

# ASX ANNOUNCEMENT

10<sup>th</sup> May 2010

## PROGRESS REPORT WIDE ZONES OF MASSIVE AND DISSEMINATED COPPER AND ZINC SULPHIDES INTERSECTED AT SANDIEGO DEPOSIT

### HIGHLIGHTS

- RC drilling confirms a **high grade copper cap** to the Sandiego Deposit
- **SRC061** intersects 76m of massive sulphide intersected including:
  - 12m of high grade copper (chalcocite) mineralisation
  - 34m of chalcopyrite, sphalerite and chalcocite mineralisation
- **SRC060** and **SRC062** intersect multiple lenses of massive sulphides
- **SRC065** intersects a 10m wide zone of disseminated copper mineralisation

### Background

In April Anglo Australian Resources NL commenced an extensive drilling program, consisting of approximately 3200m of RC and 1100m of diamond drilling, at the Company's Koongie copper zinc project located 25km south-west of Halls Creek in the Kimberley region of Western Australia.

The program is designed to enhance the potential for economic development of the Koongie Project and to advance the pre-feasibility work currently in progress by:

- Targeting relatively shallow high grade supergene copper resource extensions at the Sandiego Deposit
- Targeting high grade copper sulphide depth extensions at Sandiego
- Testing potential strike extensions of near surface zinc sulphide mineralisation at the Atlantis Prospect
- Drilling for geotechnical purposes

The Company has recently completed the RC component of the drilling program targeting shallow high grade supergene copper mineralisation at Sandiego. RC drilling of precollars for deeper diamond drilling, which is planned for later this month, continues.

Figure 1 shows the holes completed to May 4th.

Completed drill holes have been geologically logged, defining copper and zinc mineralised zones. Substantial mineralisation has been confirmed in these zones by testing with a handheld portable Innov-X XRF device that allows levels of copper, lead and zinc to be determined approximately. Samples have been sent to the Genalysis laboratory in Perth for analysis.



## Supergene Copper Extensions at the Sandiego Deposit

As advised in the March 2010 Quarterly Report the Company is targeting a sub-horizontal zone of chalcocite-rich supergene copper capping the Sandiego Deposit, extending over 200 metres of strike, situated 80-100m below surface. This zone, which is interpreted to be approximately 40m wide, is confined by footwall shales and hanging wall volcanics. Previously this zone has returned intersections 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).**

Drilling during April confirmed the presence of a high grade chalcocite cap and has intersected wide zones of massive and disseminated copper and zinc sulphides in four holes in the central part of the deposit. Two additional holes in the same area have been pre-collared for later diamond drilling in this part of the deposit.

**SRC061 provided the most strongly mineralised intersection with 74m of massive sulphides**, consisting of a 12m high grade copper, chalcocite-rich, cap followed by 44m of massive pyrite, sphalerite, chalcocite and chalcopyrite mineralisation. The remaining 18m of sulphides are dominated by pyrite. This intersection was shallower than expected, commencing 105m down hole or only 80m below the surface. Assaying is expected to return high grade copper and zinc values.

**Hole SRC060** also intersected chalcocite mineralisation at levels (111m down hole) shallower than expected. Three separate zones of sulphide were intersected including chalcocite-pyrite dominant 111-120m; pyrite - sphalerite dominant 124-134m and a second pyrite - sphalerite dominant zone at 164 -174m

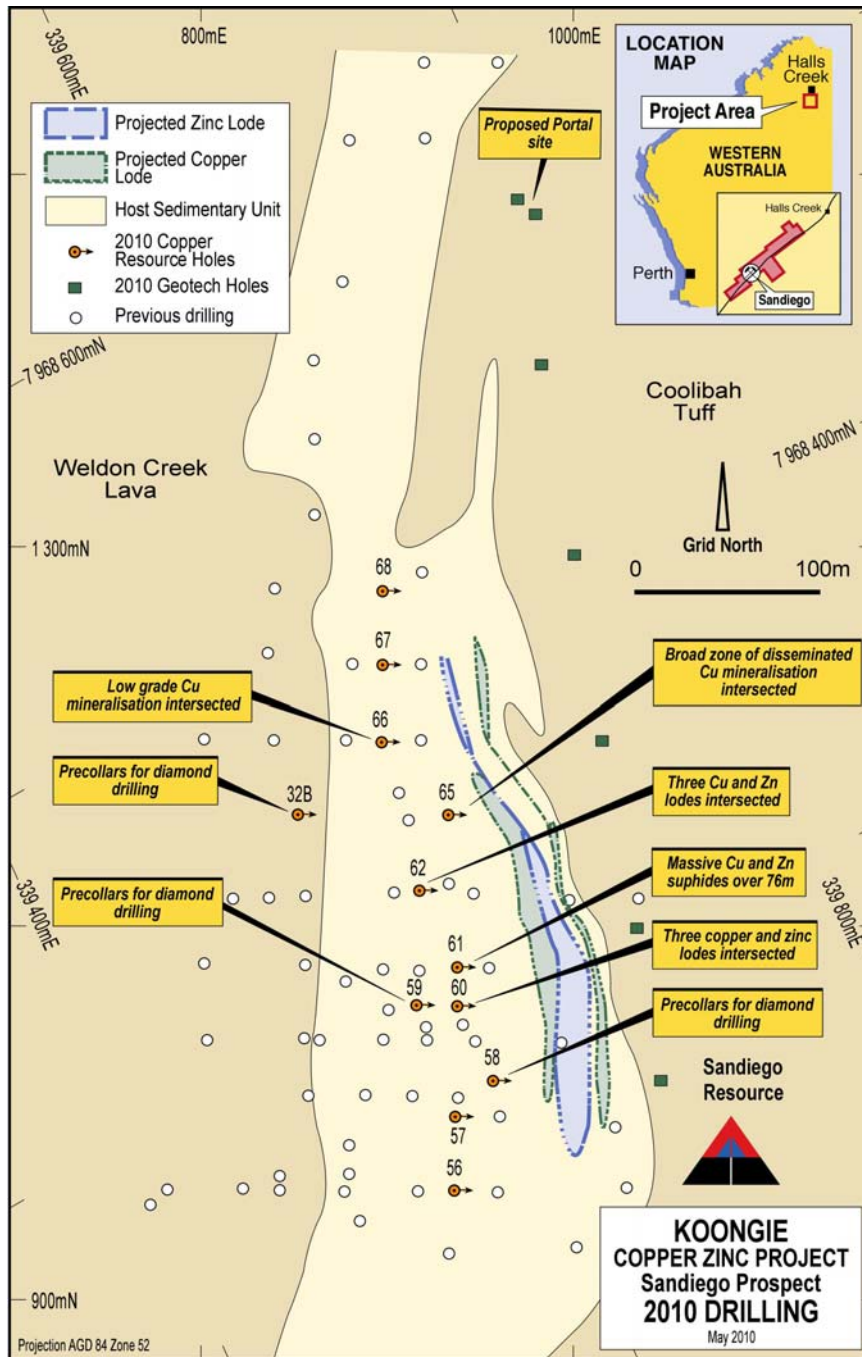
**Hole SRC062** intersected three separate zones of sulphides including a sphalerite - chalcocite zone at 130 – 145m; a sphalerite - pyrite zone at 150-156m and chalcopyrite - pyrite zone at 169 -173m.

**Hole SRC065** intersected a 10m wide zone of disseminated pyrite and chalcopyrite.

Hole No.	Location	AMG_E	AMG_N	Depth	Dip	Azimuth
SRC056	Sandiego	339552	7968112	160	-58	110
SRC057	Sandiego	339568	7968149	208	-58	110
SRC058	Sandiego	339594	7968159	40	-58	110 Precollar
SRC059	Sandiego	339574	7968212	110	-58	110 Precollar
SRC060	Sandiego	339592	7968204	200	-58	110
SRC061	Sandiego	339600	7968222	180	-58	110
SRC062	Sandiego	339598	7968266	220	-58	110
SRC063	Sandiego	339866	7968149	294	-60	290 Precollar
SRC065	Sandiego	339628	7968297	190	-58	110
SRC066	Sandiego	339612	7968348	180	-58	110
SRC067	Sandiego	339628	7968384	150	-58	110
SRC068	Sandiego	339644	7968421	160	-60	110
ARC011	Atlantis	344750	7968710	150	-60	360
ARC012	Atlantis	344650	7968750	150	-60	360

**Table 1. Table of drill holes completed at the Koongie Project**





**Figure 1. Sandiego Deposit 2010 Drilling**

**Overview**

It is anticipated that the program will increase resources at Sandiego (particularly copper resources). Such an increase will enhance the potential for economic development. The RC component of the drilling program is nearing completion while the diamond drilling is scheduled to commence towards the end of May.



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

- Is a full-time employee of Anglo Australian Resources NL;
- Is a Member of the Australasian Institute of Mining and Metallurgy;
- Is a member of the Australian Institute of Geoscientists;
- Has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves';
- Has consented in writing to the inclusion of this data.

