

ANGLO AUSTRALIAN RESOURCES NL

ACN 009 159 077

INTERIM FINANCIAL REPORT

**FOR THE HALF YEAR ENDED
31 DECEMBER 2016**

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 2016 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 2016

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DIRECTORS' REPORT

Your directors are pleased to present their report on Anglo Australian Resources NL for the half-year ended 31 December 2016.

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 2016 amounted to \$241,970 (31 December 2015: loss of \$385,740).

Following approval at the Annual General Meeting, Directors exchanged \$105,000 of outstanding Directors' fees for options in the capital of Anglo Australian.

EXPLORATION

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.

Ground Magnetic Survey

During the 2016 half year, the company undertook a ground magnetic survey encompassing 7 sq km over the centre of the project, with the results subsequently merged with larger scale open file magnetic data.

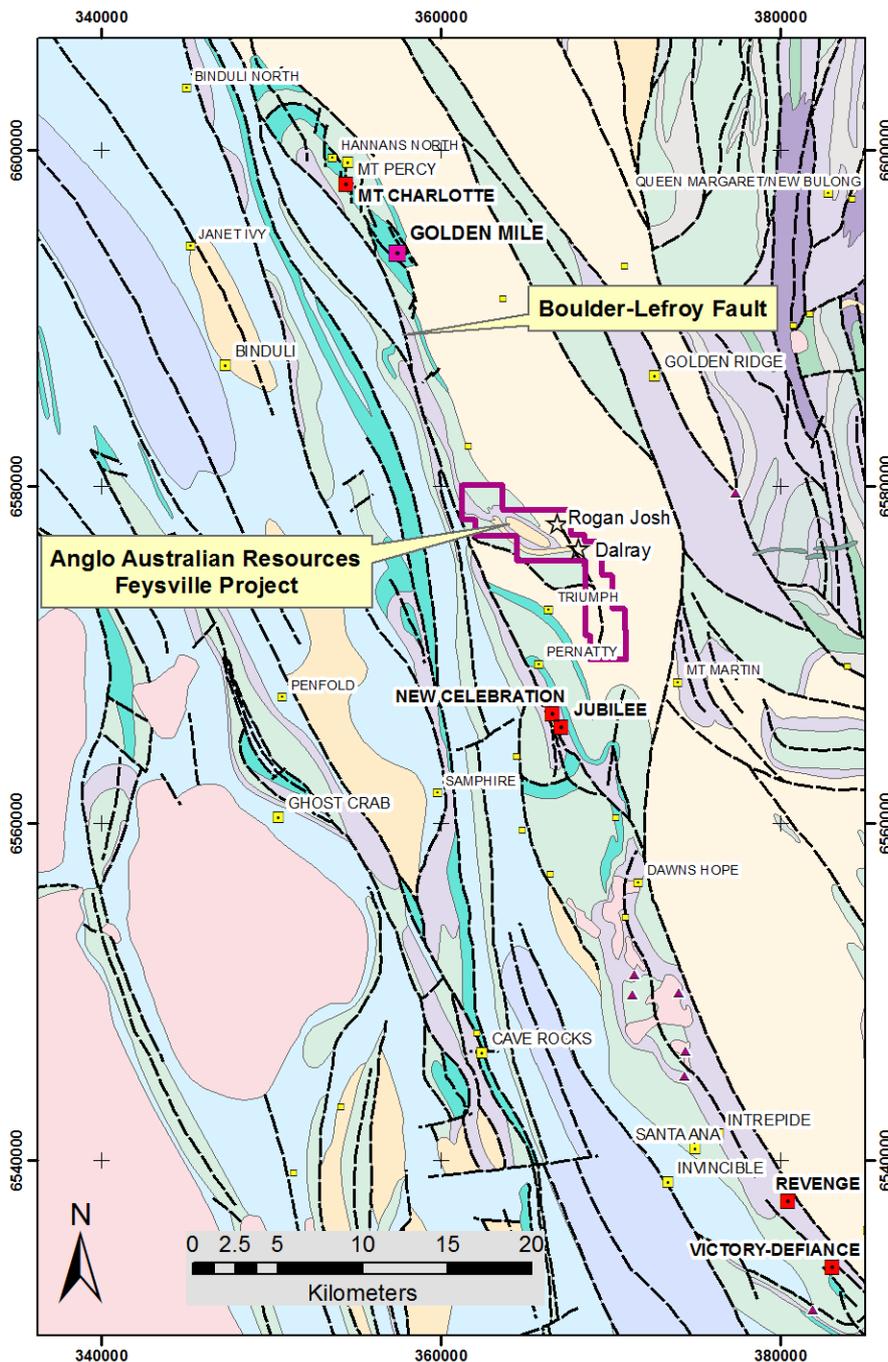
DIRECTORS' REPORT (continued)

This work identified a number of significant features, announced in the December Quarter, including:

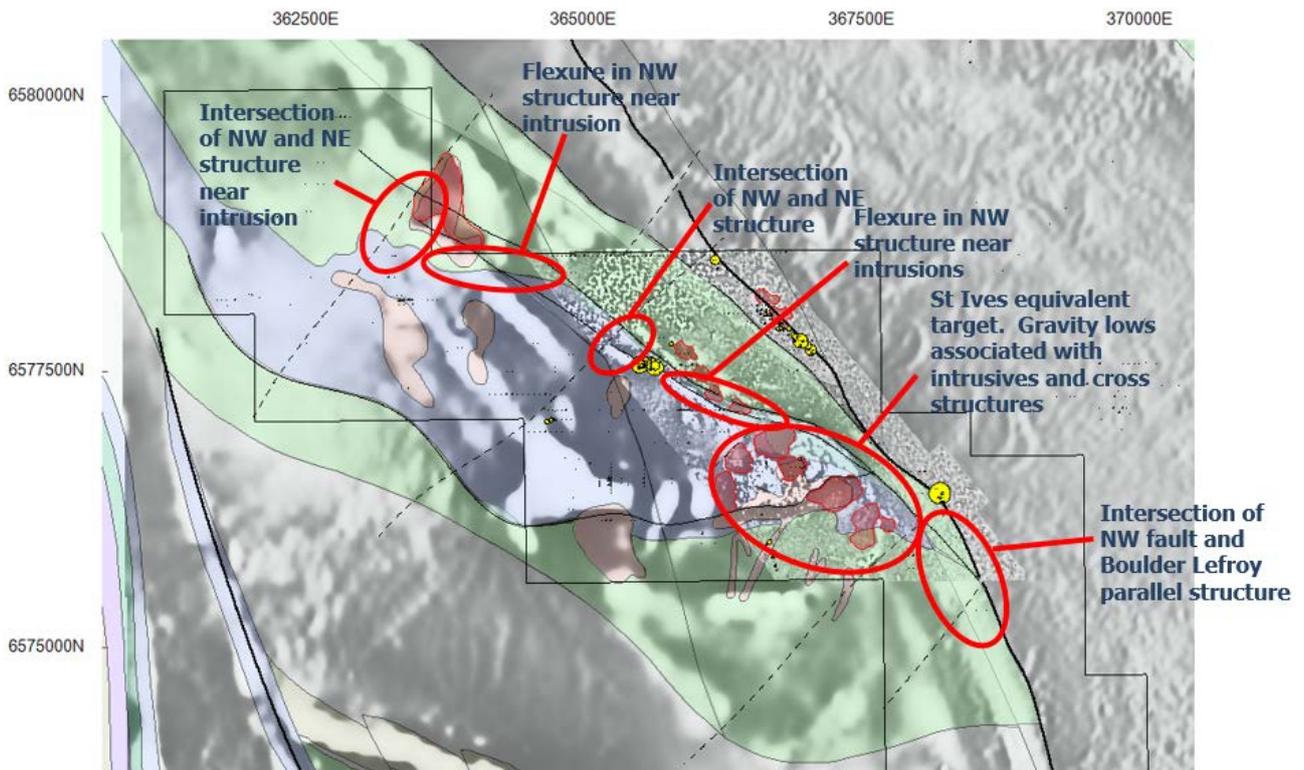
- Confirmation of strong NNW-NW trending structural corridors that represent subsidiary splay structures from the Boulder-Lefroy fault. The orientation of the structures is similar to key mineralized structures at the Golden Mile
- Ethereal prospect lies on one of these newly identified structures, and is the only area of drilling for some 3.5 km of strike on this highly prospective feature
- Identification of several small-scale intrusion centres which may be important in localizing gold mineralization

Interpretation of this work led to the identification of some six new targets along a shear zone – the

Ethereal Shear Zone – over seven km in length, untested except for the highly prospective Jezabeel prospect at the shear's interpreted north-western extremity. The project is considered prospective for typical high-grade shear-hosted gold lode styles, and for bulk-tonnage intrusion-hosted gold systems



DIRECTORS' REPORT (continued)



Aircore Drilling

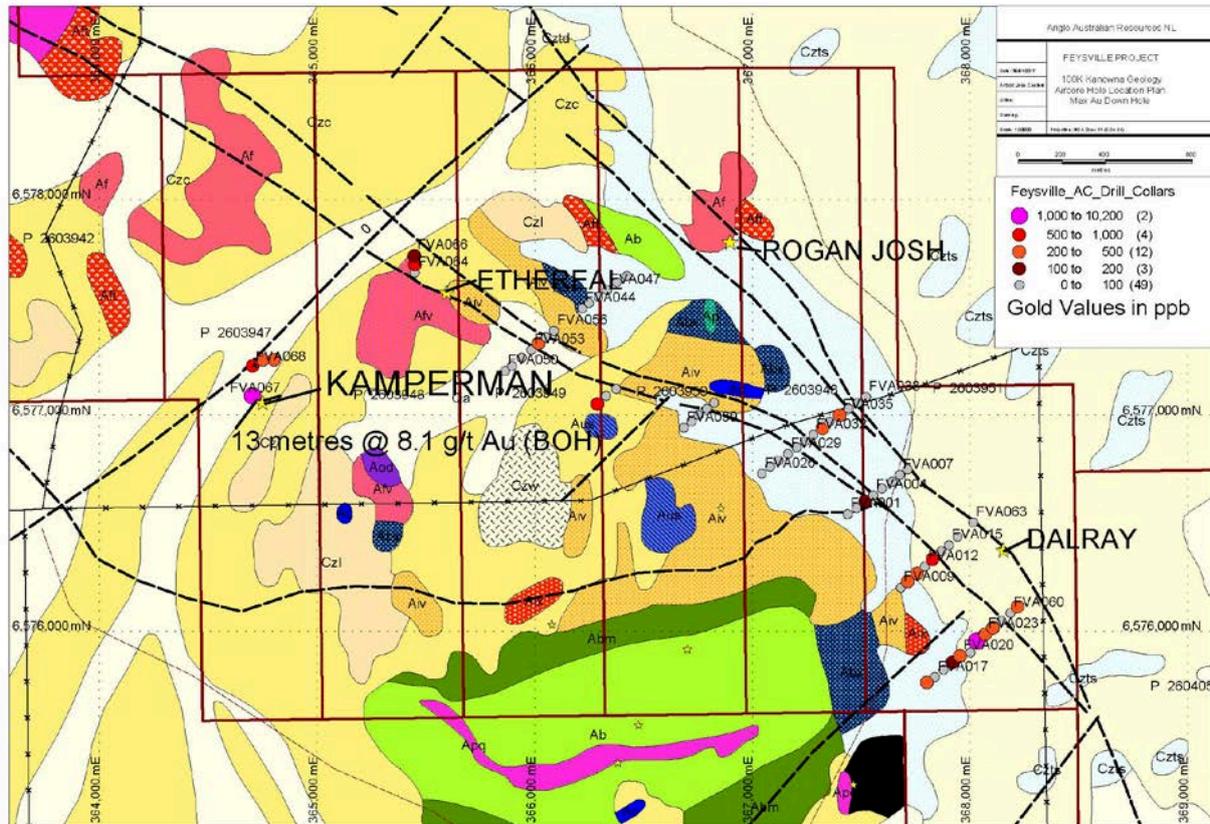
During the December Quarter, a first round of aircore drilling at the Feysville Gold Project was completed.

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.

Significant gold assay results were received, as announced to the market on 31 January 2017.

The figure below illustrates drill hole locations and results.

DIRECTORS' REPORT (continued)



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.

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.

DIRECTORS' REPORT (continued)

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.

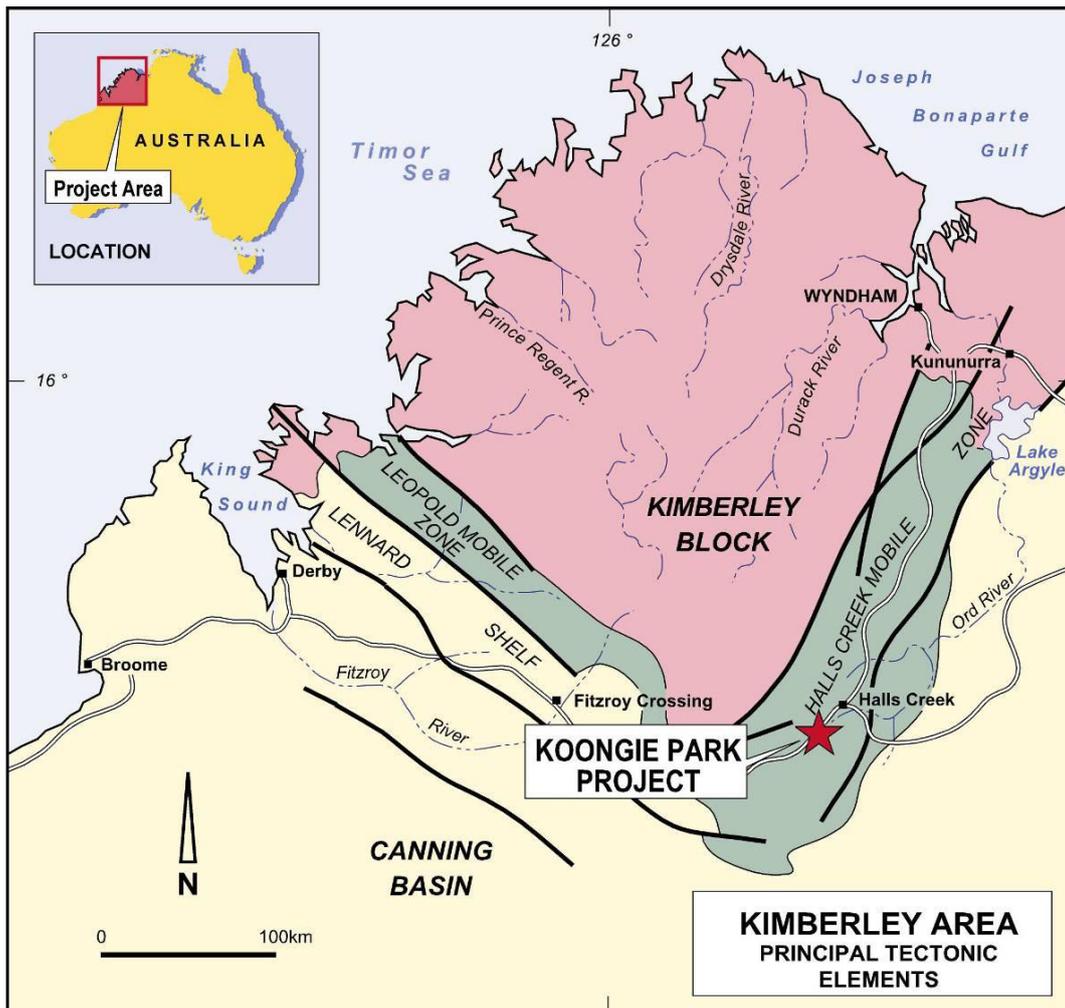
Co-funded Exploration Drilling Program

During the half year, the company was notified that its application to Department of Mines and Petroleum, Western Australia under its Exploration Incentive Scheme Co-funded Exploration Drilling Program to secure funding assistance in relation to the drilling of three deep holes at Feysville has been granted to the amount of \$100,000. Anglo Australian will use such funds in order to target potentially gold mineralized structures at depth.

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

DIRECTORS' REPORT (continued)

- Significantly underexplored ground position in proximity of two processing plants with zinc-copper resources, and a host of drill targets awaiting testing
- Indicated mineral resources already defined of 255,000 tonnes of zinc, 86,000 tonnes of copper, 2 million ounces of silver and 26,000 ounces of gold (ASX:13.06.13)

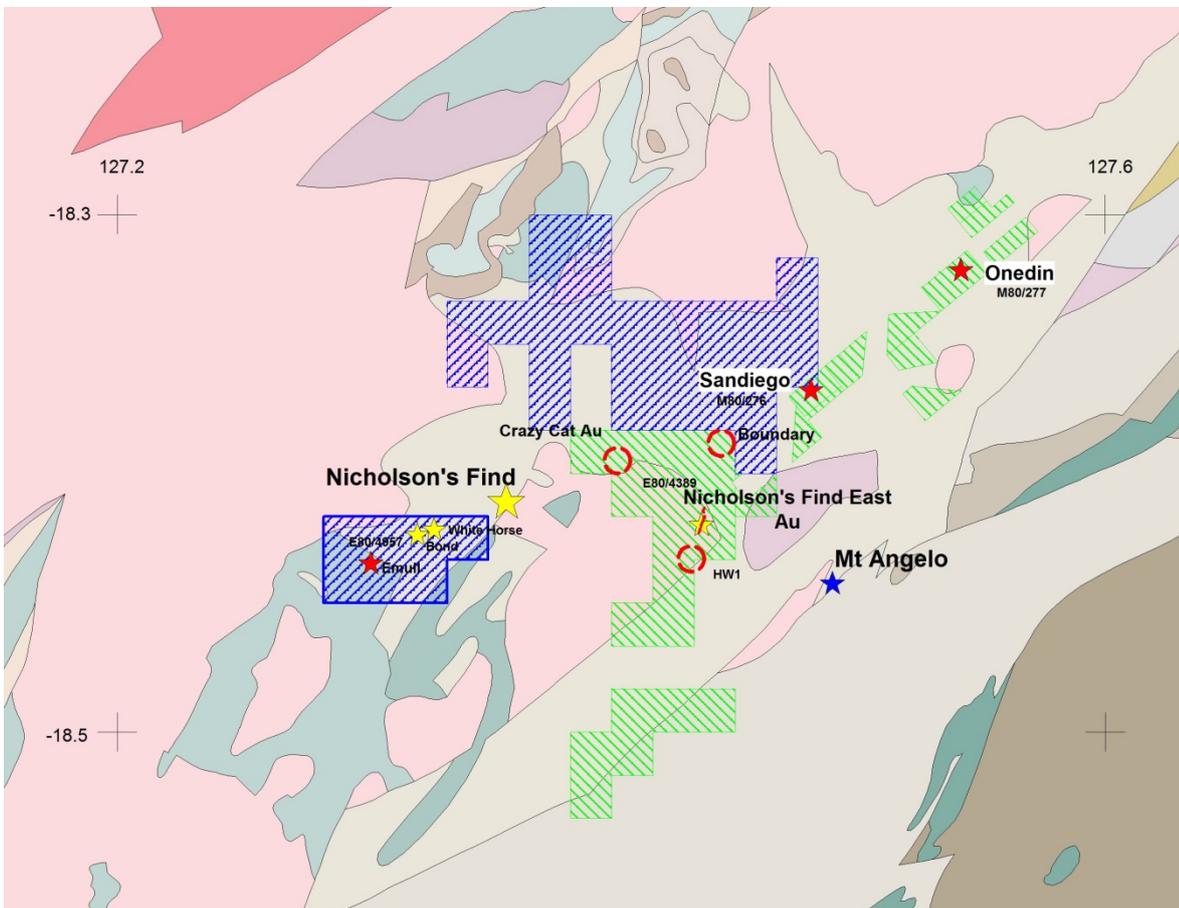
Onedin Deposit – Indicated Mineral Resources

- 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: 13.06.13)

Sandiego Deposit – Indicated Mineral Resources

- Supergene Copper: 370,000 tonnes @ 4.0 % Cu, 2.7% Zn, 48g/t Ag and 0.29g/t Au
- Copper Zone: 1,140,000 tonnes @ 2.8% Cu, 1.5% Zn, 12g/t Ag and 0.43g/t Au
- Zinc Zone: 1,220,000 tonnes @ 0.2 % Cu, 7.0% Zn, 26g/t Ag and 0.13g/t Au
- **Total Metal: 50,000 tonnes copper, 115,000 tonnes zinc, 2 million ounces of silver & 26,000 ounces of gold.**
(ASX: 13.06.13)

Koongie Park Gold



DIRECTORS' REPORT (continued)

- 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

Mandilla Project – WA

Anglo Australian – 100%

Drill core reviewed in the December quarter. A report is currently being prepared.

The Inferred Resource for East Mandilla is 357,000t @ 3.3 g/t Au for 38,000 ounces. (ASX_AAR Annual Report 2008). The high-grade mineralisation is hosted within narrow quartz veins and hematite, sericite, chlorite alteration in a porphyritic granitoid.

**MANDILLA DRILL CROSS SECTION
SELENE AND EAST MANDILLA**

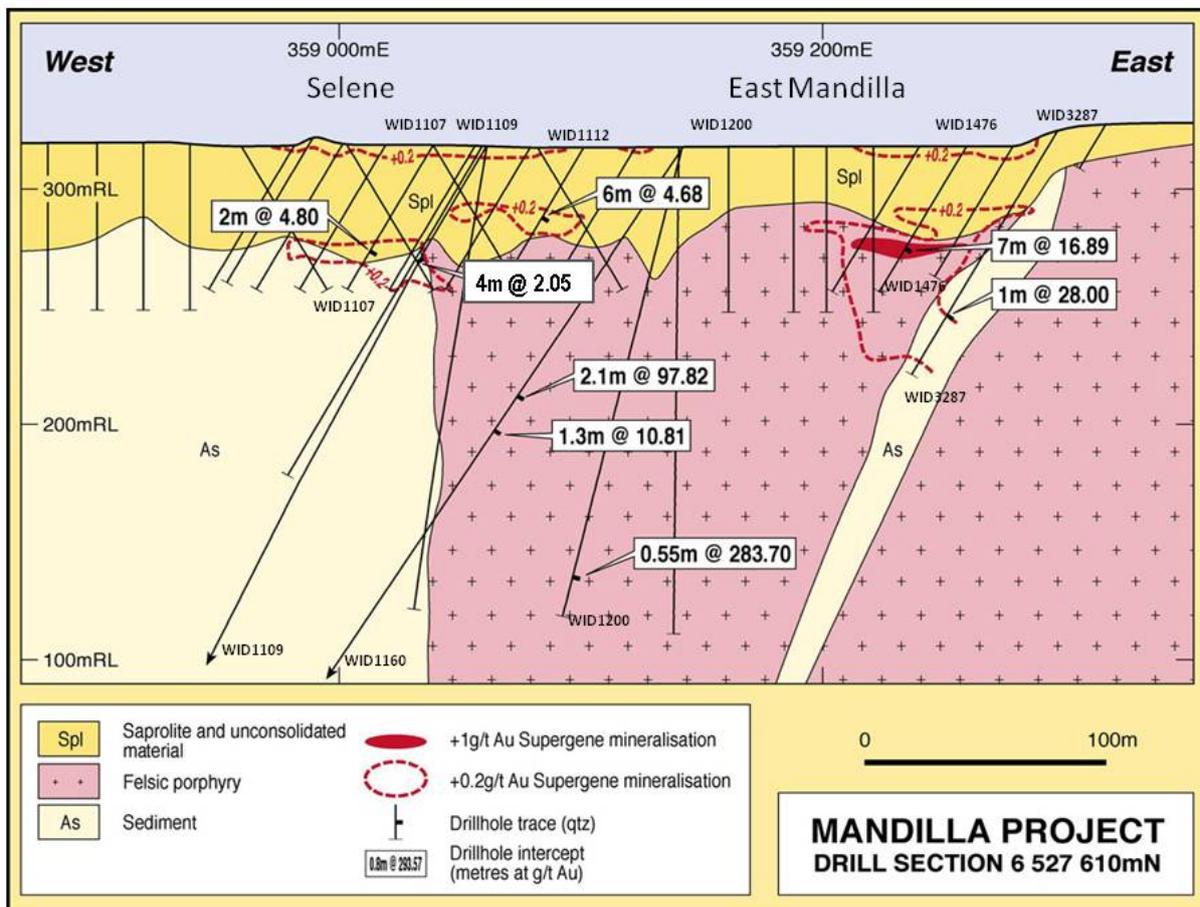


Figure 4

DIRECTORS' REPORT (continued)

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.

SUBSEQUENT EVENTS

On 13 March 2017 the Company announced that it had raised ~\$615,000 from professional and sophisticated investors at an issue price of \$0.02 cents per share.

Other than noted elsewhere in this report, no matters or circumstances have arisen since the end of the half year that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

ANGLO AUSTRALIAN RESOURCES NL

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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 12.

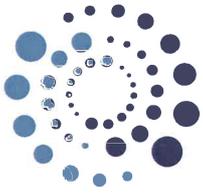
This report is made in accordance with a resolution of directors.



John Jones

Chairman

15 March 2017



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 half-year ended 31 December 2016, 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.

Greenwich & Co Audit Pty Ltd
Greenwich & Co Audit Pty Ltd

Andrew May
Audit Director

15 March 2017
Perth

ANGLO AUSTRALIAN RESOURCES NL

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**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Note	Half-year ended	
		2016	2015
		\$	\$
Interest		18	-
Depreciation and amortisation expenses		-	(316)
Rental expense		(39,244)	(37,386)
Directors fees	3	(80,000)	(80,000)
Share based payments expense	3	(43,000)	-
Other expenses		(79,744)	(123,743)
Exploration expenses		-	(144,295)
LOSS BEFORE INCOME TAX		(241,970)	(385,740)
Income tax expense		-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD ATTRIBUTABLE TO MEMBERS OF ANGLO AUSTRALIAN RESOURCES NL		(241,970)	(385,740)
Basic and diluted loss per share (cents per share)		(0.11)	(0.25)

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 2016

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	31 December 2016 \$	30 June 2016 \$
CURRENT ASSETS			
Cash and cash equivalents		5,560	279,415
Trade and other receivables		29,712	8,609
TOTAL CURRENT ASSETS		35,272	288,024
NON-CURRENT ASSETS			
Other receivables		38,000	38,000
Plant and equipment		-	-
Exploration and evaluation assets	4	1,851,523	1,672,004
TOTAL NON-CURRENT ASSETS		1,889,523	1,710,004
TOTAL ASSETS		1,924,795	1,998,028
CURRENT LIABILITIES			
Trade and other payables		360,849	419,499
Borrowings		1,044	102,708
Rehabilitation provision		65,220	65,220
TOTAL CURRENT LIABILITIES		427,113	587,427
TOTAL LIABILITIES		427,113	587,427
NET ASSETS		1,497,682	1,410,601
EQUITY			
Issued capital	5	29,394,454	29,213,403
Reserves		717,770	569,770
Accumulated losses		(28,614,542)	(28,372,572)
TOTAL EQUITY		1,497,682	1,410,601

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

ANGLO AUSTRALIAN RESOURCES NL

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**CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Issued Capital \$	Options Reserve	Accumulated Losses \$	Total \$
BALANCE AT 1 JULY 2015	28,668,168	432,130	(27,978,782)	1,121,516
Loss for the half-year	-	-	(385,740)	(385,740)
TOTAL COMPREHENSIVE LOSS	-	-	(385,740)	(385,740)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Options issued to directors	198,000	-	-	198,000
Shares issued during the period	-	137,640	-	137,640
BALANCE AT 31 DECEMBER 2015	28,866,168	569,770	(28,364,522)	1,071,416
BALANCE AT 1 JULY 2016	29,213,403	569,770	(28,372,572)	1,410,601
Loss for the half-year	-	-	(241,970)	(241,970)
TOTAL COMPREHENSIVE LOSS	-	-	(241,970)	(241,970)
TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Shares issued	181,051	-	-	181,051
Options issued during the period	-	148,000	-	148,000
BALANCE AT 31 DECEMBER 2016	29,394,454	717,770	(28,614,542)	1,497,682

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

ANGLO AUSTRALIAN RESOURCES NL

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**CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016**

	Half-year	
	2016	2015
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	(149,274)	(149,757)
Net cash used in operating activities	(149,274)	(149,757)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	18	-
Payments for exploration and evaluation expenditure	(175,651)	(124,607)
Net cash used in investing activities	(175,633)	(124,607)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	111,052	155,000
Repayment of borrowings	(70,000)	(102,076)
Proceeds from borrowings	10,000	-
Net cash provided by financing activities	51,052	52,924
Net (decrease) in cash and cash equivalents	(273,855)	(221,440)
Cash and cash equivalents at the beginning of the half-year	279,415	241,301
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	5,560	19,861

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

ANGLO AUSTRALIAN RESOURCES NL

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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 2016 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 2016 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 2016 the Company incurred a loss of \$241,970 and had a net negative working capital balance of \$391,841.

The directors recognise that the ability of the Company to continue as a going concern and to pay its debts as and when they fall due for the next 12 months is dependent on the ability of the Company to secure additional funding through either the issue of further shares and / or options.

The directors have reviewed the business outlook and are 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 and the Company has approximately \$500,000 in cash as at the date of this financial report. The directors believe that they will continue to be successful in securing additional funds as and when the need to raise working capital arises.

Should the Company be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

Adoption of new and revised Accounting Standards

In the half-year ended 31 December 2016, 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 2016.

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 2016. 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

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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: SHARE BASED PAYMENTS

The Group measure the cost of equity-settled transactions by reference to the fair value of the equity instrument at the date at which they are granted. The fair value of options is determined by an internal valuation using a Black-Scholes option pricing model. The valuation relies on the use of certain assumptions. If the assumptions were to change, there may be an impact on the amounts reported.

13,500,000 Options valued at \$148,000 were issued to Directors and contractors during the 6 month period to 31 December 2016 (2015: 37,200,000 Options, valued at \$57,640) in lieu of directors fees and loan amounts owed by the Company to the directors and for contractor bonuses.

During the 6 months to 31 December 2016, 5,833,333 shares were issued to directors in lieu of directors fees and loan amounts owed by the Company to the directors.

A summary of shares and options issued is at Note 5

NOTE 4: EXPLORATION & EVALUATION EXPENDITURE

	Half-year Ended 31 Dec 2016 \$	Year ended 30 June 2016 \$
Balance at beginning of the period	1,672,004	1,451,001
Exploration expenditure capitalised during the period	179,519	231,187
Exploration expenditure written off during the period	-	(10,184)
Balance at end of the period	<u>1,851,523</u>	<u>1,672,004</u>

ANGLO AUSTRALIAN RESOURCES NL

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NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

NOTE 5: CHANGES IN EQUITY SECURITIES ON ISSUE

	31 Dec 2016 Shares	31 Dec 2016 \$
Issues of ordinary shares during the half-year		
Balance at 1 July	209,311,348	29,213,403
Shares issued at 1 cent per share		
Shares issued at approximately 1.2 cent per share	9,845,010	111,051
Share based payments (i)	5,833,333	70,000
Balance at 31 December	224,989,691	29,394,454

- (i) 5,833,333 shares were issued to directors in lieu of directors fees and loan amounts owed by the Company to the directors

Movements of options during the period

EXPIRY DATE	EXERCISE PRICE (CENTS)	1 JULY 2016	LAPSED	ISSUED	EXERCISED	BALANCE AT THE END OF THE PERIOD	VESTED AND EXERCISABLE AT THE END OF THE PERIOD
30 November 2019	2.0	32,300,000	-	-	-	32,300,000	32,300,000
30 November 2020	2.0	37,200,000	-	-	-	37,200,000	37,200,000
30 November 2020	2.5	-	-	10,500,000 ¹	-	10,500,000	10,500,000
30 November 2020	4.0	-	-	3,000,000 ²	-	3,000,000	3,000,000

1. Options issued to directors in lieu of directors fees and loan amounts owed by the Company.

2. Options issued to contractors in consideration for services rendered.

NOTE 6: CONTINGENCIES

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

NOTE 7: SUBSEQUENT EVENTS

On 13 March 2017, the Company announced that it had raised \$615,000 from professional and sophisticated investors at an issue price of \$0.02 cents per share.

Other than that, noted above, no matter or circumstance have arisen since 31 December 2016, 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

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DIRECTORS' DECLARATION

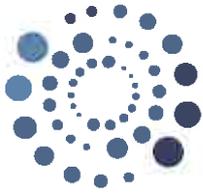
In the directors' opinion:

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 2016 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
15 March 2017



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 condensed statement of financial position as at 31 December 2016, the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and the condensed 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 the company 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 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 company's financial position as at 31 December 2016 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:

- giving a true and fair view of the company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date;
- and 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 opinion, we draw attention to Note 1 to the financial statements which outlines that the ability of the Company to continue as a going concern is dependent on the Company securing additional funding through either the issue of further shares and/or options.

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 assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Greenwich & Co Audit Pty Ltd
Greenwich & Co Audit Pty Ltd



Andrew May
Audit Director

15 March 2017