

Quarterly Report

for the three months ended **31 March 2016**

Anglo Australian Resources NL

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

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63 Hay Street
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Capital Structure

180,375,087 ordinary shares
32,300,000 options (\$0.02, exp. 30/11/19)
37,200,000 options (\$0.02, exp. 30/11/20)

Board Members

John Jones
Executive Chairman

Peter Stern
Non-Executive Director

Graeme Smith
Director / Company Secretary



Summary & Highlights

EXPLORATION

- **Koongie Park Gold** – Significantly underexplored strategically located ground position with zinc-copper resources, and a host of both zinc-copper and gold targets.
- Indicated and Inferred mineral resources already mapped of 255,000 tonnes of zinc, 86,000 tonnes copper, 2 million ounces of silver and 26,000 ounces of gold.
- **Feysville** - Significantly underexplored ground position strategically located only 14 kms to the south of, and along strike from, the Golden Mile in Australia's premier gold belt.
- At surface exploration target of 300,000 to 350,000 tonnes @ 2.3 to 2.5 grams per tonne with an estimated net revenue potential of **\$9 million** (based on gold price of AUD\$1,700/ounce) – with development options being investigated (five mills nearby)
- **Mandilla** – Current Inferred Resource at Mandilla East of 357,000 tonnes @ 3.3 g/t Au (38,000 oz) with estimated Net Revenue potential of \$10 million (based on gold price of AUD\$1,700/ounce)

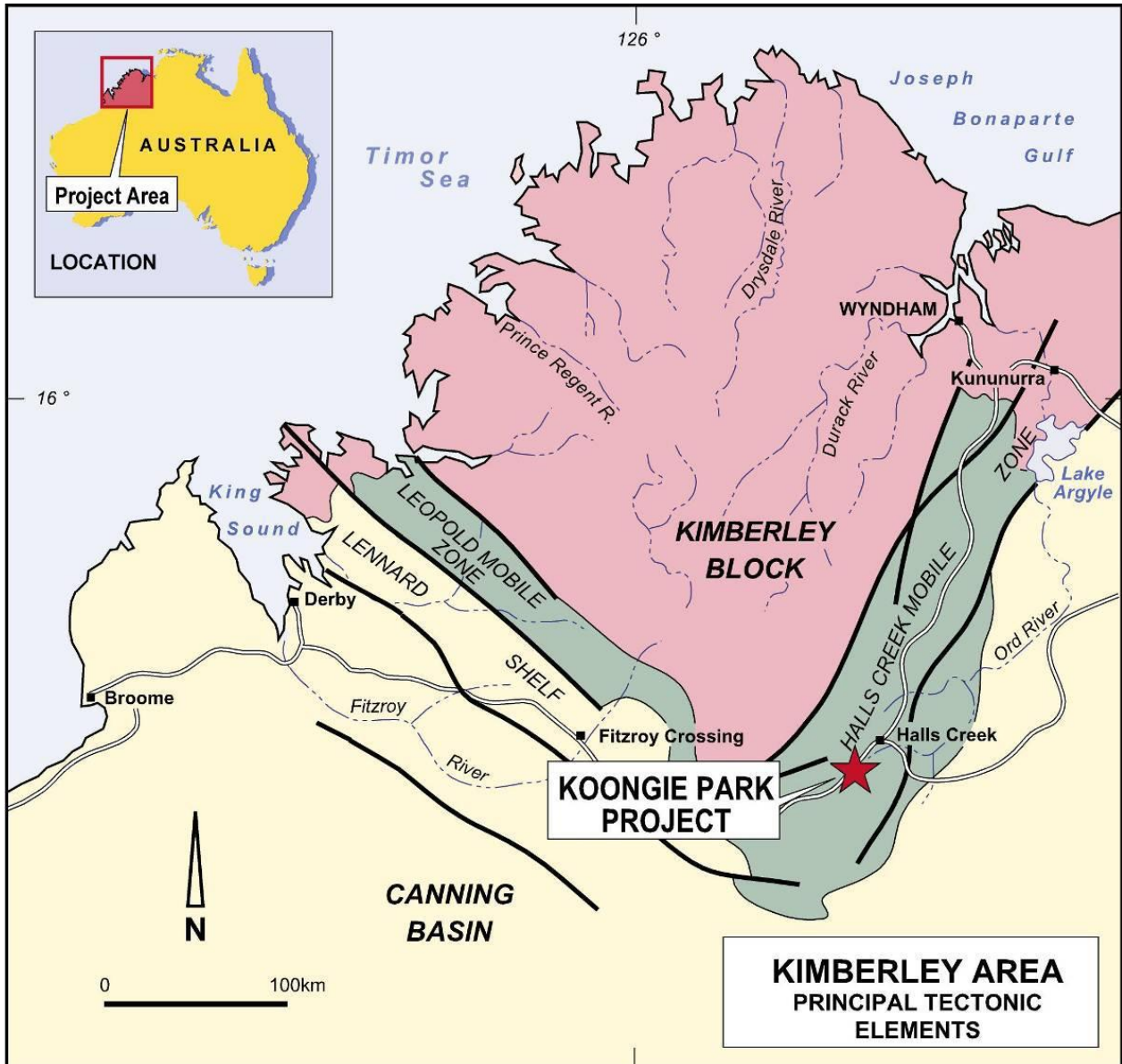
Details

EXPLORATION

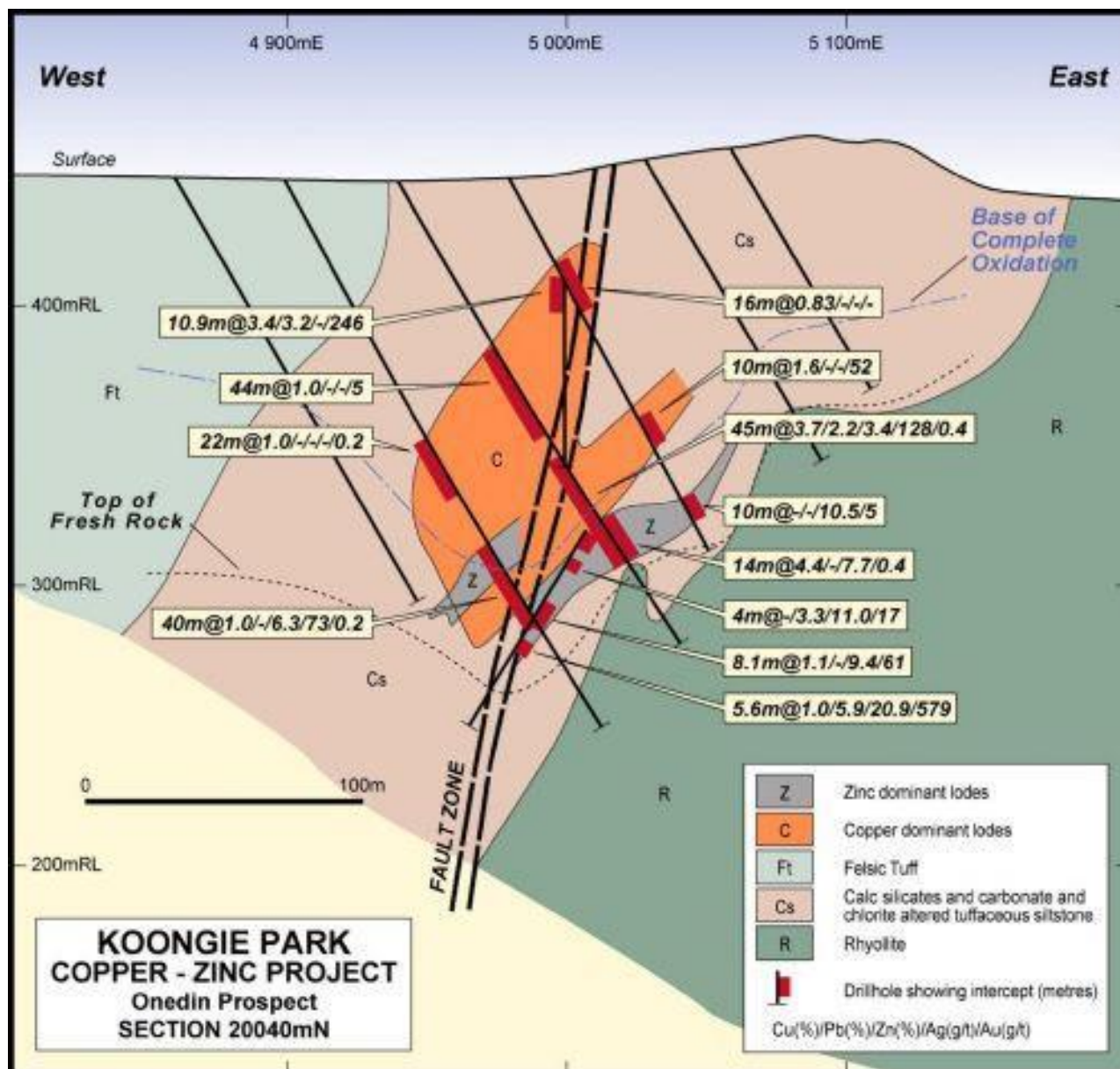
Koongie Park Project – WA

Anglo Australian - 100% interest

Koongie Park Base Metals



VMS style zinc-copper deposits in volcano sedimentary stratigraphy with resources mapped at Sandiego and Onedin



Onedin Section 20040mN

Onedin Deposit

Zinc Zone: 1,980,000 tonnes @ 6.25% Zn, 0.47% Cu, 32g/t Ag and 0.3g/t Au

Copper Zone: 2,500,000 tonnes @ 1.1% Cu, 0.8% Zn, 21g/t Ag and 0.3g/t Au

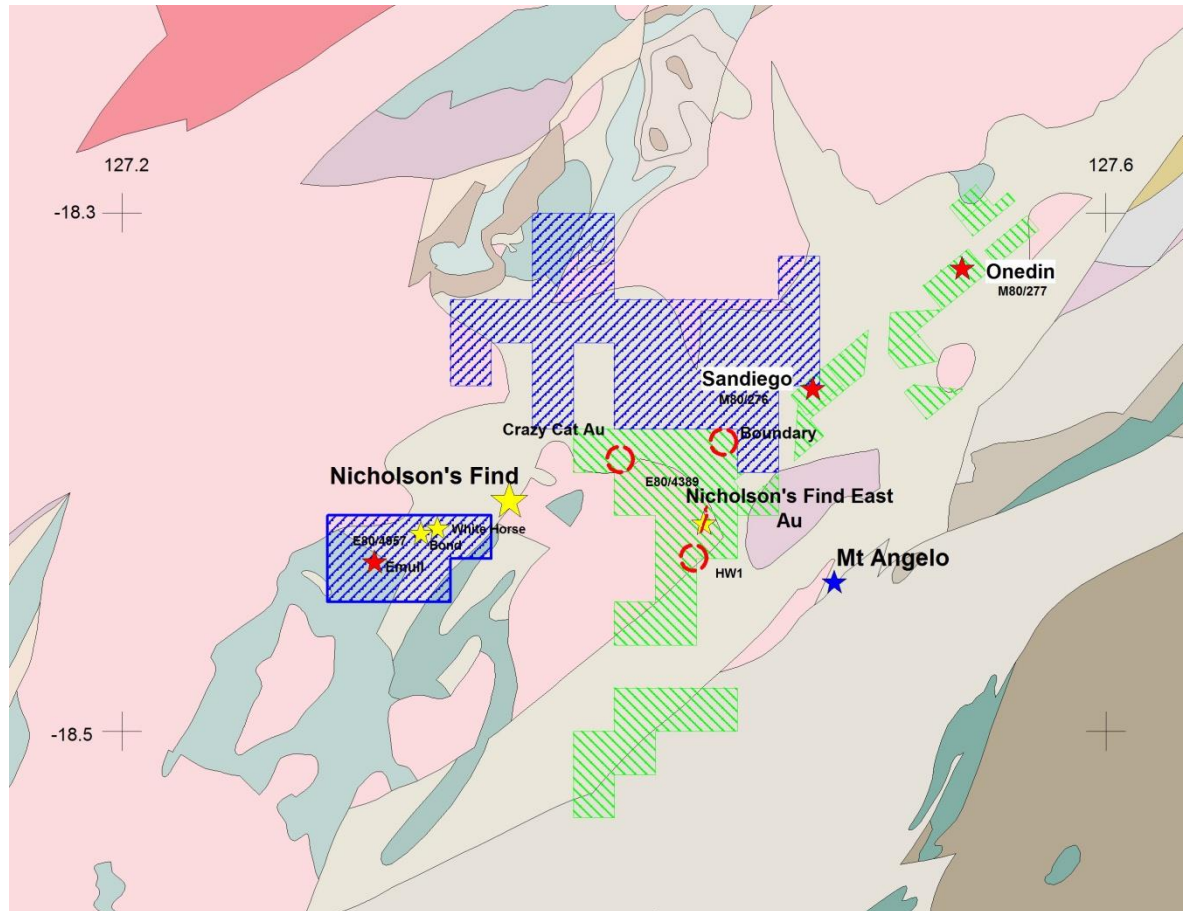
Total Metal: 36,000 tonnes copper & 140,000 tonnes zinc metal

(ASX Release 13.06.13)

New prospective target areas

- Sandiego and Onedin mineralized zones represent fold hinges
- Homogeneity of metal in rock strongly suggests that the metal has been remobilized (which explains the Sandiego and Onedin accumulations)
- Within the Project area, airborne magnetics has identified a number of other potential hinge structures that are yet to be drill-tested

Koongie Park Gold



- Significant acreage position held adjacent to Nicolson's gold mine (Pantoro Limited): 1.8 Mt @ 5.2 g/t for a total of 294,000 ounces
- Mineralization structurally controlled within wide NNE trending shear zone adjacent to monzogranite
- Host rocks comprise folded and metamorphosed sediments, volcanics and volcano-sediments of the Koongie Park Formation
- Mineralisation strongly associated with quartz veining and Fe-Si-K alteration

Feysville – WA

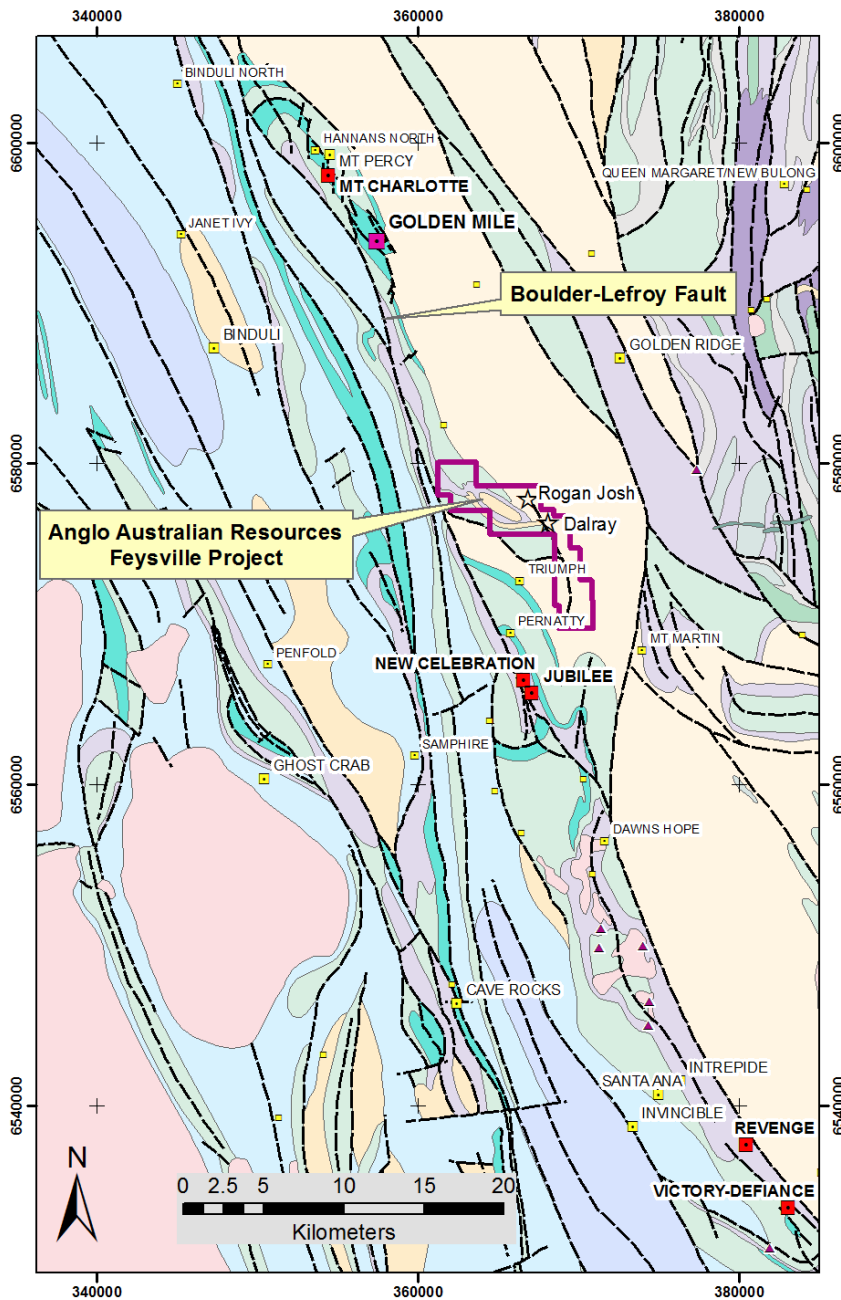
Anglo Australian - 100 % interest

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.

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



Mandilla Project – WA

Anglo Australian – 100% interest

No work was carried out during the quarter.

Leonora Project – WA

Anglo Australian - 100% interest

No work was carried out during the quarter.

For further information:

John 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 EL80 4389,4766 EL80/4503, ELA 80/4957 EL80/4960 P80/1802-10	100%	Anglo Australian Resources NL
Feysville	P26/3945 – 3951 P26/4051- 4052 P26/4074 – 4077 App P26/3942 - 3944 App	100%	Anglo Australian Resources NL
Mandilla	M15/96 M15/633 EL15/1404	100% gold rights only 100% gold rights only 100%	Anglo Australian Resources NL
Leonora	E37/1047 P37/8355 – 8358, P37/8377	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 2016

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 & evaluation	(8)	(170)
(b) development	-	-
(c) production	-	-
(d) administration	(35)	(160)
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	(43)	(330)
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)	(43)	(330)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(43)	(330)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	193
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	6	31
1.17	Repayment of borrowings	-	(127)
1.18	Dividends paid	-	-
1.19	Other – Bond refund	-	-
Net financing cash flows		6	97
Net increase (decrease) in cash held		(37)	(233)
1.20	Cash at beginning of quarter/year to date	45	241
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8	8

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	-
4.2 Development	-
4.3 Production	-
4.4 Administration	30
Total	30

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	8	45
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8	45

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	E 37/1056 E37/1114 E37/1115	Surrendered	100%	-
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

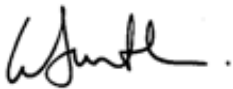
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	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	180,375,087	180,375,087		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>	32,300,000		<i>Exercise price</i> 2 cents	<i>Expiry date</i> 30 November 2019
	37,200,000		2 cents	30 November 2020
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
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: 29 April 2016
(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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