



ANGLO AUSTRALIAN RESOURCES NL

ACN 009 159 077

INTERIM FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2014**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Anglo Australian Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

Contents	Page
DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	7
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	8
CONDENSED STATEMENT OF FINANCIAL POSITION	9
CONDENSED STATEMENT OF CHANGES IN EQUITY	10
CONDENSED STATEMENT OF CASH FLOWS	11
NOTES TO THE CONDENSED FINANCIAL STATEMENTS	12
DIRECTORS' DECLARATION	15
INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS	16

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

DIRECTORS' REPORT

Your directors are pleased to present their report on Anglo Australian Resources NL for the half-year ended 31 December 2014.

DIRECTORS

The names of the directors who held office during or since the end of the half-year are:

- John Jones
- Graeme Smith
- Peter Stern

REVIEW AND RESULTS OF OPERATIONS

The loss after tax of the Company for the six months ended 31 December 2014 amounted to \$250,271 (31 December 2013: loss of \$362,926).

During the half year, the company received a release of bond moneys totalling \$184,000.

Following approval at the Annual General Meeting, Directors exchanged \$210,000 of loans and \$202,000 of outstanding Directors' fees for shares and options in the capital of Anglo Australian. In addition, approximately \$60,000 of creditor liabilities were exchanged for equity.

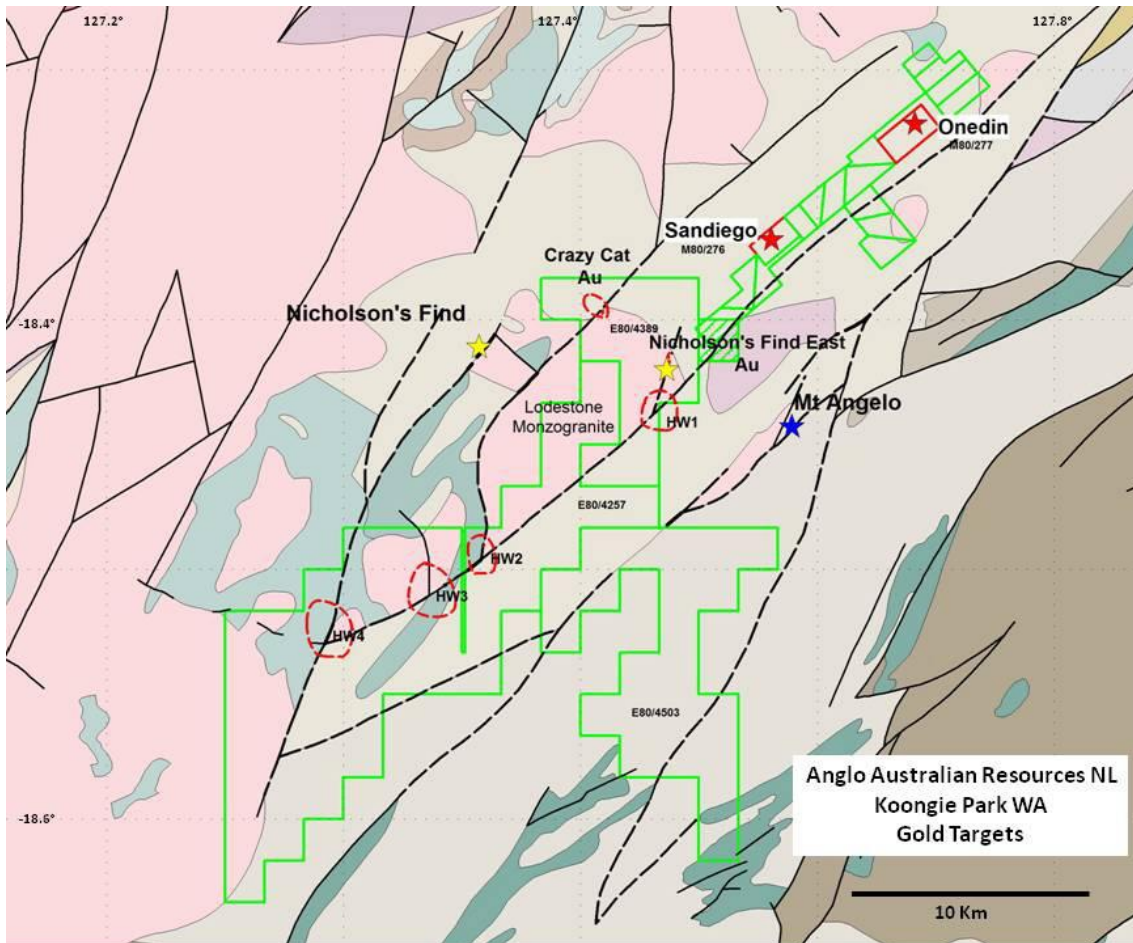
EXPLORATION

KOONGIE PARK PROJECT, WA

During the half-year, the focus of Anglo Australian's exploration efforts was the wholly-owned Koongie Park Project, Western Australia.

Pursuant to the announcement of further anomalous drilling results associated with NNE trending parallel quartz veins at Nicholson's Find East, Anglo Australian has commenced evaluation of the gold prospectivity within the Koongie Park project area.

DIRECTORS' REPORT (continued)



To date, a review of exploration results from work carried out previously by various companies has centred on exploration licences E80/4389, E80/4503 and E80/4257 which cover stratigraphy to the southwest, along strike, from the Sandiego base metal deposit. As well as digital data recently released by the Department of Mines and Petroleum, WA, hard copy data from earlier reports is also being evaluated.

The style of gold mineralisation in the area is exhibited in the Nicholson's Find gold deposits, held by Pacific Niugini Limited, where mineralization is structurally controlled within a 400 metre wide NNE trending strike-slip shear zone adjacent to the northwest margin of the Lodestone Monzogranite. Host rocks comprise folded and metamorphosed turbiditic greywackes, felsic volcanics, mafic volcanic and laminated siltstone and mudstone of the Koongie Park Formation.

Mineralisation is strongly associated with discontinuous quartz veining and iron-silica-potassium alteration.

So far, a number of regional structural corridors have been delineated for follow-up work. Of immediate interest is the NE striking Highway shear zone which extends for about 15 kilometres along the contact of the Koongie Park Formation and the southwest edge of the Lodestone Monzogranite within Anglo Australian's tenements. This area has received minimal historical gold exploration and can easily be evaluated with surface sampling or shallow drilling.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

DIRECTORS' REPORT (continued)

The search for an incoming party to fund base metal exploration is continuing with several parties expressing interest in reviewing the data.

LEONORA PROJECT, WA

Options for progressing exploration of the VMS base metal potential of the project area, including the search for an incoming party, are being considered.

VICTORIA RIVER DOWNS - NT

Having completed its expenditure obligations, MMG Exploration Pty Ltd withdrew from the Victoria River Downs Option and Joint Venture Agreement.

SUBSEQUENT EVENTS

In February 2015, the Company issued 21,500,000 shares at \$0.01 per share to raise \$215,000.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of directors.



John Jones

Chairman

Perth, 13 March 2015

Auditor's Independence Declaration

To those charged with the governance of Anglo Australian Resources NL

As auditor for the review of Anglo Australian Resources NL for the period ended 31 December 2014, 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 review; and
- ii) no contraventions of any applicable code of professional conduct in relation to the review.



SOMES COOKE



NICHOLAS HOLLENS
Partner

13 March 2015
Perth

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Half-year	
	2014	2013
	\$	\$
Finance income – interest	-	137
Directors' fees	(33,800)	(37,020)
Depreciation and amortisation expenses	(902)	(1,843)
Finance costs – interest	(6,344)	(3,171)
Rental expense	(78,118)	(72,460)
Share based payments expense	-	(60,000)
Other expenses	(107,516)	(121,519)
Exploration expenses	(23,591)	(67,050)
	<hr/>	<hr/>
LOSS BEFORE INCOME TAX	(250,271)	(362,926)
Income tax expense	-	-
	<hr/>	<hr/>
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ANGLO AUSTRALIAN RESOURCES NL	(250,271)	(362,926)
	<hr/> <hr/>	<hr/> <hr/>
Basic and diluted loss per share (cents per share)	(0.26)	(0.42)

The above condensed statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	31 December 2014 \$	30 June 2014 \$
CURRENT ASSETS			
Cash and cash equivalents		971	7,462
Trade and other receivables		22,451	71,989
TOTAL CURRENT ASSETS		23,422	79,451
NON-CURRENT ASSETS			
Other receivables		38,000	222,000
Plant and equipment		2,515	3,417
Exploration and evaluation assets		5,472,649	5,346,167
TOTAL NON-CURRENT ASSETS		5,513,164	5,571,584
TOTAL ASSETS		5,536,586	5,651,035
CURRENT LIABILITIES			
Trade and other payables		407,140	648,750
Borrowings	3	77,903	172,285
Rehabilitation provision		24,403	24,403
TOTAL CURRENT LIABILITIES		509,446	845,438
TOTAL LIABILITIES		509,446	845,438
NET ASSETS		5,027,140	4,805,597
EQUITY			
Issued capital	4	28,198,168	27,929,019
Reserves		377,509	174,844
Accumulated losses		(23,548,537)	(23,298,266)
TOTAL EQUITY		5,027,140	4,805,597

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Issued Capital \$	Options Reserve	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2013	27,421,976	114,844	(22,693,991)	4,842,829
Loss for the half-year	-	-	(362,926)	(362,926)
TOTAL COMPREHENSIVE LOSS	-	-	(362,926)	(362,926)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Options issued to directors	-	60,000	-	60,000
Shares issued during the period	507,043	-	-	507,043
BALANCE AT 31 DECEMBER 2013	27,929,019	174,844	(23,056,917)	5,046,946
BALANCE AT 1 JULY 2014	27,929,019	174,844	(23,298,266)	4,805,597
Loss for the half-year	-	-	(250,271)	(250,271)
TOTAL COMPREHENSIVE LOSS	-	-	(250,271)	(250,271)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued to directors	269,149	-	-	269,149
Options issued during the period	-	202,665	-	202,665
BALANCE AT 31 DECEMBER 2014	28,198,168	377,509	(23,548,537)	5,027,140

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2014**

	Half-year	
	2014	2013
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(145,915)	(245,260)
Interest received	-	137
Bond refunded	184,000	-
Net cash used in operating activities	38,085	(245,123)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation expenditure	(153,850)	(225,562)
Payments for purchases of plant and equipment	-	(3,160)
Proceeds on sale of plant and equipment	-	-
Net cash used in investing activities	(153,850)	(228,722)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	-	507,043
Payments of share issue transaction costs	-	-
Proceeds from borrowings	109,274	26,730
Net cash provided by financing activities	109,274	533,773
Net (decrease)/increase in cash and cash equivalents	(6,491)	59,928
Cash and cash equivalents at the beginning of the half-year	7,462	2,622
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	971	62,550

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Anglo Australian Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

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 half-year ended 31 December 2014 the Company incurred a loss of \$250,271 and had a net negative working capital balance of \$486,024 as at 31 December 2014.

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. As at the date of signing this financial report, the Company had a cash balance of approximately \$25,000 and a net negative working capital balance of approximately \$90,000 necessitating a new capital raising within the next 1 to 2 months. The ability of the Company to continue funding its exploration activities and ongoing corporate activities is dependent on the Company securing further working capital by the issue of additional equity.

The Directors are currently reviewing the Company's funding needs with the intention to raise further 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, there is 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 (in particular the carrying value of the exploration and evaluation assets) and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2014, the Company has reviewed 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 July 2014.

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.

The Company has also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the half-year ended 31 December 2014. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed by the Board in assessing performance and determining the allocation of resources. The Company has also had regard to the qualitative thresholds for the determination of operating segments.

For management purposes the Company is organised into one operating segment, which involves mining exploration and mining throughout Australia. The Company's principal activities are interrelated, and the Company has no revenue from operations. Furthermore the Company has no assets or liabilities arising from operations based outside of Australia.

All significant operation decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The accounting policies applied for internal reporting purposes are consistent with those applied in preparation of the financial statements.

NOTE 3: BORROWINGS

At June 30 2014, Mr John Jones, Chairman of the Company, had provided a loan to the Company totalling \$162,285.

In the half year to December 2014, Mr Jones increased the amount of this loan by \$95,244. Pursuant to shareholder approval at the 2014 AGM, Mr Jones was issued 13,333,333 shares at a deemed issue price of \$0.015 / share in lieu of \$200,000.

The loan incurs interest at the rate of 6.5% per annum, unsecured, and repayable on demand. Interest accrued and not paid for the half year was \$6,344. The total amount owing to Mr Jones at 31 December 2014 was \$63,873.

At June 30 2014, Mr Graeme Smith, a director of the Company, had provided a loan to the Company totalling \$10,000.

In the half year to December 2014, Mr Smith increased the amount of this loan by \$14,030. Pursuant to shareholder approval at the 2014 AGM, Mr Smith was issued 666,666 shares at a deemed issue price of \$0.015 / share in lieu of \$10,000. The total amount owing to Mr Smith at 31 December 2014 was \$14,030.

NOTE 4: CHANGES IN EQUITY SECURITIES ON ISSUE

	2014 Shares	2014 \$	2013 Shares	2013 \$
Issues of ordinary shares during the half-year				
Balance at 1 July	93,641,488	27,929,019	800,818,001	27,421,976
Share consolidation 1:10	-	-	(842,771,947)	-
Shares issued at approximately 1 cent per share	5,933,600	59,149	-	-
Shares issued at 1.5 cents per share	13,999,999	210,000	-	-
Shares issued at 0.4 cents per share	-	-	135,595,434	507,043
Balance at 31 December	113,575,087	28,198,168	93,641,488	27,929,019

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

NOTE 4: CHANGES IN EQUITY SECURITIES ON ISSUE (continued)

Movements of options during the period

	Number of options	
	Half-year Ended	
	31 Dec 2014	31 Dec 2013
Exercisable at 2 cents, expiring 30 November 2019	24,800,000	-
Exercisable at 0.9 cents, expiring 30 June 2015*	-	25,610,217
	24,800,000	25,610,217

*Issued before shareholder approval for a 1:10 share consolidation

As at 31 December 2014, there were 34,526,031 options on issue.

NOTE 5: CONTINGENCIES

There has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 6: SUBSEQUENT EVENTS

In February 2015, the Company issued 21,500,000 shares at \$0.001 per share to raise \$215,000.

Other than above, no matter or circumstance has arisen since 31 December 2014, which has significantly affected, or may significantly affect the operations of the Company, the result of those operations, or the state of affairs of the Company in subsequent financial years.

ANGLO AUSTRALIAN RESOURCES NL

31 DECEMBER 2014

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on the preceding pages are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Anglo Australian Resources NL will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



John Jones
Chairman

Perth, 13 March 2015

Independent Auditor's Review Report

To the members of Anglo Australian Resources NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Anglo Australian Resources NL, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of Anglo Australian Resources NL are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Anglo Australian Resources NL's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Anglo Australian Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Anglo Australian Resources NL is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Anglo Australian Resources NL's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Emphasis of matter - Inherent uncertainty regarding continuation as a going concern

Without modifying our conclusion, we draw attention to Note 1, which outlines that the company's ability to pay its debts as and when they are due and payable is dependent upon the company raising funds during the next few months.

As a result there is 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 asset and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



SOMES COOKE



NICHOLAS HOLLENS
Partner

13 March 2015
Perth