

ANGLO AUSTRALIAN RESOURCES NL

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POSITIVE AIRCORE DRILLING RESULTS AT FEYSVILLE

HIGHLIGHTS

- Within the Ethereal Shear Zone, anomalous gold identified over 1,200 metres along strike, open in both directions, and up to 300 metres in cross-strike width
- High-grade hit of 13 metres @ 8.31 g/t Au at Kamperman Prospect, from 24 metres to bottom of hole

Anglo Australian Resources NL (ASX:AAR) is pleased to advise that the first round of aircore drilling at its Feysville Gold Project has been completed with significant gold assay results received.

70 holes (FVA001 – 070) were drilled for a total of 1764 metres, with an average hole depth of 25.2 metres. All holes were drilled at -60° towards 230°, perpendicular to the regional strike of the geology. All holes were drilled to blade refusal; however, on occasions, the AC hammer was used to penetrate quartz veining.

The program was based on interpretations of the detailed ground magnetic data collected in 2016. A major structural corridor – the Ethereal Shear Zone – was identified. Little previous drilling had been undertaken over this key structural feature which hosts multiple targets (Figure 1).

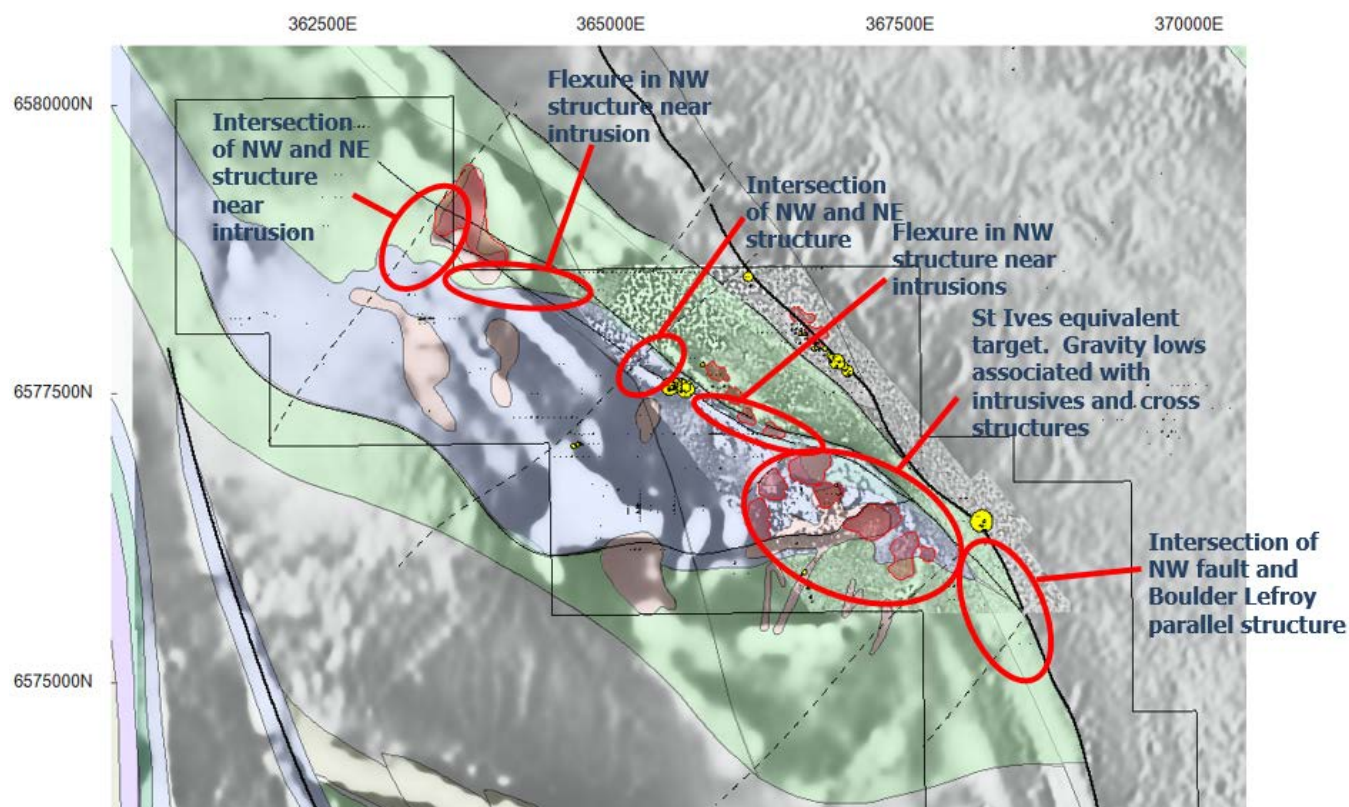


Figure 1. Feysville structural interpretation showing distribution of intrusions and target areas



Figure 2 illustrates drill hole locations and results.

In respect of the Ethereal Shear Zone, drill traverses were completed at 400 metre intervals with holes spaced mainly at 50 metres along the lines. The broad drill spacing was aimed at defining gold-in-regolith anomalism to confirm the potential of the structure to host significant bedrock gold mineralisation.

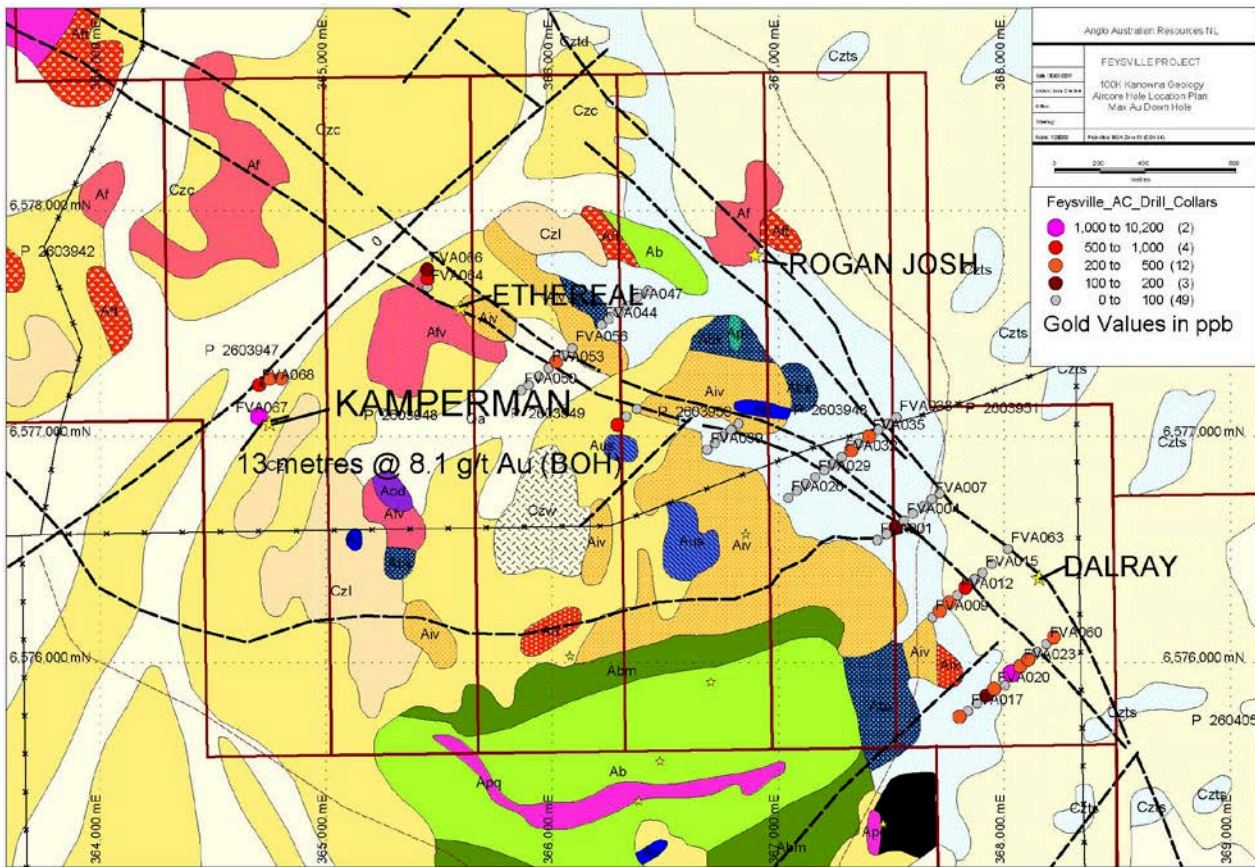


Figure 2. Drill hole location and results

Drill results define a coherent anomalous zone within the interpreted structural corridor parallel to the regional fault zone that hosts the gold-endowed Rogan Josh and Dalray Prospects to the east. Anomalous gold results have been defined over a minimum strike length of 1200 metres and up to 300m in cross-strike width, with the zone still open to the north and south.

A best result of 12 metres at 1.58g/t from 48 metres was returned from hole FVA022. This lies within a broader anomalous zone of greater than 200ppb Au overlying complex structure and felsic intrusives identified by interpretation of magnetic data. This area presents a St Ives equivalent target consisting of gravity lows associated with intrusive and cross structures.

Three holes were drilled to intersect the interpreted west-north-west-trending structure 100 metres along strike from the Ethereal Prospect. Two of the holes FVA065 and FVA066 intersected gold mineralisation (bottom of holes) and confirmed the existence of anomalous mineralisation structure to the west-north-west of Ethereal.

Four aircore holes were also drilled at the Kamperman Prospect to the south west of the Ethereal Shear Zone.

These holes were drilled to test the orientation of mineralisation previously intersected by WMC. The four holes, which are located 150 metres north of the previous drilling, recorded gold values from bottom of hole samples.

Hole FVA067 intersected a high-grade interval of 13 metres at 8.31 g/t Au from 24 metres to the bottom of the hole. Mineralisation is hosted by altered schistose porphyry and ultramafic rocks. Further drilling will be required to evaluate the zone.

In summary, Anglo Australian is very pleased with the results of this first-pass aircore program. The widespread gold-mineralisation intersected, particularly in the context of the project location and its complex geology, is most encouraging.

The company is currently giving consideration as to the format of a follow-up work program.

It is likely to involve infill and step out aircore drilling to better define the extent of mineralization within the Ethereal Shear Zone, to be followed by a program of bedrock RC and possibly diamond drilling.

As previously advised, the company has secured funding assistance in the amount of \$100,000 from the Department of Mines and Petroleum, Western Australia for the drilling of three deep holes at Feysville in order to target potentially gold mineralized structures at depth.

It is likely that two of these deep holes will be drilled in the vicinity of the Ethereal Prospect, with the third hole possibly in the vicinity of the St Ives equivalent target referred to above.

Further geological work will also be undertaken, involving field mapping and drill chip logging, to build on previous geological interpretations.

Anglo Australian Chairman, Mr John Jones, said today:

“For a first pass aircore program over such a large area, these results are as promising as we might have hoped.

“They confirm that a major new gold-mineralised structure is present at Feysville, complementing other previously discovered mineralised prospects at Rogan Josh and Dalray.

“In fact, it seems that much of our substantial 12-kilometres long Feysville land holding contains anomalous gold values worthy of further investigation.

“The task for us now is to identify and prove up economic gold occurrences in what clearly seems to be a geologically complex region.

“However, in Kamperman, we certainly see that near-surface high grade gold mineralisation is present in the region.”

About the Feysville Project

The Feysville Project is located in Australia’s premier gold belt, just 14 km south of the giant Golden Mile deposit (70 MOz) at Kalgoorlie (Figure 4). The belt extends for some 100 km along a NNW strike, and takes in major gold deposits at New Celebration (3 MOz), some 10 km south of Feysville, and the large St Ives field (+15 MOz) 30 to 60 km to the south. Numerous other economic gold deposits have also been discovered within the belt.

Gold deposits along strike 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 in the figure above) surrounded by an upper sequence of volcano-sediments (blue and yellow).

Feysville also contains the lower mafic/ ultramafic sequence of rocks in the core project area, the closest on-strike location to south of the Super Pit to do so, with the Boulder-Lefroy fault interpreted to pass along the western flank of the Project.

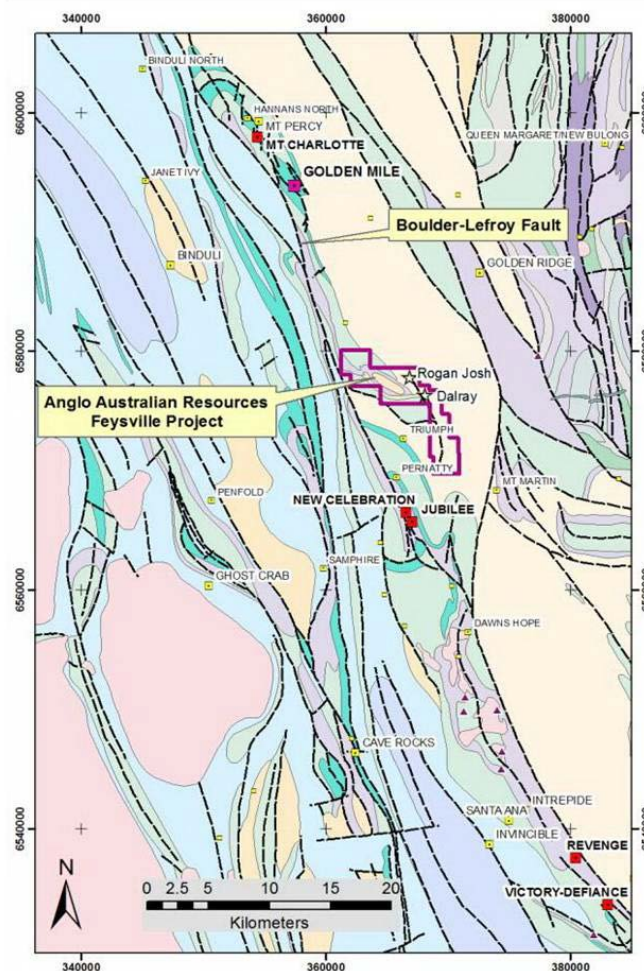


Figure 3. Feysville location plan

Anglo Australian’s Feysville Project encompasses some 12 km of strike, a substantial holding.

The project is considered prospective for typical high-grade shear-hosted gold lode styles, and for bulk-tonnage intrusion-hosted gold systems

For further information:

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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.

TABLE 1 – DRILL RESULTS

FEYSVILLE AC DRILLING SUMMARY - 2017

<u>Prospect</u>	<u>Hole Id</u>	<u>E</u>	<u>N</u>	<u>From</u>	<u>To</u>	<u>Width</u>	<u>Dip</u>	<u>Az</u>	<u>Au/ppb/AR25/MS</u>	<u>Au g/t</u>	<u>Comments</u>
Western Fault Corridor	FVA003	367519	6576600	4	8	4	-60	230	164		
Western Fault Corridor	FVA010	367714	6576228	4	12	8	-60	230	322		
Western Fault Corridor	FVA011	367757	6576266	28	29	1	-60	230	382		Bottom of Hole
Western Fault Corridor	FVA013	367827	6576332	20	24	4	-60	230	642		
Western Fault Corridor	FVA019	367919	6575854	36	40	4	-60	230	120		
Western Fault Corridor	FVA020	367955	6575884	32	44	12	-60	230	184		
Western Fault Corridor	FVA022	368030	6575952	48	60	12	-60	230	1585	1.58	
Western Fault Corridor			INCL	48	52	4	-60	230		2.47	
Western Fault Corridor				60	64	4	-60	230	144		
Western Fault Corridor	FVA023	368070	6575984	48	52	4	-60	230	476		
Western Fault Corridor				56	60	4	-60	230	181		
Western Fault Corridor	FVA024	368145	6576046	48	52	4	-60	230	344		
Western Fault Corridor	FVA033	367322	6576938	20	24	4	-60	230	382		Bottom of Hole
Western Fault Corridor	FVA034	367354	6576969	52	54	2	-60	230	239		Bottom of Hole
Western Fault Corridor	FVA054	366018	6577332	20	28	8	-60	230	184		
Western Fault Corridor	FVA057	366288	6577051	8	12	4	-60	230	653		
Western Fault Corridor	FVA061	368218	6575112	64	68	4	-60	230	486		
Western Fault Corridor	FVA062	367802	6575761	16	20	4	-60	230	248		
Ethereal Prospect	FVA065	365449	6577697	24	33	9	60	180	363		Bottom of Hole
Ethereal Prospect	FVA066	365446	6577738	24	26	2	60	180	116		Bottom of Hole
Kamperman Prospect	FVA067	364702	6577089	24	37	13	60	180		8.31	Bottom of Hole
Kamperman Prospect	FVA068	364703	6577227	0	4	4	60	90	608		
Kamperman Prospect	FVA069	364801	6577256	16	21	5	60	90	414		Bottom of Hole
Kamperman Prospect	FVA070	364750	6577253	20	28	8	60	90	203		Bottom of Hole

APPENDIX 1

Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> • Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<p>All Aircore samples were laid out in 1 metre increments and a representative 500 – 700 gram spear sample was collected from each pile and composited into a single sample every 4 metres. Average weight 2.5 – 3 kg sample.</p> <p>All samples were trucked to Intertek in Kalgoorlie each day. On completion of the drilling program the samples were submitted for analysis.</p> <p>Intertek assay standards, blanks and checks and were inserted at regular intervals.</p>
Drilling techniques	<ul style="list-style-type: none"> • Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<p>Aircore Drilling using a blade bit. Diameter of hole 4.5 inches</p>
Drill sample recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<p>Visual – amount in sample piles, poor recoveries recorded in sample book.</p> <p>Not known at this stage: more drilling is required to establish if there is any sample bias.</p>
Logging	<ul style="list-style-type: none"> • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<p>All 1m samples of AC chips were logged by a contract geologist on the rig; Sample chips from each hole were collected and put in chip trays and retained as a record.</p> <p>Logging is carried out at metre intervals.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<p>The AC samples were laid out in one metre intervals. Spear samples were taken and composited for analysis as described above. Representative samples from each 1m interval were collected and retained as described above.</p> <p>Standard Western Australian sampling techniques applied. There has been no statistical work carried out at this stage.</p> <p>Intertek assay standards, blanks and checks and were inserted at regular intervals. No duplicates or standards were submitted by the company.</p> <p>Sample sizes are appropriate to the grain size of the material being sampled.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	<p>Sample receipt – LIMS Registration – Sample sorting and Reconciliation</p> <p>Sample weights are recorded – Samples dried on trays 105° C for a minimum of 12 hours</p> <p>Samples are pulverised to 85% passing 75um using a LM5 Pulveriser.</p> <p>Pulps sent to Intertek Perth. 25 gram sample split off.</p>

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<p>Assayed for Au, As Co, Cu, Ni, Pb, Zn by method AR25/MS, Samples assaying greater than 1000ppb Au assay by AR25hMS</p> <p>Standard Intertek Minerals protocols re blanks, standards & duplicates applied. Referee sampling has not yet been carried out.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<p>Contractor J Chellew verified hole position on site Standard data entry used on site, backed up in Subiaco WA. No adjustments have been carried out</p>
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<p>Drill holes have been picked up by hand held Garmin GPS 78). (5 -10 metre accuracy)</p> <p>Grid: GDA94 Datum UTM Zone 51</p>
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<p>Drill hole spacing between 50m to 100m on section, and 400m sectional spacing;</p> <p>Sample compositing was undertaken over 4 metre intervals where possible.</p>
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<p>All drill holes have been drilled normal to the interpreted strike.</p>
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<p>All samples taken daily to Intertek yard in Kalgoorlie.</p>
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<p>No audits have been carried out at this stage.</p>

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<p>Prospecting Licenses P26/3942 – 3951, P26/4051 – 4052, P26/4074 - 4077. Are owned 100% by Anglo Australian Resources NL The licences are in good standing. No known impediments.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<p>Modern exploration in the project area was initially carried out by Western Mining Corporation (WMC) during the period from 1981 to 2001. This work, consisting of ground electrical and magnetic geophysical surveys and soil geochemistry followed by RAB and RC drilling, lead to the identification of gold anomaly 12 (later named Rogan Josh) as well as other gold and nickel anomalies.</p> <p>A single diamond drill hole was completed at Anomaly 36 (Ethereal) 500 meters southwest of Rogan Josh. Gold mineralisation up to 9.5 g/t Au over 0.45m associated with magnetite and hematite-silica alteration zones, was intersected between 78.45m and 85m depth with an average gold grade of 2.22 g/t Au over this width of 5.55m.</p> <p>In 2001 WMC sold its St Ives and Agnew gold assets to subsidiaries of Gold Fields Limited and in 2003 Anglo Australian Resources NL purchased all the mineral rights</p>

Criteria	JORC Code Explanation	Commentary
		<p>to Feysville. Under AAR exploration continued with several AC and RC drilling programs, electromagnetic surveys and reprocessing of ground magnetic data. Importantly drilling at Rogan Josh defined coherent gold mineralisation to the extent that preliminary evaluation indicated an exploration target of 300,000 tonnes to 350,000 tonnes at 2.0 to 2.5 g/t Au containing between 20,000 and 25,000 ounces of gold.</p> <p>In summary: Previous drilling in the project area consists of:</p> <ul style="list-style-type: none"> • 980 AC holes; • 4 Diamond core holes (Empire Rose, Empire Rose South, Kamperman, Ethereal) • 102 RAB holes; and • 634 RC holes; <p>including previous drilling at Rogan Josh of 252 holes comprising:</p> <ul style="list-style-type: none"> • 183 AC holes to an average depth of 34.5metres and a maximum depth of 78metres all drilled vertically. • 69 RC holes to an average depth of 80.5 metres and a maximum depth of 132 metres. 13 holes were drilled vertically. 53 holes drilled at a declination of -60 degrees towards magnetic azimuth of 270 degrees and 3 holes at a declination of -60 degrees magnetic azimuth 90 degrees.
Geology	<ul style="list-style-type: none"> • <i>Deposit type, geological setting and style of mineralisation.</i> 	Archaean orogenic gold mineralisation hosted by felsic to intermediate schist, Mafic volcanics, ultramafic intrusives and porphyry.
Drill hole Information	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> • <i>easting and northing of the drill hole collar</i> • <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> • <i>dip and azimuth of the hole</i> • <i>down hole length and interception depth</i> • <i>hole length.</i> • <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i> 	This Information has been tabled in Table 1 of the ASX announcement.
Data aggregation methods	<ul style="list-style-type: none"> • <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<p>No data aggregation methods have been used.</p> <p>A 100 ppb Au lower cut off has been used to calculate grades.</p> <p>This has not been applied</p>
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg ‘down hole length, true width not known’).</i> 	Not known at this stage.
Diagrams	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should</i> 	Applied

Criteria	JORC Code Explanation	Commentary
	<p><i>include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i></p>	
Balanced reporting	<ul style="list-style-type: none"> • <i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i> 	Balanced reporting has been applied.
Other substantive exploration data	<ul style="list-style-type: none"> • <i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i> 	No other substantive exploration data.
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<p>Follow up Reverse Circulation & Diamond Drilling is planned.</p> <p>No reporting of commercially sensitive information at this stage.</p>