

**30 April 2010**

Companies Officer  
Australian Stock Exchange  
2 The Esplanade  
**PERTH WA 6000**

Dear Sir

**ANGLO AUSTRALIAN RESOURCES NL  
REPORT ON ACTIVITIES FOR THE QUARTER  
ENDED  
31 March 2010**

**HIGHLIGHTS**

**FEYSVILLE GOLD PROJECT**

- **1369m RC drilling program completed at the Rogan Josh and Dalray gold prospects.**
- **Intersections such as 6m @ 2.34g/t Au have extended gold mineralisation at Rogan Josh.**
- **Company to focus on open pit potential of supergene mineralisation at Rogan Josh.**
- **Dalray mineralisation remains open with recent intersections of 6m @ 2.03g/t Au and 2m @ 3.53g/t Au. Further drilling planned.**

**KOONGIE COPPER-ZINC PROJECT**

- **Extensive drilling program commences at Koongie targeting supergene copper and copper sulphide at depth at Sandiego.**
- **Mine planning and processing options are being evaluated.**

**EXPLORATION**

- **Exploration expenditure totalled \$410,416.**



## FEYSVILLE PROJECT –WA

Mining Leases 26/290, 26/291

100 % interest

Anglo Australian Resources NL is pleased to announce the results from its latest RC drilling program of 1,369m at the Feysville Project. Drilling targeted bedrock mineralisation beneath the Rogan Josh supergene deposit and possible extensions to the discovery intersection of **6m @ 9.08g/t Au** at the new Dalray prospect.

**Significant results, as listed in Table 1, extend the extent of mineralisation at both prospects.**

Table 1. Significant Intersections Rogan Josh and Dalray Prospects

Prospect	Hole	North	East	Depth	Dip	Azimuth	From	To	M	g/t Au
Rogan Josh	FEC767	6578020	366690	80	-60	270	34	35	1	3.93
Rogan Josh	FEC768	6577940	366760	80	-60	270	29	30	1	5.13
Rogan Josh	FEC769	6577940	366780	80	-60	270	47	51	4	1.47
Rogan Josh	FEC770	6577900	366860	90	-60	270				NSA
Rogan Josh	FEC771	6577840	366915	90	-60	270	73	74	1	1.08
							77	78	1	1
Rogan Josh	FEC772	6577700	367020	85	-60	270	28	29	1	1.87
							39	41	2	1.26
							50	51	1	1.28
							58	59	1	2.43
Rogan Josh	FEC773	6577660	367040	80	-60	270	16	22	6	2.34
Rogan Josh	FEC774	6577660	367060	80	-60	270	21	22	1	1.74
Rogan Josh	FEC775	6577780	366895	90	-60	90	49	53	4	2.23
Rogan Josh	FEC776	6577740	366940	78	-60	90	38	39	1	1.42
							49	51	2	3.37
							54	58	4	1.77
							59	60	1	1.19
Dalray	FEC777	6576440	368155	70	-60	270	68	70	2	3.53
Dalray	FEC778	6576440	368175	76	-60	270				NSA
Dalray	FEC779	6576400	368180	75	-60	270	36	37	1	1.68
Dalray	FEC780	6576400	368220	135	-60	270	76	80	4	1.63
							100	104	4	1.04
Dalray	FEC781	6576360	368205	70	-60	270	30	36	6	2.03
Dalray	FEC782	6576360	368225	110	-60	270	29	30	1	1.17

Samples were derived from riffle splitting of RC drill chips at 1m intervals then assayed by 50g fire assay. Detection limits for this assay technique is 0.01g/t.

The Feysville Project, which consists of two mining leases located 16km SSE of Kalgoorlie, is situated in a geological/structural corridor, bounded by the Boulder Lefroy Fault, that hosts the world class plus million ounce deposits of Mt Charlotte, Fimiston, New Celebration, Victory-Defiance, Junction, Argo and Revenge/Belleisle of St Ives, as well as other deposits such as the 60,000oz Au Hannans South deposit (located 3km north of the Project).



## **Rogan Josh Deposit**

The Rogan Josh deposit is an attractive target with significant supergene and bedrock gold mineralisation already located. It has strong geological affinities to the Hannans South deposit, which is largely a supergene gold deposit occurring within the Hannans South Shear Zone. Previous drilling by Anglo Australian Resources and Western Mining returned intersections such as **8m @ 3.3g/t Au; 2m @ 8.8g/t Au; 4m @ 5.39g/t Au; 3m @ 3.68g/t Au and 2m @ 14.34g/t Au** from a sub-horizontal zone of supergene mineralisation. The zone, as defined by the 1g/t Au limit, is more than 700m long and 2-8m thick. The mineralisation occurs about 10 - 30m below the surface.

The previous drilling programs, although directed primarily at the shallow supergene mineralisation, also discovered bedrock gold mineralisation within carbonate-sericite altered quartz feldspar porphyry with intersections of **4m @ 5.42g/t Au and 6m @ 8.24g/t Au** on the three southernmost sections tested.

Ten drill holes in the latest program targeted this bedrock mineralisation. Most intersected wide zones (up to 21m) of low grade (0.2-0.5g/t Au) gold mineralisation in sericite-carbonate altered quartz feldspar porphyry (e.g. **21m @ 0.42g/t Au** from FEC771). Narrower higher grade intersections are present in the bedrock (e.g. **2m @ 3.37g/t Au**) within the broader low grade zones of mineralisation.

While these holes were primarily designed to test bedrock targets, they also obtained shallow intersections (including **1m @ 5.13g/t Au, 1m @ 3.93 g/t Au and 4m @ 1.47g/t Au**) of supergene mineralisation that enhance the open pit potential of the prospect. The supergene mineralisation was extended southwards by 50m with a shallow intersection of **6m @ 2.34g/t Au** obtained on the southernmost section drilled. The supergene mineralisation still remains open to the south.

Rogan Josh appears to be similar to the Hannans South deposit where gold grades are enhanced in the weathering profile as a sub-horizontal blanket overlying broad zones of generally low grade mineralisation in the underlying bedrock shear zone.

**The Company will, therefore, now focus on the potential to mine the supergene mineralisation in a shallow open pit.**

## **Dalray Deposit**

The Dalray deposit is a zone of bedrock mineralisation that occurs beneath transported cover 1.7km to the south of Rogan Josh. It was discovered by the Company in November 2009 when one hole intersected **6m @ 9.08g/t Au**. Re-assay of this same intersection

by the more reliable screen fire assay method indicates coarse gold is present, with the intersection upgraded to **6m @ 10.03g/t Au** (including **2m @ 25.69g/t Au**).





Figure 1. RC Drilling at the Dalray Prospect

The recent drilling program was designed as a limited initial follow up of the discovery intersection. The orientation of the mineralisation could not be determined from the single discovery intersection and the six drill holes in the latest program were located as bold stepout holes. Five of the six holes, nevertheless returned intersections of interest (including **6m @ 2.03g/t Au and 2m @ 3.53g/t Au**), indicating that the Dalray mineralisation potentially has considerable extent. The current drilling has demonstrated the strike extent of the mineralisation to be at least 100m and the mineralisation remains open to both the north and south.

**Further drilling following up these promising initial results is planned.**



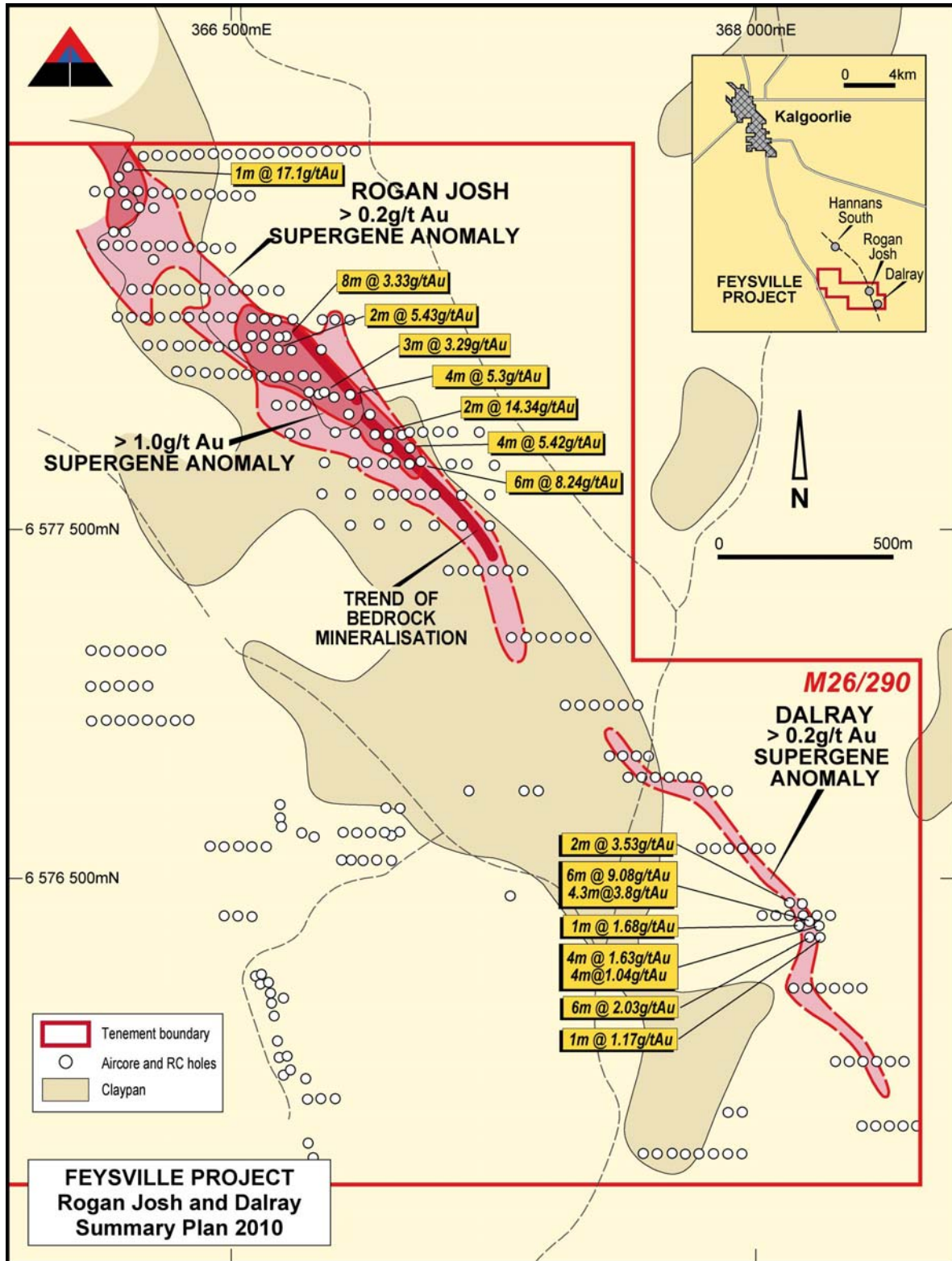


Figure 2. Rogan Josh and Dalray Summary Plan

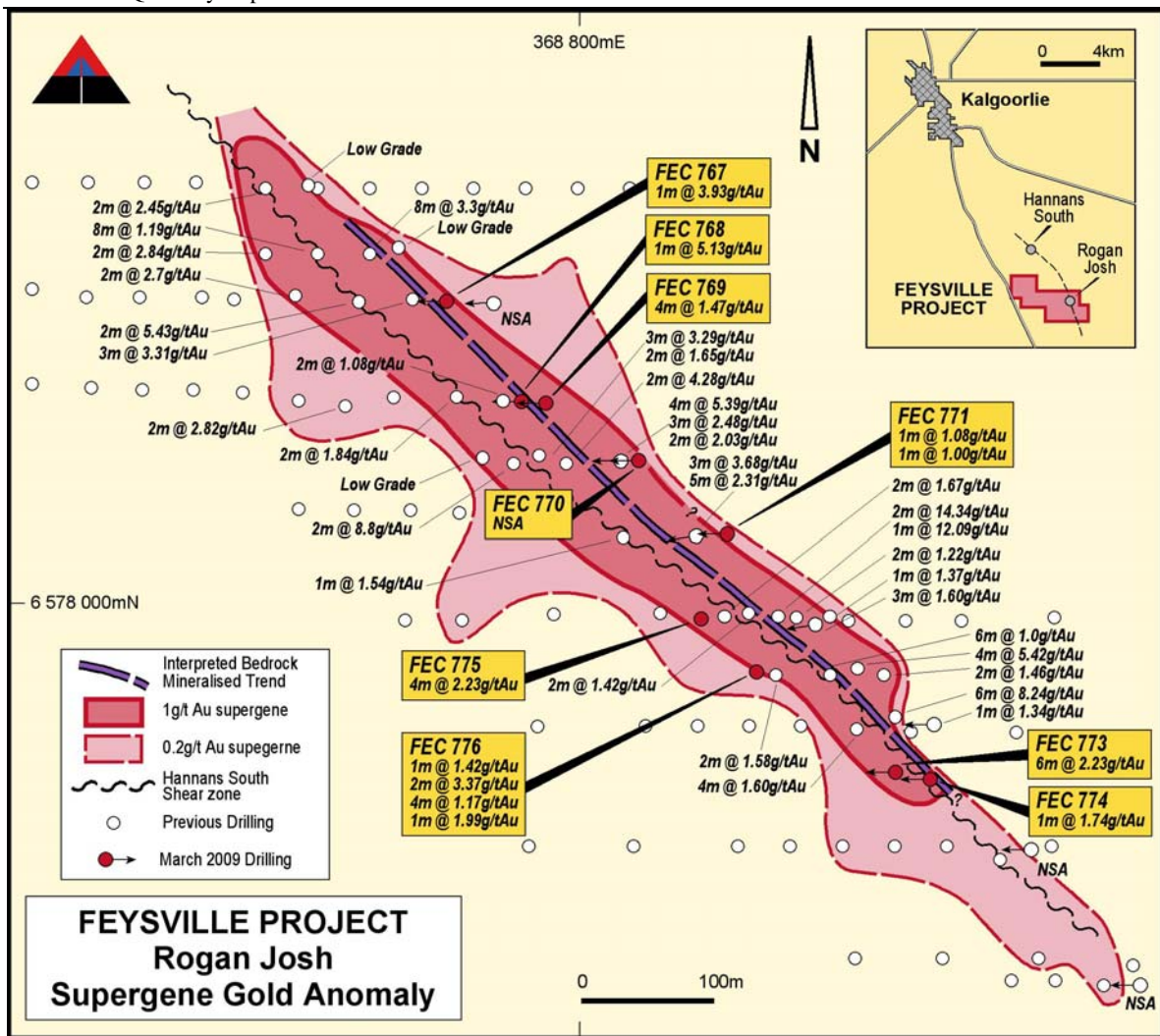


Figure 3. Rogan Josh Summary Plan



Figure 4. RC drilling at the Sandiego Prospect. The Sandiego gossan is on the skyline.

## **KOONGIE COPPER – ZINC PROJECT – WA**

*Mining Leases 80/276, 80/277, Prospecting Licences 80/1597 - 1611, Exploration Licences 80/3494, 80/3495, Exploration Licence Application 80/4257*

*100% interest*

The Koongie Project is an advanced copper zinc prospect, containing two deposits, with indicated resources, at Sandiego and Onedin. The company completed a preliminary feasibility study into the project in October 2008. This study assumed a preliminary stope model as the basis of a mine plan and focussed on conventional flotation technology to produce saleable copper and zinc concentrates. Current activity is focused on enhancing the copper potential of the resource and development options to maximise extraction of metal from the deposit.

Anglo Australian Resources NL commences, in late April, an extensive drilling program at Koongie, consisting of approximately 3200m of RC and 1100m of diamond drilling. The first phase of the drilling program consisting of 3200m of RC has commenced. Some of these holes will act as pre-collars for the second phase of diamond drilling which is due to commence in May. It is expected the full program will take at least three months.

This drilling program is designed to enhance and advance the Pre-Feasibility work currently in progress by:



- Targeting shallow high grade supergene copper resource extensions at the Sandiego
- Targeting high grade copper sulphide depth extensions at Sandiego
- Testing potential strike extensions of near surface zinc sulphide mineralisation at Atlantis
- Testing an EM anomaly 200m south of the Onedin deposit.
- Drilling for geotechnical purposes

### Targeting Supergene Copper Extensions at the Sandiego Deposit

The **Sandiego** deposit is a steeply plunging tabular mineralised zone that has been drilled on 40m sections over a strike length of 120m to a depth of 500m and remains open at depth. The deposit consists of distinct and separate zinc and copper rich zones.

Recent re-evaluation indicates there may be a sub horizontal cap of chalcocite rich supergene copper to the Sandiego deposit, extending over 200 metres of strike, situated 80-100m below surface. This zone interpreted to be approximately 40m wide is confined by footwall shales and hanging wall volcanics. Most of the drill spacing at Sandiego is at 40m x 40m spacing and have not adequately defined the full shape and grade of this zone. Previous intersections into this zone such as **22m @ 9.91% Cu (SRCD03)**; **25m @ 11.4% Cu (SRCD31)**; **8.8m @ 9.1% Cu (SRCD30)** and **11.7m @ 4.04% Cu (DDH24)** highlight the potential for additional high grade copper mineralisation within this zone. Eleven planned RC and Diamond holes are designed to double the transition zone copper resource at Sandiego (see Figure 5).

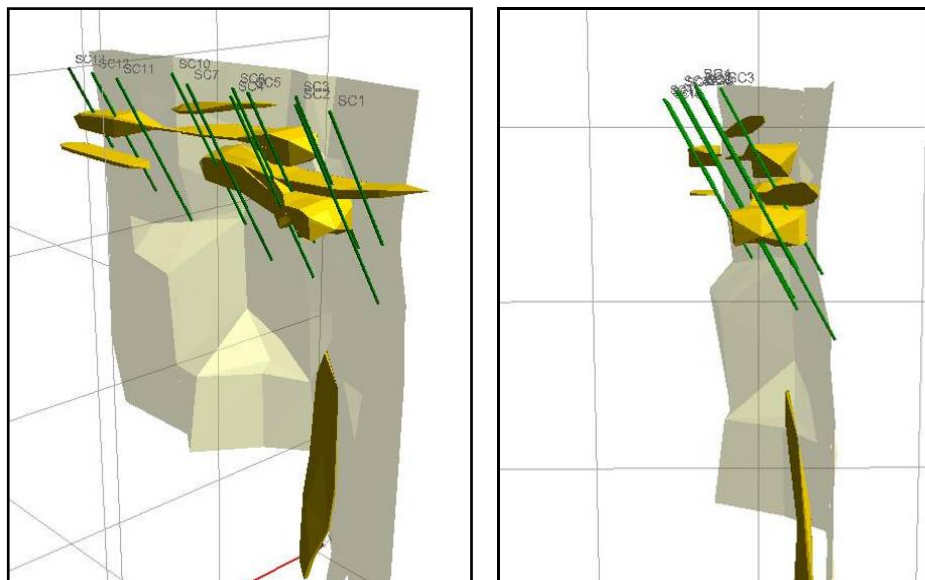


Figure 5. Proposed Drilling to test supergene copper mineralisation at Sandiego





## **Northern Depth Extensions of Sandiego Sulphide Zone – Predominantly Copper**

All indications are that high grade Zinc and Copper mineralisation persist on the northern end of the deposit at depth as shown by the most northern deep high grade intersection SRCD053 (27m@ 1,2%Cu 10.0% Zn). This interpretation is supported by a modelled off hole DHEM conductor. Three holes are planned in this area on the margins of the current resource. One hole is already pre-collared. Holes target areas where we expect higher grades of both the zinc and copper mineralisation.

### **Targeting EM anomaly 200m south of Onedin**

An EM anomaly discovered by Lachlan Resources located 200m south of Onedin Exploration hole remains untested. Previous Lachlan drill hole ORCD38, drilled over the anomaly testing prospective host stratigraphy further to the east tested and intersected weak mineralisation. However down hole EM produced a conductor which is interpreted to be located 200m below this hole. The conductor is interpreted to be located either west of the major fault which transects Onedin or associated with that fault. It is conceivable that this conductor could be the fault offset of the Onedin mineralisation or a new zone of mineralisation. One hole is planned in this area.

### **Exploration drilling at Atlantis**

In the Atlantis area previous shallow drilling has intersected a high grade zone of zinc mineralisation (including 6m @ 18.3%Zn, 10m @ 12.2% Zn and 6m @ 14.4% Zn). These intersections are located over a strike length of 40m and dip shallowly to the south. Extensions of this mineralisation to the south and east appears to be cut of by either faults or intrusives and may limit the potential tonnage to about 100,000t. However an interpretation of a more ENE trending strike, parallel to an EM anomaly as shown in diagram below has not been tested. Two RC holes are proposed. Success of these two holes will see an expansion of the resource potential of this prospect.

### **Geotechnical drilling**

Following up on Coffey Mining's recommendations, a number of geotechnical holes are planned at Sandiego to evaluate any potential geotechnical issues associated with underground mining. Better understanding of the geotechnical parameters will assist in mine planning. This drilling will also test the path of a potential decline.



## **Development Program**

The development program is focussed on mining techniques in order to optimise the amount of ore mined and the processing options available to maximise copper and zinc extraction.

Coffey Mining completed a review on the resource data and found the estimate to be robust enough for preliminary mine planning studies, but found that existing geotechnical information was insufficient for this purpose.

Further geotechnical information will be provided at the conclusion of the diamond drilling campaign which is about to get under way.

The flotation response of the sulphide ores in Sandiego has been tested successfully. As part of the development program, studies have been initiated to consider other processing methods that will add value to the concentrates and also allow oxide ores to be treated. The objective is to optimise the amount of metal to be recovered from both deposits – Sandiego and Onedin.

Bateman Engineering have been commissioned to test the amenability of the concentrates to Galvanox treatment and Core Process Engineering have been asked to prepare a summary of other technologies that may be considered, including the Albion process.

A revised prefeasibility study will commence in the second half of the year once the drilling data is analysed and the results of the process scoping studies have been finalized.

## **Overview**

It is anticipated that the drilling program will result in increased resources at Sandiego (particularly copper), improving the viability and together with the continuing development program will advance the project to feasibility stage.



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## VICTORIA RIVER DOWNS PROJECT – NT

*Exploration Licences, 25422-3, 25728 Exploration Licence Applications 25420, 25424, 25540, 25729, 25730*

*100% interest*

The Company is targeting sedex-style zinc-lead deposits in the Victoria River Basin. The Basin has strong similarities to the Macarthur and Nicholson Basins which host the giant Macarthur River and Century sedex-style zinc deposits. The project, located 200 km east of Kununurra (WA) and 250 km southwest of Katherine (NT), covers a sequence of Proterozoic sediments dominated by dolomitic carbonates and other fine-grained sediments. The sediments are generally flat lying with an overall very shallow north-easterly dip. Several stratigraphic horizons have been identified as having potential to host sedex-style deposits. The project area also contains several galena (lead sulphide) occurrences. Lead isotope dating of the galena indicates the Basin rocks are the same age as all the Proterozoic basins elsewhere which host some of Australia's largest zinc-lead resources.

A field visit to the Sanford area, in the southern part of the project has highlighted the potential for a younger shale filled sub-basin adjacent to a major structure and corresponding to the recently recognised gravity low. The geological setting of this basin, covered by Cambrian volcanics overburden, is very similar that encountered in the Macarthur River area. Planning for a follow-up drilling program is in progress.

### **For further information:**

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**Telephone: (08) 9382 8822**

### **Attribution**

Information in this Report relating to geological data has been compiled by the Anglo Australian Resources NL General Manager Exploration, Peter Komysan, who:

- is a full-time employee of Anglo Australian Resources NL;
- has relevant experience in relation to the mineralisation being reported on as to qualify as a Competent Person as defined by the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition)*;
- is a Member of the Australasian Institute of Mining and Metallurgy and is a Member of the Australian Institute of Geoscientists and has had more than twenty years experience in the field of activity reported herein;
- has consented in writing to the inclusion of this data.



# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

ANGLO AUSTRALIAN RESOURCES NL

ABN

009 159 077

Quarter ended ("current quarter")

MARCH 2010

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(410)	(1,194)
(b) development	(63)	(76)
(c) production		
(d) administration	(95)	(435)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	5	26
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Net GST (refundable)	(19)	(41)
<b>Net Operating Cash Flows</b>	<b>(582)</b>	<b>(1,720)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a)prospects		
(b)equity investments		
(c) other fixed assets		
1.9 Proceeds from sale of: (a)prospects		
(b)equity investments		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
<b>Net investing cash flows</b>	<b>NIL</b>	<b>NIL</b>
1.13 Total operating and investing cash flows (carried forward)	(582)	(1,720)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(582)	(1,720)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	<b>Net financing cash flows</b>	NIL	NIL
	<b>Net increase (decrease) in cash held</b>	(582)	(1,720)
1.20	Cash at beginning of quarter/year to date	1,644	2,782
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,062	1,062

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	30
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Admin, Accounting & Secretarial Costs	26
Reimbursement of Costs	4

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	478
4.2 Development	90
<b>Total</b>	<b>568</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	31	12
5.2 Deposits at call	647	1,248
5.3 Bank overdraft	-	-
5.4 Term Deposits	384	384
<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,062</b>	<b>1,644</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	ELA38/2392	Laverton	100%	NIL
6.2 Interests in mining tenements acquired or increased	E80/4257	Koongie Park	NIL	100%
	PLA26/3772	Feysville	NIL	100%
	PLA26/3773	Feysville	NIL	100%
	PLA26/3774	Feysville	NIL	100%
	PLA26/3775	Feysville	NIL	100%
	PLA26/3776	Feysville	NIL	100%
	P38/3890 (pending)	Laverton	NIL	100%
	P38/3891 (pending)	Laverton	NIL	100%
	P38/3892 (pending)	Laverton	NIL	100%
	ELA37/1056 (pending)	Leonora	NIL	100%
	ELA27934 (pending)	Victoria River Downs	NIL	100%
	ELA27366	Victoria River Downs	NIL	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

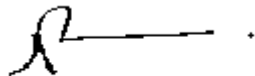
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	501,068,000	501,068,000		Fully Paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	3,000,000		<i>Exercise price</i> 3.0 cents	<i>Expiry date</i> 4 May 2012
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

(Director/Company secretary)

Date: 30 April 2010

Print name:

A C PILMER

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