

ANGLO AUSTRALIAN RESOURCES NL

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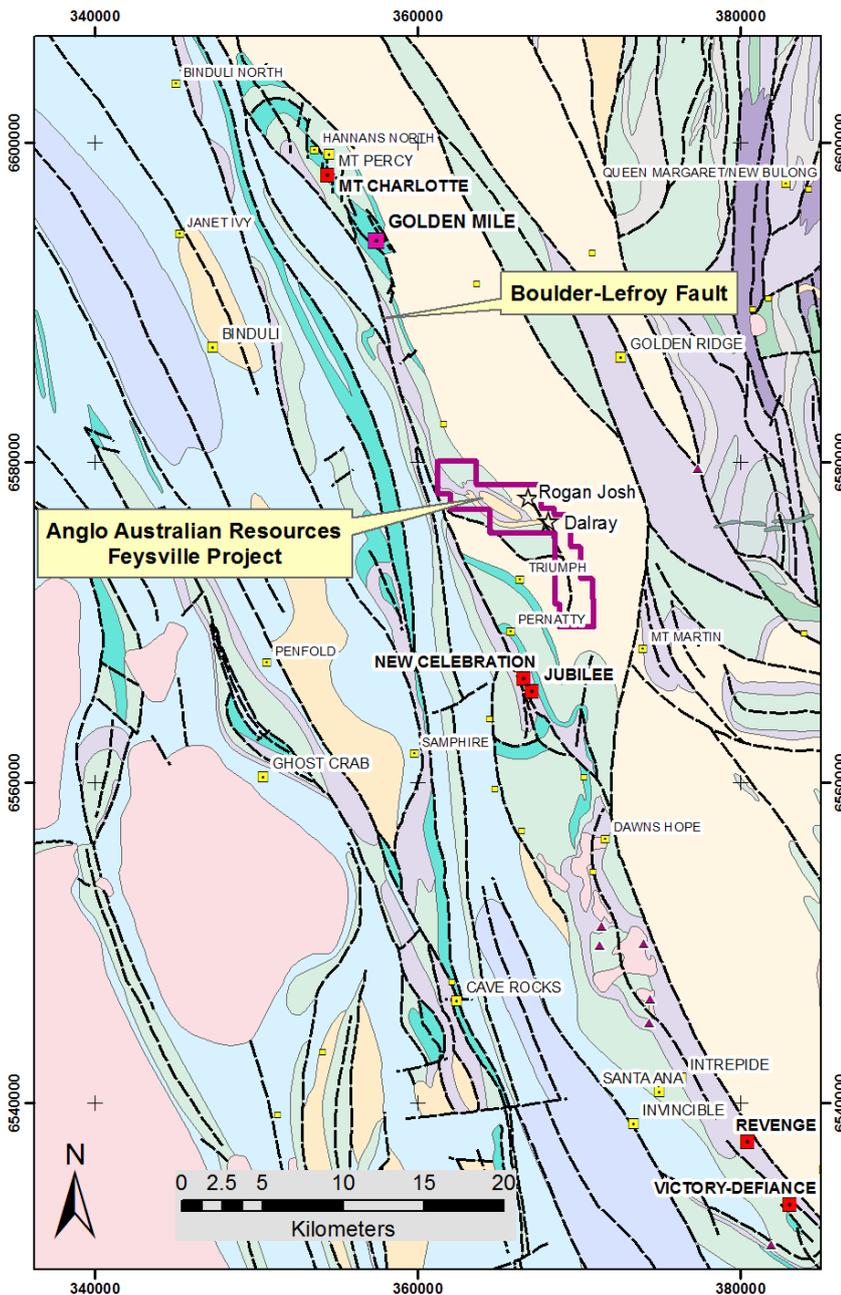
Feysville Project – Rogan Josh Deposit Review

Anglo Australian Resources NL (ASX:AAR) is pleased to advise that, with the recent increase in the Australian dollar gold price, the company has turned its attention to evaluating the potential to develop the Rogan Josh deposit, a part of the Feysville Project.

The Feysville Project is located in Australia's premier gold belt, just 14km south of the giant Golden Mile deposit (70Moz) at Kalgoorlie. The belt extends for some 100km along a NNW strike, and takes in major gold deposits at

New Celebration (3Moz), some 10km south of Feysville, and the large St Ives field (+15Moz) 30-60km to the south. Numerous other economic gold deposits have also been discovered.

Gold deposits are contained within a major structural corridor centred on the Boulder Lefroy fault, which controls regional uplift and folding of a lower sequence of mafic-ultramafic rocks (purple and green) surrounded by an upper sequence of volcano-sediments (blue and yellow). Feysville contains the lower mafic-ultramafic sequence of rocks in the core of the project area, with the Boulder Lefroy fault interpreted to pass along the western flank of the project. Another major structure parallel to the Boulder Lefroy fault passes through the eastern side of the project for some 10km, and hosts Feysville's Rogan Josh and Dalray prospects.



Feysville tenement location plan



Interpreted as a supergene anomaly, in 2011, BM Geological Services (BMGS) in conjunction with Minecomp concluded that the at-surface Rogan Josh prospect, which is open along strike, contains an initial Exploration Target size and grade range of 300,000 to 350,000 tonnes @ 2.0 to 2.5 grams per tonne.

It is important to note that, with an effective drill spacing of 60 x 20 metres, and a limited amount of specific gravity and QAQC data, there was insufficient justification to warrant a JORC code resources classification. Nevertheless, an open pit optimization study indicates that mining of the deposit could potentially be viable. At that time, the gold price briefly exceeded \$1,800 in Australian dollar terms.

As shareholders would be aware, after an extended period commencing 2012 with the Australian gold price generally trading in a range from \$1,350 to \$1,450 per ounce, recently, the price has increased to around \$1,700 per ounce.

At such levels, the company has considered it meritorious to review the potential to develop the Rogan Josh deposit.

In this regard, a recent Whittle optimization based on the following parameters:

- Gold price: AUD\$1,700 per ounce
- Mining cost: \$5 per bank cubic metre
- Milling cost: \$30 per tonne
- Dilution: 10%
- Ore loss: 5%
- Mill recovery: 90%

produced results as follows:

- Optimal shell: 242,000 tonnes @ 2.24 g/t
- Strip ratio: 14.7
- **Net revenue: \$9 million**

The company is now focusing its efforts on bringing the deposit up to JORC Code compliant status.

This work will involve:

- Infill drilling to a 30 metre by 20 metre spacing
- Diamond Core drilling to provide core samples for specific gravity determination and for twinning of RC drill holes to confirm mineralization continuity and grade
- Systematic QAQC, including coarse gold test work to improve the reliability of the gold assay data.

In addition, the company is intending to recommence discussions with one or more of the five or so mills in the nearby vicinity capable of processing the ore, whether on a toll-treatment or other basis.

Anglo Australian Chairman, Mr John Jones, said today:

"It has been a significant source of frustration to us over several years that the low gold price meant that it made no sense to look at potentially developing Rogan Josh. With the recent increase in gold price, now we believe we can."

"Having regard to its prime location, the Feysville Project is majorly under-explored. If we can realize some early dollars through the development of Rogan Josh, who can tell what remains to be discovered at this world-class location."

For further information:

John L C Jones – Chairman

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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.