

Quarterly Report

for the three months ended **31 March 2015**

Anglo Australian Resources NL

ASX Code: **AAR**
ACN: 009 159 077

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Subiaco WA 6008

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www.anglo.com.au

Capital Structure

135,075,087 ordinary shares
24,800,000 options (\$0.02, exp. 30/11/19)
3,565,004 options (\$0.08, exp. 30/06/15)
1,000,000 options (\$0.12, exp. 30/11/15)
2,600,000 options (\$0.15, exp. 30/11/15)

Board Members

John Jones
Executive Chairman

Peter Stern
Non-Executive Director

Graeme Smith
Director / Company Secretary



Summary & Highlights

EXPLORATION

- Koongie Park Gold– Five gold targets defined for follow-up exploration
- Koongie Park Base Metals – A detailed review of all known geochem data identifies base metal targets along strike from the Sandiego – Onedin resource projects

CORPORATE

- \$215,000 share placement during the quarter
- Change of share registry

Details

EXPLORATION

Koongie Park Gold Project – WA

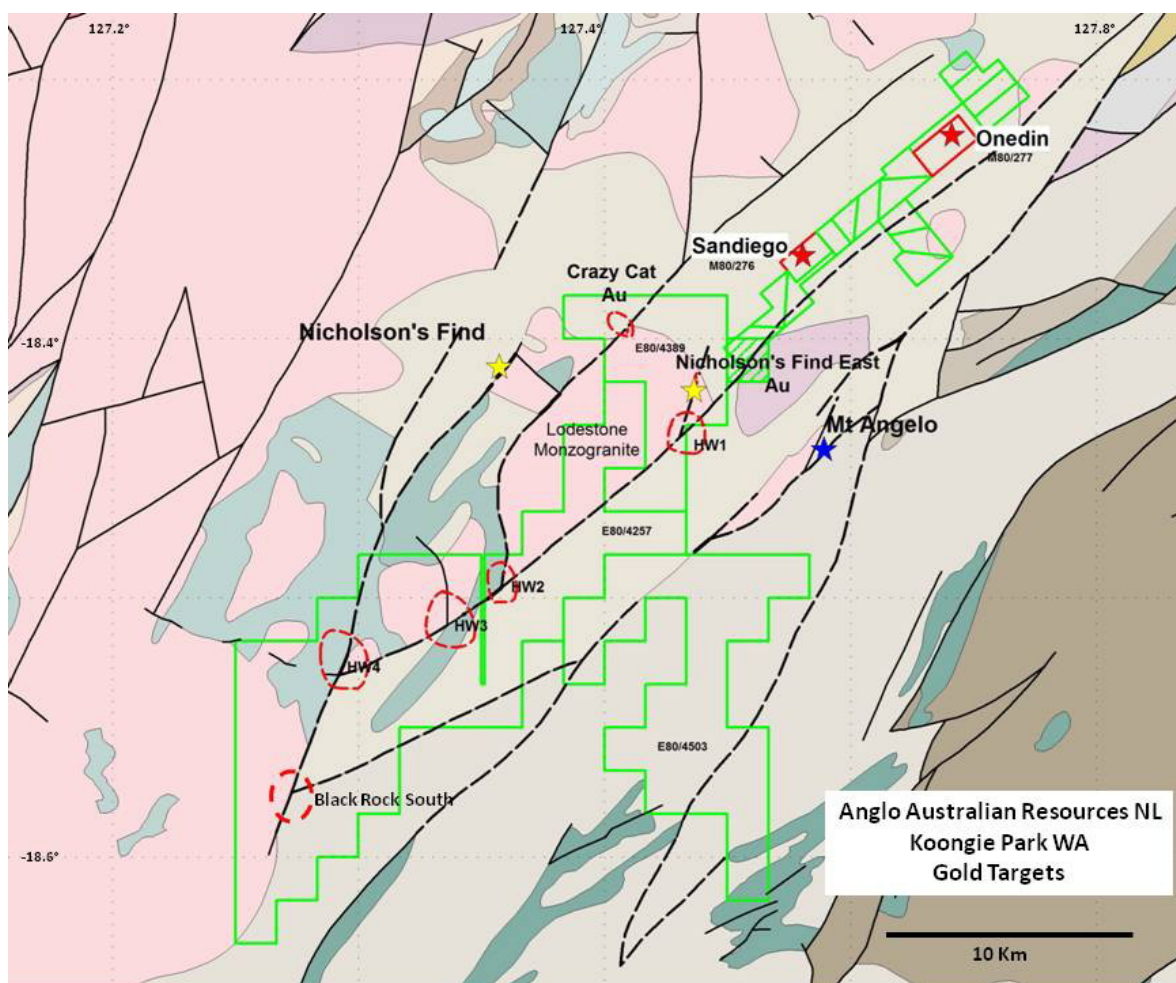
Anglo Australian - 100% interest

Pursuant to the discovery of anomalous gold results associated with NNE trending parallel quartz veins at Nicolson's Find East on Anglo Australian's E80/4389 (Quarterly Report June 2014), Anglo Australian commenced evaluation of the gold prospectivity within the Koongie Park project area.

The March 2015 announcement by Pacific Niugini Ltd that it expected to commence production at its 86,300 ounce Nicolson's Mine (435,400 tonnes @ 6.17 g/t) by the third quarter of 2015 has further highlighted the potential in the district for high grade gold mineralization over narrow widths. The Nicolson's Mine gold project is located about 5 kilometres west of Anglo Australian's tenements.

Anglo Australian is continuing its review of results from work carried out previously for gold by various exploration companies. The review 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 only exploration license to have any significant historical gold work was E80/4389; however there has been only minimal drilling and several targets that were delineated appear to have been never drill tested.

So far, Anglo Australian has identified a number of regional structural corridors on its property 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.



Koongie Park gold targets

Five priority targets (HW1-HW4 and Black Rock South) have been defined where NNE trending splay shears come off the main regional shear. The NNE orientation of the splay shears is the preferred orientation for structurally controlled mineralisation in the area and their junction with the main shear could provide dilational zones for mineralisation. The next program of field work will include soil, rock chip and auger sampling over these conceptual target areas to generate anomalies for drill testing.

In addition, the Crazy Cat prospect discovered by Navigator Resources/ Magma Metals lies 6 kilometres ENE of Nicholson's Find in Anglo Australian's E80/4389. Rock chip sampling of this area

highlighted a series of gossanous quartz stockwork veins and vein sets which recorded values ranging from 0.13 – 11.1 g/t gold over a 120 metre strike length. The quartz vein is hosted by deeply weathered Monzogranite which is poorly exposed in part. The zone trends in a NW orientation and is interpreted to represent a link fault between the Springvale/Nicolson's Find and the Paddock Well/Shifty Faults. There is no reported drilling in the area.

The gold potential associated with the Onedin and San Diego base metal deposits was also investigated. Exploration companies prior to 1983 did not analyze any drill or soil samples for gold. Although the current identified mineral resources for the Onedin and San Diego deposits indicate gold grades of less than 0.5 g/t Au for the minerals, there is some potential for high grade mineralisation in discreet portions of the deposits. Selective re-sampling of existing core and post 1983 drilling from Onedin and San Diego base metal deposits returned a number of significant intersections: ORDC01: 21 metres @ 3.1 g/t from 46 metres, SRCD10: 4 metres @ 9.94 g/t from 18 metres, SRDC29A: 5 metres @ 21.65 g/t gold from 119 metres. Also it is uncertain at this stage whether the up-dip supergene gold potential was tested and this situation will be investigated further.

Koongie Park Base Metals Project – WA

Anglo Australian - 100% interest

Review of all geochem data including ant nest results indicates anomalous geochem anomalies extend along strike from the San Diego and Onedin base metal deposits. Portions of these areas require further testing and some parts have not previously been drilled.

Discussions with external parties in relation to base metal targets is ongoing.

Feysville – WA

Anglo Australian - 100 % interest

Anglo Australian has reassessed the ten prospecting licences at Feysville, WA during the quarter in view of the current Australian gold price. The tenements contain the Rogan Josh gold mineralisation drilled on a 20 metre by 40 metre spacing. Due to lack of definitive specific gravity data, limited QAQC data, no RC –DDH twinning, and lack of gold size analysis, a mineral resource cannot be estimated. However, from the data available there is indication that a target size within the range of 250,000 tonnes to 350,000 tonnes grading 1.5 to 2.2 g/t Au is available on the property.

BM Geological Services (BMGS), which carried out preliminary resource investigations for Rogan Josh in May 2010 and March 2011, recommended a portion of the mineralisation be drilled down to grade control spacing of 10 metre by 10 metre (over 50 metre by 50 metre section of high grade material) to give a better understanding of mineralisation continuity.

Areas requiring further work toward a resource estimation included:

1. Specific gravity carefully determined with respect to geology and mineralisation, and systematic SG sampling program implemented to ensure valid data is being used.
2. Any future work at Rogan Josh should use systematic QAQC to ensure data is of good quality. It is recommended that the following be implemented:
 - Insert internal standards and blanks to monitor assay grades
 - Complete coarse gold test work
 - Complete recovery test work
 - Twin RC holes with Diamond drilling to confirm mineralisation

Furthermore, BMGS recommended that optimization studies be completed on the economic potential of the mineralisation to ensure any further work that may be completed is based on a realizable economic return.

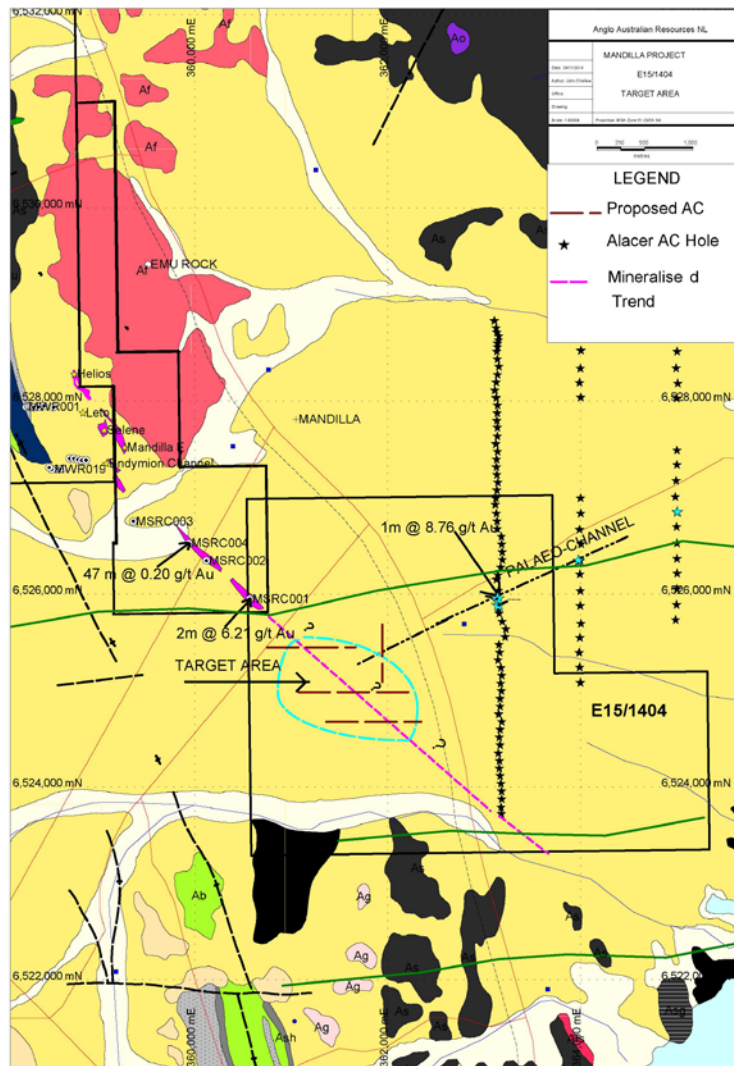
Anglo Australian is considering these recommendations in light of further work to define a resource on the property.

Mandilla Project – WA

Anglo Australian - 100% interest

A desktop study undertaken on ELA15/1404 and a greenfield conceptual target defined from this work. There is abundant evidence in the detailed magnetics over Mandilla to suggest that the interpreted NE intersecting structure that hosts the Palaeo Channel gold as discovered in historical exploration is realistic target. Detailed magnetic data is not available for ELA15/1404 and the magnetics in this area are subdued perhaps to the lack of detail and the area being predominately underlain by Black Flag beds. Of note are numerous syntectonic granite intrusives within the Black Flag beds on the Lake Lefroy 100K sheet to the south. Detailed magnetic data could reveal the presence of similar intrusive in ELA15/1404.

It is anticipated that an exploration licence will be granted in June 2015. Subsequent to grant, it is intended to test the zone with Rotary Air Blast or Reverse Circulation drilling.



Mandilla projected target extension

Leonora Project – WA

Anglo Australian - 100% interest

No work was carried out during the quarter. Options for progressing exploration of the VMS base metal potential of the project area including the search for an incoming party are being considered.

CORPORATE

Change of Share Registry

During the quarter, the Company's share registry function was transferred to Security Transfer Registrars.

Share Placement

\$215,000 was raised from a 21.5 million share placement to sophisticated investors during the quarter.

For further information:

John L C Jones – Chairman

Telephone: (08) 9322 1788

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.

SCHEDULE OF MINING TENEMENTS

| Project | Tenement | Company Interest | Title Registered to |
|----------------|-----------------|-------------------------|----------------------------|
|----------------|-----------------|-------------------------|----------------------------|

Western Australia

| | | | |
|---------------|--|-----------------------|-------------------------------|
| Koongie Park | M80/276, 277 E80/4257, 4389,4766 EL80/4503 P80/1599-1611 P80/1802-10 | 100% | Anglo Australian Resources NL |
| Feysville | P26/3942 - 3951 | 100% | Anglo Australian Resources NL |
| West Musgrave | E69/3197 | 100% | Anglo Australian Resources NL |
| Mandilla | M15/96 | 100% gold rights only | Anglo Australian Resources NL |
| | M15/633 | 100% gold rights only | |
| | ELA15/1404 | 100% | |
| Leonora | E37/1047, E37/1056, E37/1114 – 1115, P37/8355 – 8358, P37/8377 | 100% | Anglo Australian Resources NL |

Northern Territory

| | | | |
|-------------------------|--------------------------------|------|-------------------------------|
| Victoria River Downs | EL25728 EL27934 EL 28753 | 100% | Anglo Australian Resources NL |
|-------------------------|--------------------------------|------|-------------------------------|

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

Anglo Australian Resources NL

ACN

009 159 077

Quarter ended ("current quarter")

31 March 2015

Consolidated statement of cash flows

| | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| Cash flows related to operating activities | | |
| 1.1 Receipts from product sales and related debtors | - | - |
| 1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration | (171) - - (29) | (325) - - (175) |
| 1.3 Dividends received | - | - |
| 1.4 Interest and other items of a similar nature received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Other (provide details if material) | - | - |
| Net Operating Cash Flows | (200) | (500) |
| Cash flows related to investing activities | | |
| 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) | - | - |
| Net investing cash flows | - | - |
| 1.13 Total operating and investing cash flows (carried forward) | (200) | (500) |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|------------|-------------|
| 1.13 | Total operating and investing cash flows (brought forward) | (200) | (500) |
| | Cash flows related to financing activities | | |
| 1.14 | Proceeds from issues of shares, options, etc. | 215 | 215 |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | 11 | 121 |
| 1.17 | Repayment of borrowings | (25) | (25) |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other – Bond refund | - | 136 |
| | Net financing cash flows | 201 | 447 |
| | Net increase (decrease) in cash held | 1 | (53) |
| 1.20 | Cash at beginning of quarter/year to date | 1 | 55 |
| 1.21 | Exchange rate adjustments to item 1.20 | - | - |
| 1.22 | Cash at end of quarter | 2 | 2 |

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 | - |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | - |

1.25 Explanation necessary for an understanding of the transactions

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

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

+ 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 | 100 | 100 |
| 3.2 Credit standby arrangements | Nil | Nil |

Estimated cash outflows for next quarter

| | \$A'000 |
|--------------------------------|-----------|
| 4.1 Exploration and evaluation | 40 |
| 4.2 Development | - |
| 4.3 Production | - |
| 4.4 Administration | 10 |
| Total | 50 |

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 | 1 | 2 |
| 5.2 Deposits at call | - | - |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 1 | 2 |

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 | | |
| 6.2 | | Interests in mining tenements acquired or increased | | |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

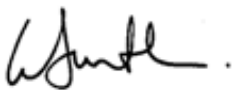
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

| | Total number | Number quoted | Issue price per security (see note 3) (cents) | Amount paid up per security (see note 3) (cents) |
|--|---|------------------|---|--|
| 7.1 Preference +securities <i>(description)</i> | | | | |
| 7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | | | | |
| 7.3 +Ordinary securities | 135,075,087 | 135,075,088 | | |
| 7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs | 21,500,000 | 21,500,000 | | |
| 7.5 +Convertible debt securities <i>(description)</i> | | | | |
| 7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted | | | | |
| 7.7 Options <i>(description and conversion factor)</i> | 3,565,004 1,000,000 2,600,000 24,800,000 | - - - - | <i>Exercise price</i> 8 cents 12 cents 15 cents 2 cents | <i>Expiry date</i> 30 June 2015 30 November 2015 30 November 2015 30 November 2019 |
| 7.8 Issued during quarter | | | | |
| 7.9 Exercised during quarter | | | | |
| 7.10 Expired during quarter | 2,561,027 | - | 9 cents | 31 March 2015 |
| 7.11 Debentures <i>(totals only)</i> | | | | |
| 7.12 Unsecured notes <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 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 30 April 2015
(Company secretary)

Print name: **Graeme Smith**

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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