Mr Smith was previously a director of Surefire Resources NL.
Interest in shares and options	Shares – 5,082,999 Options – 7,000,000 - $0.02 exp 30/11/20 Options – 2,000,000 - $0.025 exp 30/11/20 Options –1,700,000 - $0.08 exp 30/11/20

2. COMPANY SECRETARY - Graeme Smith

3. DIRECTORS' MEETINGS

The number of directors' meetings held and number of meetings attended by each of the directors of the Company during the financial year were:

	Director Meetings		Audit Committee
Director	**Number Held**	**Number Attended**	
John Jones	4	4	1
Peter Stern	4	4	1
Graeme Smith	4	4	1

4. REMUNERATION REPORT - AUDITED

4.1 Principles of compensation

For the purpose of this report Key Management Personnel ("KMP") are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

Based on this definition, the officers listed under Key Management Personnel below will be included in the report. The report will also provide an explanation of the Company's remuneration policy and structure, details of remuneration paid to Key Management, (including directors), an analysis of the relationship between company performance and executive remuneration payments, and the key terms of executive employment contracts.

2019 Key Management Personnel:

John Jones	Executive Chairman
Peter Stern	Non-Executive Director
Graeme Smith	Non-Executive Director

Fixed Remuneration

Fixed remuneration – Fixed remuneration consists of base remuneration and statutory superannuation entitlements. Remuneration levels are set by the Board based on individual performance and the performance of the Company.

Performance Linked Remuneration

Due to the nature of the Company's operations, i.e., mineral exploration, Directors and Executive remuneration does not include performance-based incentives.

Options

The Board annually assesses the granting of any options to employees and executive directors based on performance and according to the prevailing industry and market practices. No options were granted during the year.

Non-executive Directors

Total remuneration for all non-executive directors during the year was $260,000. The maximum shareholder approved remuneration is $300,000 per annum. Directors' fees cover all Board activities.

Relationship between Company performance and remuneration

The objective of the Company's remuneration structure is to reward and incentivize the directors and executives to ensure alignment with the interests of shareholders. The remuneration structure also seeks to reward directors and executives for their contribution in a manner that is appropriate for a company at this stage of its development.

The only relevant financial measure at this point in the Company's development is share price for which history is presented below:

	2019	2018	2017	2016	2015	2014
Closing share price at 30 June	0.064	0.092	0.04	0.012	0.01	0.01

Voting and Comments Made at the Company's 2018 Annual General Meeting

The Company received 100% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM on its remuneration practices.

4.2 Key management personnel remuneration

The following table discloses the remuneration of the key management personnel of Anglo Australian Resources NL.

	Short-Term		Post Employment	Other Share Based Payments	Total
	Salary & Fees (A)	Salary & Fees - Non-Cash (Shares & Options)	Superannuation		
2019	**$**	**$**	**$**	**$**	**$**
Directors					
J L C Jones	110,000	-	-	-	110,000
P A Stern	100,000	-	-	-	100,000
G I Smith	50,000	-	-	-	50,000
Total	**260,000**	**-**	**-**	**-**	**260,000**

2018	**$**	**$**	**$**	**$**	**$**
Directors					
J L C Jones	55,000	61,465	-	-	116,465
P A Stern	25,000	38,096	-	-	63,096
G I Smith	25,000	38,096	-	-	63,096
Total	**105,000**	**137,657**	**-**	**-**	**242,657**

4.3 Service agreements

There are currently no service agreements in place with the directors.

4.4 Analysis of options over equity instruments granted as compensation during the year ended 30 June

2019 - Nil

Year to 30 June 2018	Grant Date & Vesting Date	Number Granted (i)	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Exercised Number	% of Remuneration
Directors							
J L C Jones	29/08/2017	3,500,000	30/11/2020	8	2.22	Nil	-
P Stern	29/08/2017	1,700,000	30/11/2020	8	2.22	Nil	-
G I Smith	29/08/2017	1,700,000	30/11/2020	8	2.22	Nil	-

(i) As outlined above these options have been valued at $154,437. All of this value has been offset against amounts owing to directors as at 30 June 2017. The inputs to the Black Scholes model were: Share volatility of 114%; risk free rate of 1.94%; exercise date of 30.11.2020; share price at grant date of 3.8 cents; exercise price of 8 cents.

4.5 Equity instruments held by key management personnel

Share holdings

The movement during the reporting period in the number of ordinary shares in Anglo Australian Resources NL held directly, indirectly or beneficially by each key management person, and including their related parties is as follows:

Fully paid ordinary shares issued in Anglo Australian Resources NL

	Balance at 1 July 2018 No.	Granted as Remuneration No.	Received on Exercise of Options No.	Net Other Change No.	Balance at 30 June 2019 No.
Directors					
J L C Jones	22,352,177	-	2,500,000	-	24,852,177
P A Stern	4,706,252	-	5,000,000	-	9,706,252
G I Smith	2,582,999	-	2,500,000	-	5,082,999

Option holdings

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management personnel, including their related parties, is as follows:

	Balance at beginning of the year No.	Granted as compensation No.	Lapsed No.	Other Changes No.	Balance at end of the year No.	Vested and exercisable No.
J L C Jones	47,930,000			(2,500,000)	45,430,000	45,430,000
P A Stern	16,800,000			(5,000,000)	11,800,000	11,800,000
G I Smith	13,200,000			(2,500,000)	10,700,000	10,700,000

4.6 Other key management personnel transactions with Directors and Director-related entities

A number of key management persons, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities.

A number of these entities transacted with the Company or its subsidiaries in the reporting period.

The following fees were incurred on normal commercial terms and conditions to the following Director related entities:

Related Parties	Transactions	Transactions Value		Amount owing by the Company	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		$	$	$	$
J L C Jones – Westbury Management Services Pty Ltd	Storage / Admin Services expenses	673	7,794	-	-
P A Stern	Interest	-	2,164	-	-
G I Smith	Interest	-	823	-	-
G I Smith – Wembley Corporate	Company Secretarial / CFO fees	45,700	59,918	14,204	7,390
Tanga Resources Limited	Rent, Carpark & Outgoing	(50,334)	(53,256)	-	(4,195)

End of audited Remuneration Report

5. PRINCIPAL ACTIVITIES

The principal activities of the Company during the financial year consisted of the continued exploration of gold and base metals projects in Western Australia.

6. OPERATING AND FINANCIAL REVIEW

Overview of the Company

During the current year, the Company conducted exploration and tenement reviews. There was no revenue for this year however the Company continued with the business activities of exploration and evaluation of gold and base metals projects.

Shareholder Returns

The net loss of the Company for the financial year, after provision for income tax was $656,006 (2018 net loss: $920,462).

Review of Principal Businesses

A review of the operations for the financial year, together with prospects which form part of this report are set out above.

7. EVENTS SUBSEQUENT TO REPORTING DATE

There have been no events subsequent to the reporting date, other than those mentioned elsewhere in this report.

8. LIKELY DEVELOPMENTS

The Company intends to continue its exploration and evaluation programs on existing tenements and to acquire further suitable tenements for exploration.

9. SHARE OPTIONS

Unissued Shares under Options

Unissued ordinary shares of Anglo Australian Resources NL under option at the date of this report are as follows:

Expiry date	Exercise price (cents)	Number of options
30 November 2019	2	22,300,000
30 November 2020	2	37,000,000
30 November 2020	2.5	10,500,000
30 November 2020	4.0	2,500,000
30 November 2020	8.0	8,950,000
Total number of options outstanding at the date of this report		**81,250,000**

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

10. INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

The Company has agreed to indemnify the following current directors of the Company, J L C Jones, G I Smith and P A Stern against all liabilities to another person (other than the Company or related body corporate) that may arise from their position as officers of the Company, except where the liability arises out of conduct involving lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has not entered into an agreement with their current auditors, Greenwich & Co Audit Pty Ltd, indemnifying them against any claims by third parties arising from their report on the annual financial report.

11. NON-AUDIT SERVICES

Details of amounts payable to the Auditor for non-audit services and audit services paid during the year are set out in Note 19.

12. LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 33 and forms part of the directors' report for the financial year ended 30 June 2019.

Signed in accordance with a resolution of the Directors.

John LC Jones AM
Executive Chairman
Anglo Australian Resources NL
Dated at Perth this 30th day of September 2019.

Greenwich & Co

Greenwich & Co Audit Pty Ltd | ABN 51 609 542 458
Level 2, 267 St Georges Terrace, Perth WA 6000
PO Box 983, West Perth WA 6872
T 08 6555 9500 | F 08 6555 9555
www.greenwichco.com

Auditor's Independence Declaration

To those charged with governance of Anglo Australian Resources NL

As auditor for the audit of Anglo Australian Resources NL for the year ended 30 June 2019, 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 audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Rafay Nabeel
Audit Director

Perth
30 September 2019

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Anglo Australian Resources NL is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of Anglo Australian Resources NL on behalf of the shareholders by whom they are elected and to whom they are accountable.

Anglo Australian Resources NL's corporate governance practices were in place throughout the year ended 30 June 2019 and were compliant with the ASX Governing Council's best practice recommendations, unless otherwise stated.

Information on Corporate Governance is available on the Company's website at www.anglo.com.au/investors/corporategovernance.

In fulfilling its obligations and responsibilities to its various stakeholders, the Board of directors of the Company advocates the adoption of and adherence to a framework of rules, relationships, systems and processes within and by which authority is exercised and controlled within the corporation – this is what is meant in this manual when reference is made to corporate governance. This manual outlines the Company's principal corporate governance procedures. The Board supports a system of corporate governance to ensure that the management of the Company is conducted in a manner which is directed at achieving the Company's objectives in a proper and ethical manner.

Except to the extent indicated herein, the Company has resolved that for so long as it is admitted to the official lists of the ASX it shall abide by the ASX Recommendations.

Due to the exigencies and vagaries of commercial life and changing circumstances, there will, no doubt, be occasions when, especially because of the size of the Company and the composition of its Board, that it can be expected to depart from the policies and charters which it has adopted. These policies have been adopted on the basis that, in the circumstances of the Company, they reflect what is considered a reasonable aspiration. It is not expected that these guidelines will be slavishly adhered to. Their object is to focus attention upon the issues they address and provoke thought about and awareness of those issues and the pitfalls that one could otherwise fall into inadvertently. The important thing is to develop a culture conducive only to good and appropriate conduct and practices.

Honesty and integrity must be the overriding and guiding principle in all things- substance must prevail over form and lip service. Adhering to the following policies is a condition of each contract of employment or service.

The Board encourages all key management personnel, other employees, contractors and other stakeholders to monitor compliance with this Corporate Governance manual and periodically, by liaising with the Board, management and staff; especially in relation to observable departures from the intent of hereof and with and any ideas or suggestions for improvement.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.		Information about the respective roles and responsibilities of our Board and management (including those matters expressly reserved to the Board and those delegated to management) is found in the Company's Charter & Policies Manual which is shown on the Company website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.		The appointment of directors is undertaken by the whole Board The Board recognises the benefits arising from diversity and aims to promote an environment conducive to the appointment of well qualified Board candidates so that there is appropriate diversity to maximise the achievement of corporate goals. As required under the ASX Listing Rules and the Corporations Act, election or re-election of directors is a resolution put to members at each Annual General Meeting. The notice of meeting contains all material information relevant to a decision on whether or not to elect or re-elect a director.
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.		The Company does not have any senior executives and it does not have agreements with each director.
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.		The company secretary reports directly to the Board through the Chairman and is accessible to all directors. The function performed by the company secretary is noted in the letter of appointment of the company secretary
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		The Company has a Diversity Policy which is a section of the Charter & Policies manual. The Diversity Policy does not include requirements for the board to set measurable objectives for achieving gender diversity. Given the size and nature of the Company at this stage, the Board considers this course of action reasonable. The Company recognises that a diverse and talented workforce is a competitive advantage and that the Company's success is the result of the quality and skills of our people. Our policy is to recruit and manage based on qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. It is essential that the Company employs the appropriate person for each job and that each person strives for a high level of performance. The Company has not set measurable objectives for achieving gender diversity during the reporting period to 30 June 2019. There are currently no women on the Board.

1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		A process for Evaluating Board Performance is detailed in the Board Charter in the Charter & Policies Manual. Information on Performance Evaluations is included in the remuneration report section of the Annual Report.
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.		The Company does not have any executives and therefore does not have a process for evaluating the performance of senior executives. Given the size and nature of the Company, the board considers this to be reasonable in the circumstances. However, the board will re-evaluate senior executive performance evaluation measures should the Company's circumstances change.

PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE

<table>
<tr>
<td>2.1</td>
<td>The board of a listed entity should:
(a) have a nomination committee which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</td>
<td></td>
<td>The Board does not have a Nomination Committee.
The Board considers it has an appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. Board succession issues are discussed by the whole Board when required.</td>
</tr>
<tr>
<td>2.2</td>
<td>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</td>
<td></td>
<td>The Board has identified that the appropriate mix of skills and diversity required of its members on the Board to operate effectively and efficiently is achieved by directors having substantial skills and experience in operational management, exploration and geology, corporate law, finance, listed resource companies, equity markets.
The Board Skills matrix for the current Board is as follows:
<table>
<tr><th></th><th>John Jones</th><th>Peter Stern</th><th>Graeme Smith</th></tr>
<tr><td>operational management</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>exploration and geology</td><td>✓</td><td>✓</td><td>-</td></tr>
<tr><td>corporate law</td><td>-</td><td>✓</td><td>✓</td></tr>
<tr><td>accounting & finance</td><td>-</td><td>✓</td><td>✓</td></tr>
<tr><td>listed resource companies</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>equity markets</td><td>✓</td><td>✓</td><td>✓</td></tr>
</table>
</td>
</tr>
</table>

2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.		The Company considers that Peter Stern and Graeme Smith are independent directors. John Jones is a substantial shareholder of the Company and therefore non-independent. Although Graeme Smith provides services, as the Principal of Wembley Corporate Services, as Company Secretary, the Board considers that this does not interfere, or might reasonably be seen to interfere, with his capacity to bring an independent judgement to bear on issues before the board and to act in the best interests of the entity and its security holders generally. John Jones has been a director since 9 Feb 1990. Peter Stern has been a director since 28 Nov 2011. Graeme Smith has been a director since 18 Mar 2014.
2.4	A majority of the board of a listed entity should be independent directors.		The majority of the board are independent directors.
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.		The Chairman is not an independent director. The Board believes the Chairman is the most suitable director to undertake this role. The Company does not have a CEO.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.		The Company will provide induction material for any new directors and, depending on specific requirements, will provide appropriate professional development opportunities for directors.

PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY

3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.		The Code of Conduct in the Charter & Policies Manual sets out the principles and standards which the Board, management and employees of the Company are encouraged to strive to abide by when dealing with each other, shareholders and the broad community.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

4.1	The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		The Company's Audit committee comprises all directors and is Chaired by Peter Stern. The Audit Committee charter is disclosed on the Company's website under the Corporate Governance link Qualifications and experience of members of the Audit Committee are found under the directors' profile in both the Annual Report and on the Company's website under the heading Directors. Details of meetings of the audit committee are to be found in the Annual Report.
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.		The Company does not have a CEO but the Audit committee receives from its CFO (Graeme Smith), declarations in relation to full year and half year statutory financial reports during the reporting period in accordance with section 295A of the Corporations Act.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.		The audit engagement partner attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.		The Company's Continuous Disclosure Policy is a section of the Charter & Policies Manual which is set out on the Company's website.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1	A listed entity should provide information about itself and its governance to investors via its website.		The Company's website provides information on the Company including its background, objectives, projects and contact details. The Corporate Governance page provides access to key policies, procedures and charters of the Company, as well as the latest Corporate Governance Statement. ASX announcements, Company reports and presentations are uploaded to the website following release to the ASX and editorial content is updated on a regular basis.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.		A Shareholder Communication Policy is a section of the Charter & Policies Manual.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.		The Company encourages shareholders to attend all general meetings of the Company and sets the time and place of each meeting to promote maximum attendance by Shareholders. The Company encourages Shareholders to submit questions in advance of a general meeting, and for the responses to these questions to addressed through disclosure relating to that meeting.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.		It is the Company's desire that shareholders receive communications electronically in the interests of the environment and constraining costs. In an endeavor to drive this objective, the Company has a policy of providing hard materials at least cost (which will generally involve a black & white presentation even where the electronic version is full colour).

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

7.1	The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		The Board has not established a Risk Committee; however, it does have a Risk Management Policy which is a section of the Charter & Policies Manual. Risk management is specifically discussed at the Company's board meetings during the year.
7.2	The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.		The Board reviews the Company's risk management framework annually and this information is disclosed in the Annual Report.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.		The size and operations of the company do not warrant an internal audit committee. The Company's external auditor advises the Company at each end of year and half year whether there are any issues with internal control and improvements which could be undertaken to improve them.
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.		The Company is subject to, and responsible for, existing environmental liabilities associated with its tenements. The Company will continually monitor its ongoing environmental obligations and risks, and implement rehabilitation and corrective actions as appropriate to remain compliant. These risks may be impacted by change in Government policy. The Company does not believe it has any significant exposure to economic and social sustainability risks.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

8.1	The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.		The Company does not have a Remuneration committee as the Company does not have any staff. The Board considers the level and composition of remuneration for directors with reference to remuneration levels set by its peers in the mining industry.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.		Non-executive directors are paid amounts equivalent to the remuneration received by other non-executive directors working in similarly sized exploration companies. The Company does not have any staff and hence has no need for a policy on remuneration of executives at this time.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.		The Company does not have an equity based remuneration scheme.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Interest income		**6,309**	**5,491**
Exploration expenditure written off	9	**(21,802)**	**(243,906)**
Impairment expense		**-**	**-**
Depreciation and amortisation		**(4,765)**	**-**
Directors' fees	22	**(260,565)**	**(242,657)**
Rental expense		**(91,670)**	**(76,817)**
Share based payments	15	**(32,000)**	**(77,099)**
Interest expenses		**-**	**-**
Other expenses		**(251,513)**	**(285,474)**
Loss before tax		**(656,006)**	**(920,462)**
Income tax expense	16	**-**	**-**
Loss for the year		**(656,006)**	**(920,462)**
Total comprehensive loss for the year attributable to equity holders of the Company		**(656,006)**	**(920,462)**
Loss per share:			
Basic and diluted loss per share (cents)	17(i)	**(0.20)**	**(0.32)**

The above Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2019

	Note	2019 $	2018 $
Assets			
Cash and cash equivalents	18(i)	**448.919**	**1,623,785**
Prepayments		**10,974**	**-**
Other receivables	7	**148,209**	**67,000**
Total Current Assets		**608,102**	**1,690,785**
Property, plant & equipment	8	**-**	**-**
Exploration and evaluation assets	9	**5,873,285**	**3,871,182**
Total Non-Current Assets		**5,873,285**	**3,871,182**
Total Assets		**6,481,387**	**5,561,967**
Liabilities			
Trade and other payables	10	**652,223**	**438,846**
Borrowings		**-**	**-**
Total Current Liabilities		**652,223**	**438,846**
Rehabilitation provision	11	**85,710**	**65,220**
Total Non-Current Liabilities		**85,710**	**65,220**
Total Liabilities		**737,933**	**504,066**
Net Assets		**5,743,454**	**5,057,901**
Equity			
Issued capital	12	**35,292,993**	**33,951,434**
Reserves	13(a)	**916,649**	**916,649**
Accumulated losses	13(b)	**(30,466,188)**	**(29,810,182)**
Total equity attributable to the equity holders of the Company		**5,743,454**	**5,057,901**

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 30 June 2019

	Issued Capital	Share based Payments Reserve	Accumulated losses	Total Equity
	$	$	$	$
Opening Balance at 1 July 2017	**30,057,224**	**717,770**	**(28,889,720)**	**1,885,274**
Total comprehensive loss for the period	-	-	-	-
Loss for the period	-	-	(920,462)	(920,462)
Total comprehensive loss for the period	-	-	(920,462)	(920,462)
Transactions with owners, recorded directly in equity				
Issue of ordinary shares	3,894,210	-	-	3,894,210
Options issued to directors	-	198,879	-	198,879
Closing balance at 30 June 2018	**33,951,434**	**916,649**	**(29,810,182)**	**5,057,901**
Opening Balance at 1 July 2018	**33,951,434**	**916,649**	**(29,810,182)**	**5,057,901**
Total comprehensive loss for the period				
Loss for the period	-	-	(656,006)	(656,006)
Total comprehensive loss for the period			(656,006)	(656,006)
Transactions with owners, recorded directly in equity				
Issue of ordinary shares	1,341,559	-	-	1,341,559
Options issued		-	-	-
Closing balance at 30 June 2019	**35,292,993**	**916,649**	**(30,466,188)**	**5,743,454**

The Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Cash Flows from Operating Activities			
Cash payments to suppliers and employees		(496,905)	(500,961)
Other revenue		-	-
Net cash used in operating activities	18(ii)	(496,905)	(500,961)
Cash Flows from Investing Activities			
Interest received		6,309	5,491
Exploration and evaluation expenditure incurred		(1,789,065)	(1,732,063)
Proceeds from sale of property, plant & equipment			
Payments for property, plant & equipment		(4,765)	
Net cash used in investing activities		(1,787,521)	(1,726,572)
Cash Flows from Financing Activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	(2,987)
Proceeds from issue of shares (net of costs)		1,109,560	3,637,519
Net cash from financing activities		1,109,560	3,634,532
Net (decrease) / increase in cash and cash equivalent		(1,174,866)	1,406,999
Cash and cash equivalents at the beginning of the financial year		1,623,785	178,786
Transfer of term deposits to cash and cash equivalents		-	38,000
Cash and cash equivalents at the end of the financial year	18(i)	448,919	1,623,785

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

1. REPORTING ENTITY

Anglo Australian Resources NL (the "Company") is a for profit company domiciled in Australia. The address of the Company's registered office is Ground Floor, 63 Hay Street, Subiaco, Western Australia. The Company is involved in the exploration of mineral tenements.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report also complies with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB).

The financial reports were approved by the Board of Directors on 30 September 2019.

(b) New and amended standards adopted by the Company

The Company has adopted 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 January 2018. 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 including:

- *AASB 9 Financial Instruments*

  AASB 9 Financial Instruments introduces new classification and measurement models for financial assets and is applicable to annual reporting periods beginning on or after 1 July 2018.

  The Company has applied AASB 9 using the modified retrospective approach because the measurement of financial assets under AASB9 are consistent to the Company's current practice.

- *AASB 15 Revenue from Contracts with Customers*

  This standard is applicable to annual reporting periods beginning on or after 1 January 2018.

  The Company does not currently have any contracts with customers in place.

  The Company does not consider there to be any material impact from the adoption of *AASB 15 Revenue from Contracts with Customers.*

(c) Basis of measurement

The financial reports have been prepared on the historical cost basis, except for share based payments measured at fair value.

(d) Functional and presentation currency

These financial reports are presented in Australian dollars, which is the Company's functional currency.

(e) Use of estimates and judgements

The preparation of financial reports in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions in accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In preparing this financial report, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty are as follows.

(i) Measurement of Share Based Payments

From time to time, the Company grants options to key management people in lieu of services received. Options granted are measured using a Black Scholes model that incorporates various estimates and assumptions, including estimated future share price volatility.

2. BASIS OF PREPARATION (continued)

(ii) Impairment of exploration and evaluation assets

The ultimate recoupment of the value of exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale, of the underlying mineral exploration properties. The Company undertakes at least on an annual basis, a comprehensive review for indicators of impairment of these assets. Where impairment indictors are noted, there is significant estimation and judgement in determining the inputs and assumptions used in determining the recoverable amounts.

The key area of estimation and judgement that is considered in this is the Company's market capitalisation compared to its net assets

(e) Use of estimates and judgements(continued)

(iii) Going concern

A key assumption underlying the preparation of the financial statements is that the Company will continue as a going concern.

A Company is a going concern when it is considered to be able to pay its debts as and when they are due, and to continue in operation without any intention or necessity to liquidate or otherwise wind up its operations. A significant amount of judgment has been required in assessing whether the entity is a going concern as set out in Note 3.

(iv) Provision for environmental rehabilitation

Included in liabilities at the end of each reporting period is an amount that represents an estimate of the cost to rehabilitate the land upon which the Company has carried out its exploration for mineral resources. Provisions are measured at the present value of management's best estimate of the costs required to settle the obligation at the end of the reporting period. Actual costs incurred in future periods to settle these obligations could differ materially from these estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates, and discount rates could affect the carrying amount of this provision.

3. 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 year ended 30 June 2019 the Company incurred a loss of $656,006 (2018: $920,462). The Company had net cash outflows from operations of $496,905 (2018: $500,961), and net cash outflows from investing activities of $1,787,521 (2018: $1,762,572).

The Company will require further funding in order to meet day-to-day obligations as they fall due and to progress its exploration and evaluation projects as budgeted. The Company has a history of successful capital raisings to fund exploration. The Board of Directors is aware of the Company's working capital requirements and the need to access additional funding. The ability of the Company to continue as a going concern is dependent on the Company securing further working capital by the issue of additional equity.

The Board of Directors have reviewed the business outlook and is 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. Should the Company be unsuccessful in raising equity as required, there would be material uncertainty which may cast significant doubt as to whether the Company will 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. 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.

4. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and amortisation (see below), and impairment losses (see accounting policy (e)).

Cost includes expenditures that are directly attributable to the acquisition of the asset. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Subsequent costs

The Company recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs are recognised in the statement of profit or loss and other comprehensive income as an expense as incurred.

(iii) Depreciation

With the exception of mine property, depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

Depreciation rates and methods and any residual values are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is charged to the statement of comprehensive income.

(b) Exploration and Evaluation Expenditure

Exploration and evaluation costs, including the costs of acquiring licences and directors and, where appropriate, management's time are capitalised as exploration and evaluation assets on an area of interest basis. The entity subcontracts equipment on an as required basis and as a result all exploration and evaluation costs incurred are of an intangible nature. Costs incurred before the Company has obtained the legal rights to explore an area are recognised as an expense in the income statement.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

(i) the expenditures are expected to be recouped through successful development and exploitation of the area of interest; or

(ii) activities in interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, or (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (e)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit is never larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment.

(c) Cash and cash equivalent

Cash and cash equivalents comprise cash balances, short term bills and call deposits.

(d) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.
Trade receivables are initially measured at the transaction price if the trade receivables do not contain significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial assets

Financial assets are subsequently measured at:

— amortised cost;

— fair value through other comprehensive income; or

— fair value through profit or loss

On the basis of the two primary criteria:

— the contractual cash flow characteristics of the financial asset; and

— the business model for managing the financial assets

A financial asset is subsequently measured at amortised cost when it meets the following conditions:

— the financial asset is managed solely to collect contractual cash flows; and

— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income when it meets the following conditions:

— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and

— the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at:

— amortised cost; or

— fair value through profit or loss

A financial liability is measured at fair value through profit and loss if the financial liability is:

— a contingent consideration of an acquirer in a business combination to which AASB 3 applies

— held for trading; or

— initially designated as at fair value through profit or loss

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense over in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

— incurred for the purpose of repurchasing or repaying in the near term;

— part of a portfolio where there is an actual pattern of short-term profit taking; or

— a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship)

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for derecognition of a financial asset:

— the right to receive cash flows from the asset has been expired or been transferred;

— all risk and rewards of ownership of the asset have been substantially transferred; and

— the entity no longer controls the asset (i.e. it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment of financial assets

An impairment loss is recognised for the expected credit losses on financial assets when there is an increased probability that the counterparty will be unable to settle an instrument’s contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both. The probability of default and expected amounts recoverable are assessed using reasonable and supportable past and forward-looking information that is available without undue cost or effort. The expected credit loss is a probability-weighted amount determined from a range of outcomes and takes into account the time value of money.

For trade receivables, material expected credit losses are measured by applying an expected loss rate to the gross carrying amount. The expected loss rate comprises the risk of a default occurring and the expected cash flows on default based on the aging of the receivable. The *r*isk of a default occurring always takes into consideration all possible default events over the expected life of those receivables ("the lifetime expected credit losses"). Different provision rates and periods are used based on groupings of historic credit loss experience by product type, customer type and location.

For intercompany loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date. If the subsidiary does not have sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, an expected credit loss is calculated. This is calculated based on the expected cash flows arising from the subsidiary, and weighted for probability likelihood variations in cash flows.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of deferred exploration and evaluation cost is primarily considered by directors with reference to the market of capitalisation of the company.

In respect of assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(f) Share Capital

Transaction costs

Qualifying transaction costs of an equity transaction, which are incremental and directly attributable to the issue of ordinary shares, are accounted for as a deduction from equity, net of any related income tax benefit.

(g) Employee Benefits

The Company does not have any employees and does not therefore provide any employee benefits such as Wages, Salaries, Annual Leave Sick Leave or Long Service Leave.

(h) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

4. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Trade and Other Payables

Trade and other payables are measured at their amortised cost. Trade payables are non-interest bearing and are normally settled on 60-day terms.

(j) Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(l) Earnings per Share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

(m) Determination and presentation of operating segments

For management purposes and for the purposes of reporting to the Board (the Company's chief decision makers), the Company is organised into one operating segment, which involves exploration throughout Australia. The Company's principal activities are interrelated, and the Company has no revenue from operations

(n) Borrowings

Borrowings are measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the borrowings are derecognised.

(o) New standards and Interpretations not yet adopted

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application date or future reporting periods and which the Company has decided not to early adopt. A discussion of those future requirements and their impact on the Company is as follows:

- *AASB 16 Leases*

  The standard replaces AASB 117 'Leases" and for lessees will eliminate the classifications of operating leases and finance leases, and require, subject to certain exemptions, the recognition of a 'right-of-use asset' and a corresponding lease liability, and the subsequent depreciation of the 'right-of-use' asset. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

  The Company is currently not party to any material operating or finance lease arrangements.

This standard is applicable to annual reporting periods beginning on or after 1 January 2019 and as such the Company will adopt this standard from 1 July 2019. Whilst at this time the Company does not consider there to be any material impact from the adoption of *AASB 16 Leases*, it will make an assessment of potential effects over the next 12 month period.

5. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and /or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Other receivables

The fair value of other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

6. FINANCIAL RISK MANAGEMENT

Overview

The Company have exposure to the following risks from their use of financial instruments:

- liquidity risk
- market risk
- interest rate risk
- capital risk
- credit risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the company through regular reviews of the risks.

Cash

The Company limits its exposure to credit risk by only investing in deposit instruments of major Australian banking institutions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company is exposed to interest rate risk on cash balances.

The Company adopts a policy of placing all of its cash not required for immediate cash flow in its operations in a high interest-bearing cash management accounts exposed to variable interest rates.

Capital risk

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they may continue to provide returns for shareholders and benefits for other stakeholders.

Due to the nature of the Company's activities being mineral exploration, the Company does not have ready access to credit facilities, with the primary source of funding being equity raisings. Therefore, the focus of the Company's capital risk management is the current working capital position against the requirements of the Company to meet exploration programmes and corporate overheads. The Company's strategy is to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raising as required.

The working capital position of the Company at 30 June 2019 and 30 June 2018 was as follows:

	2019 $	2018 $
Cash and cash equivalents	448,919	1,623,785
Trade and other receivables	159,183	67,000
Trade and other payables	(652,223)	(438,846)
Working capital position	(44,121)	1,251,939

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

There is no material amounts of collateral held as security at balance date.

The following table provides information regarding the credit risk relating to cash and cash equivalents based on credit ratings:

	2019 ($)	2018 ($)
AAA rated	448,919	1,623,785

The credit risk for counterparties included in trade and other receivables at balance date is detailed below.

	2019 ($)	2018 ($)
Trade and other receivables		
Trade and other receivables	78,166	67,000
GST and tax refundable	81,017	54,499
	159,183	121,499

Capital Management

Management controls the capital of the Company in order to ensure that it can fund its operations and continue as a going concern in conjunction with the continual assessment as to the underlying market value of its exploration and development projects. The Company has no external debt other than disclosed in the financial statements and there are no externally imposed capital requirements.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include share issues. There have been no changes in the strategy adopted by management since the prior year.

7. OTHER RECEIVABLES

	2019 $	2018 $
Current		
Other receivables	148,209	67,000
	148,209	67,000
Non - Current		
Security deposit – leased premises	-	38,000
	-	38,000

8. PROPERTY, PLANT & EQUIPMENT

	2019 $	2018 $
Office furniture & fittings, PP&E – at cost	16,156	11,392
Accumulated depreciation	(16,156)	(11,392)
	-	-
Total property, plant & equipment	-	-

9. EXPLORATION AND EVALUATION ASSETS

	2019	2018
Deferred exploration and evaluation assets	$	$
Balance at 1 July 2018	3,871,182	2,230,612
Expenditure during the year	2,003,415	1,884,476
Amounts impaired/written off during the year	(21,802)	(243,906)
Revaluation of rehabilitation provision	20,490	-
Balance at 30 June 2019	5,873,285	3,871,182
Comprised of:		
Feysville project	3,405,893	2,118,154
Koongie Park project	1,571,794	1,320,834
Leonora project	217,205	128,843
Mandilla project	678,393	303,351
	5,873,285	3,871,182
Impairment / Write off relates to:		
Feysville project	(16,742)	(131,467)
Koongie Park project	(4,979)	(102,183)
Leonora project	(81)	(9,756)
Mandilla project	-	-
	(21,802)	(243,406)

The ultimate recoupment of exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively sale of the respective areas.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to Aboriginal people. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions, mining restrictions and/or claims for compensation. At this time, it is not possible to determine whether such claims exist or the quantum of such claims, if any.

10. TRADE AND OTHER PAYABLES

	2019 $	2018 $
Current		
Trade payables	539,603	323,869
Accrued director fees	50,988	99,342
Other payables and accruals	61,632	15,635
	652,223	438,846

11. REHABILITATION PROVISION

A provision has been made to cover costs of rehabilitating the Company's areas of interest. It is not expected that this will be required in the next 12 months.

	2019 $	2018 $
Balance at 1 July 2018	65,220	65,220
Reverse rehab provision	(65,220)	-
Rehab provisions - Feysville	23,890	-
Rehab provisions – Koongie Park	32,640	-
Rehab provisions – Mandilla	29,180	-
Balance at 30 June 2019	85,710	65,220

12. ISSUED CAPITAL

Issued and Paid Up Capital

	2019 $	2018 $
348,744,053 ordinary shares fully paid (2018 – 317,864,054 ordinary shares fully paid)	35,292,993	33,951,434

Share movements during the year	*Issue Price ($)*	**2019 Number of Shares**	**2019 $**	**2018 Number of Shares**	**2018 $**
At beginning of year		317,864,054	33,951,434	258,339,441	30,057,224
Share Issue – Oct 2018	0.08	400,000	32,000		
Option conversions – Feb 2019	0.02	10,200,000	204,000		
Placement – Feb 2019	0.06	16,113,333	966,800		
Placement – Mar 2019	0.06	4,166,666	250,000		
Issue – July 2017	0.04	-	-	1,616,000	64,640
Issue – August 2017 s	0.04	-	-	3,580,500	143,220
Placement – August 2017	0.048	-	-	16,045,335	770,176
Issue – August 2017	0.048	-	-	622,396	29,875
Issue – August 2017	0.04	-	-	690,250	27,610
Placement – August 2017	0.078	-	-	19,230,766	1,500,000
Issue – August 2017	0.078	-	-	135,000	10,530
Option Conversion	0.04	-	-	500,000	20,000
Placement – June 2018	0.088	-	-	17,002,094	1,496,184
Issue – August 2017	0.088	-	-	102,272	9,000
Cost of capital			(111,241)	-	(177,025)
At the end of the year		348,744,053	35,292,993	317,864,054	33,951,434

The Company does not have authorised capital or par value in respect of its issued shares.

13. RESERVES AND ACCUMULATED LOSSES

	2019	2018
	$	$
(a) Reserves		
Share-based payments reserve		
Balance at beginning of financial year	916,649	717,770
Share based payments – options (Note 14)	-	44,442
Option issued to Directors (Note 14)	-	154,437
Balance at end of financial year	**916,649**	**916,649**
(b) Accumulated losses		
Balance at beginning of financial year	(29,810,182)	(28,889,720)
Net loss for the year	(656,006)	(920,462)
Balance at end of financial year	**(30,466,188)**	**(29,810,182)**

(c) Nature and purpose of reserves

The share-based payments reserve is used to recognise the fair value of options issued.

15. SHARE BASED PAYMENTS

400,000 fully paid ordinary shares were issued at a deemed price of $0.08 per share during the year in consideration for services provided.

Unlisted Options

Options over ordinary shares of the Company have been issued for nil cash consideration. The options cannot be transferred and will not be quoted on the ASX. Therefore, no voting rights are attached to the options unless converted into ordinary shares. All options are granted at the discretion of the directors.

The terms and conditions of the grants are as follows:

Grant Date & Vesting Date	Granted Number	Expiry Date	Exercise Price (cents)	Value per option at grant date (cents)	Exercised Number
01/12/2014	24,800,000	30/11/2019	2	0.81	10,000,000
22/06/2015	7,500,000	30/11/2019	2	0.73	Nil
30/11/2015	37,200,000	30/11/2020	2	0.37	200,000
25/08/2016	10,500,000	30/11/2020	2.5	1	Nil
08/12/2016	3,000,000	30/11/2020	4	1.43	500,000
29/08/2017	8,950,000	30/11/2020	8	2.22	Nil

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2019	Number of options 2019	Weighted average exercise price 2018	Number of options 2018
Outstanding at 1 July	$0.027	91,450,000	$0.021	83,000,000
Exercised during period	$0.02	(10,200,000)	$0.04	(500,000)
Granted during the period	-	-	$0.08	8,950,000
Outstanding at 30 June	$0.028	81,250,000	$0.021	91,450,000
Exercisable at 30 June	$0.028	81,250,000	$0.027	91,450,000

The value of options is recognised as expenses immediately on grant date.

16. TAXATION

	2019 $	2018 $
Current tax expense	-	-
Deferred tax expense	-	-

a) Numerical reconciliation between tax expense and pre-tax accounting loss

	2019 $	2018 $
Loss before tax	(656,006)	(920,462)
Income tax using the corporate tax rate of 30% (2018: 27.5%)	(196,801)	(253,127)
Current year losses for which no deferred tax asset was recognised	196,801	253,127
Income tax expense	-	-

b) Unrecognised Deferred Tax Assets

The Company had estimated tax losses of $27,543,796 at 30 June 2019 (2018: $21,426,314). The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can use the benefits. The potential future income tax benefit will only be obtained if:

- the relevant Company derives future assessable income of a nature and amount sufficient to enable the benefit to be realised;
- the relevant Company complies with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the relevant Company in realising the benefit.

17. LOSS PER SHARE

(i) Basic loss per share

	2019 $	2018 $
Net loss attributable to ordinary shareholders	(656,006)	(920,462)

As the Company has made a loss for the year ended 30 June 2019, all options on issue are considered antidilutive and have not been included in the calculation of diluted earnings per share.

	2019 No. of shares	2018 No. of shares
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	328,594,446	287,985,821
Basic loss per share recognised	(0.20 cents)	(0.32 cents)

18. NOTES TO THE STATEMENT OF CASH FLOWS

(i) Reconciliation of Cash and Cash Equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on hand and at bank and short-term deposits. Cash and cash equivalents as at the end of the financial year, as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:

	2019 $	2018 $
Cash on hand	-	-
Cash at bank	448,919	1,623,786
	448,919	1,623,786

(ii) Reconciliation of cash flows from operating activities

Loss for the period after income tax	(656,006)	(920,462)
Less interest income reported under investment activities	(6,309)	
Adjustments for:		
Depreciation	4,765	-
Impairment		-
Exploration expenditure written off	(33,098)	243,906
Share based payments expense	32,000	77,099
Directors fees taken in equity	199,999	
Interest received		-
Change in other receivables	1,528	(39,340)
Change in operating trade and other payables	(39,784)	137,836
Net cash used in operating activities	(496,905)	(500,961)

Non-cash investing and financing activities during the year are listed at Note 12.

19. AUDITOR'S REMUNERATION

	2019 $	2018 $
Auditor's services		
Audit and review of financial reports	29,618	25,000

20. COMMITMENTS

Mineral Tenement Leases

The Company has minimum expenditure obligations in pursuance of the terms and conditions of tenement licences in the forthcoming year of approximately $720,632 (2018: $594,516). The aforementioned expenditure obligations can be subject to variation to a lesser amount as a result of: reduction in tenement areas; relinquishment of tenements; and/or farm out of project areas to third party joint venture partners who assume responsibility for the expenditure obligations. These obligations are expected to be fulfilled in the normal course of operations of the Company. If the current status of the tenements is maintained, then for one year or later and not more than five years the total obligations are approximately $1,576,558 (2018: $1,289,089) and for later than five years the total obligations are$1,802,740 (2018: $1,393,405l).

20. COMMITMENTS (continued)

Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2019 $	2018 $
Less than one year	65,845	48,430
Between one and five years	-	100,736
More than five years	-	-
	65,845	149,166

The Company leases business office premises under a non-cancellable operating lease, expiring in the 2020 financial year.

21. FINANCIAL INSTRUMENTS

Credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the balance sheet date was:

	Note	Carrying amount 2019 $	 2018 $
Other Receivables	7	159,183	67,000
Cash and cash equivalents	18(i)	448,919	1,623,785
		608,102	**1,690,785**

None of the company's other receivables are past due.

Liquidity Risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

30 June 2019 ***Non-derivative financial liabilities***	**Carrying amount**	**Contractual cash flows**	**6 mths or less**
Trade and other payables	**652,223**	**652,223**	**652,223**

30 June 2018 ***Non-derivative financial liabilities***	**Carrying amount**	**Contractual cash flows**	**6 mths or less**
Trade and other payables	**438,846**	**438,846**	**438,846**

Currency risk

The Company is not exposed to foreign currency risk.

Interest rate risk

At the reporting date, the interest rate profile of the Company's interest bearing financial assets was:

	Weighted average interest rate	**Floating interest rate**	**Fixed interest rate more than a year**	**Total**
2019		**$**	**$**	**$**
Financial Assets				
Cash and cash equivalents	1.0%	448,919	-	448,919
Other receivables	3.0%	-	159,183	159,183
		448,919	159,183	608,102
2018				
Financial Assets				
Cash and cash equivalents	1.0%	1,623,785	-	1,623,785
Other receivables	3.35%	-	67,000	67,000
		1,623,785	67,000	1,690,785

21. FINANCIAL INSTRUMENTS (continued)

Trade and other payables are not interest bearing.

Fair values

The fair values of financial assets and liabilities of the Company at the balance date approximate the carrying amounts in the financial statements.

Fair value sensitivity analysis for fixed rate instruments

A change in interest rates of 1% at the reporting date would not materially affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

Interest for the year was $6,309 therefore a sensitivity analysis on a 1% change in interest rates would not materially affect the loss for the year.

Fair values versus carrying amounts

The fair values of financial assets and liabilities are the same as the carrying value.

22. RELATED PARTIES

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

John Load Cecil Jones – Executive Chairman

Peter Stern - Non-executive director

Graeme Smith – Non-executive director / Company Secretary / CFO

Key management personnel compensation

	2019	2018
	$	$
Short-term benefits	210,000	105,000
Services	50,000	137,657
	260,000	242,657

Information regarding individual directors and executives' compensation is required by the Corporations Regulations 2M.3.03 and 2M.6.04 to be provided in the Remuneration Report section of the Directors' Report on pages 28 to 32. Apart from the details disclosed in this note, no director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

23. SUBSEQUENT EVENTS

On 5 August 2019, the Company announced the receipt of commitments in respect of the issue and allotment of approximately 21 million new shares at $0.065 each to current and new sophisticated investors, to raise approximately $1.4 million before expenses. This issue was completed on 30 August 2019.

On 27 September 2019 the Company announced the issue of 2,611,921 fully paid ordinary shares. 2,211,921 shares were issued at a deemed price of $0.065 each for the provision of services. 400,000 were issued following the conversion of 400,000 Options at an exercise price of $0.25

Other than noted above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the of the Company in future financial years other than noted elsewhere in this report

DIRECTORS' DECLARATION

1. In the opinion of the directors of Anglo Australian Resources NL

a) The financial statements and notes, and the Remuneration Report in the Directors' Report, set out on pages 27 to 62 are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the financial position of the Company and of its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

b) the directors draw attention to Note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards;

c) as set out in Note 3, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Company Secretary (who performs the Chief Financial Officer's function) for the financial year ended 30 June 2019.

Signed in accordance with a resolution of directors:

John LC Jones AM
Executive Chairman
Anglo Australian Resources NL

Dated at Perth this 30th day of September 2019

Greenwich & Co

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Independent Audit Report to the members of Anglo Australian Resources NL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Anglo Australian Resources NL (the Company), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to Note 3 to the financial statements which outlines that the ability of the Company to continue as a going concern is dependent on the ability of the Company securing further working capital by the issue of additional equity.

As a result there is a 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be a key audit matter to be communicated in our report.

Capitalised Exploration Expenditure
Refer to Note 9, Capitalised Exploration Expenditure ($5,873,285) and accounting policy Notes 4(b) and 2(e).

Key Audit Matter	How our audit addressed the matter
The Group has a significant amount of capitalised exploration and evaluation costs. As the carrying value of exploration and evaluation assets represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances exist to suggest the carrying amount of this asset may exceed its recoverable amount.	Our audit work included, but was not restricted to, the following: • We obtained evidence that the Company has valid rights to explore in the areas represented by the capitalised exploration by obtaining independent searches of a sample of the Company's tenement holdings. • We enquired with those charged with governance to assess whether substantive expenditure on further exploration and evaluation of the mineral resources in the Company's areas of interest are planned. • We enquired with management, reviewed ASX announcements made and reviewed minutes of directors' meetings to ensure that the Company has not decided to discontinue activities in any of its areas of interest. • We enquired with management to ensure that the Company had not decided to proceed with development of a specific area of interest, yet the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or sale.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on page 28 to page 31 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Greenwich & Co Audit Pty Ltd

Greenwich & Co Audit Pty Ltd

Rafay Nabeel
Audit Director

Perth
30 September 2019

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 23 September 2019.

(a) Issued Capital

The issued capital of the Company at 23 September 2019: 370,592,113 ordinary fully paid shares.

(b) Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

			Ordinary shares	
			Number of holders	Number of shares
1	-	1,000	480	250,913
1,001	-	5,000	595	1,650,836
5,001	-	10,000	330	2,711,001
10,001	-	100,000	692	25,757,337
100,001		and over	349	340,222,026
			2,446	**370,592,113**
The number of shareholders holding less than a marketable parcel of shares are:			1,089	1,974,696

(c) Twenty largest shareholders

The names of the twenty largest holders of quoted ordinary shares are:

		Listed ordinary shares	
		Number of shares	Percentage of ordinary shares
1	BRAHAM INV PL	25,678,784	6.93%
2	ACN 106 966 401 PL	23,250,000	6.27%
3	PORTER STREET INV PL	21,719,616	5.86%
4	BRAHAM CONSOLIDATED PL	15,924,565	4.30%
5	S LOADER PL	15,426,488	4.16%
6	C THWAITES PL	9,984,607	2.69%
7	STERN PETER ANDREW	6,666,667	1.80%
8	D & P BUCKLEY PL	6,053,000	1.63%
9	GREAT AUST CORP PL	6,000,000	1.62%
10	HADDON MATTHEW	5,041,402	1.36%
11	FONTANA SABINA	5,000,000	1.35%
12	CORONA LAND HLDGS PL	4,500,000	1.21%
13	ORSARIS A + MARSILI J C	4,362,537	1.18%
14	DIXTRU PL	3,750,000	1.01%
15	CITICORP NOM PL	3,686,124	0.99%
16	GRAHAM INV PL	3,644,078	0.98%
17	TERINGA GEORGE PL	3,513,866	0.95%
18	M & A ISAACS PL	3,400,000	0.92%
19	LAPPIN PAUL J + LYONS S C	3,300,001	0.89%
20	M & R HADDON PL	3,200,000	0.86%
		174,101,735	**46.96%**

(d) Substantial shareholders

Porter Street Investments Pty Ltd – 5.86%, ACN 106 996 401 Pty Ltd – 6.27%, Braham Consolidated Pty Ltd – 6.93%

(e) Voting rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(f) Unquoted securities

Expiry date	Exercise price (cents)	Number of options	Number of Holders	Holders with > 20%
30 November 2019	2	22,300,000	**5**	Porter Street Investments Pty Ltd – 60%
30 November 2020	2	37,000,000	**3**	Porter Street Investments Pty Ltd – 62%
30 November 2020	2.5	10,500,000	**6**	Porter Street Investments Pty Ltd – 47%
30 November 2020	4.0	2,500,000	**2**	Terra Resources Pty Ltd – 40% E Baltis – 60%
30 November 2020	8.0	8,950,000	**6**	Porter Street Investments Pty Ltd – 40%
		81,250,000		