# ANGLO AUSTRALIAN RESOURCES NL

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1.5-KILOMETRE LONG/ 100-METRE WIDE GOLD TARGET IDENTIFIED AT MANDILLA SOUTH

Anglo Australian Resources NL ("Anglo Australian" or the "Company") is pleased to provide an exploration update in relation to the Company's Mandilla Gold Project, located some 70 km south of Kalgoorlie, and 24 km west of Kambalda, Western Australia.

At Mandilla, Anglo Australian has previously achieved production of approximately 23,000 ounces of gold from an open-cut palaeochannel.

At Mandilla East, the Company has previously identified a bedrock Inferred Resource of 357,000 tonnes at 3.3 g/t Au for approximately 38,000 contained ounces (ASX 13/06/13).

Moreover, at Mandilla South, along strike and down dip from Mandilla East, gold intersections were recorded in wide spaced traverses of RC and Aircore drill holes previously completed by Anglo Australian Resources, the most notable being 2 metres at 6.2 g/t (ASX 30/01/14). These features are variously illustrated in Figure 1.

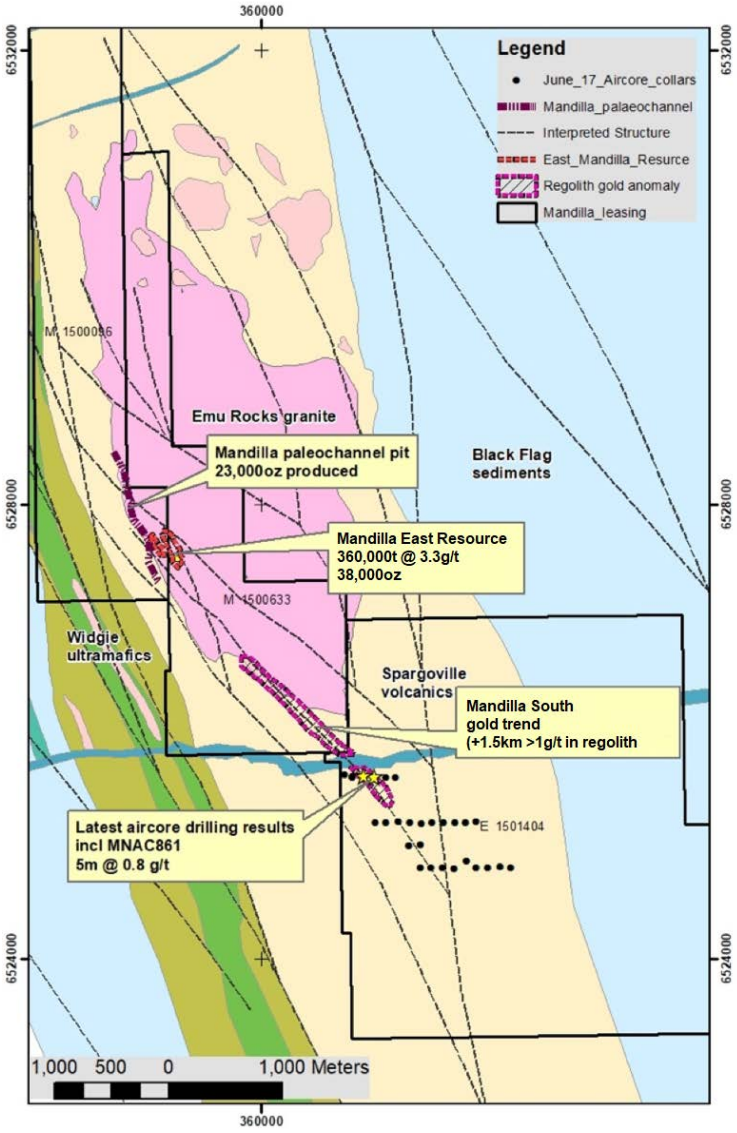


Figure 1 – Gold prospects and recent aircore intersections Mandilla Project

As announced to the market on 4 August 2017, earlier this year, the Company undertook an aircore drilling campaign on the recently granted Exploration Licence 15/1404 to test for a south-east continuation of Mandilla South.

Specifically, the program involved some 28 holes along (essentially) three 400-metre-spaced traverses for an aggregate 1,525 metres, with an average depth of approximately 55 metres per hole.

Anglo Australian is pleased to report that, having now more fully evaluated the results, the drill program successfully extended the mineralised trend for an additional 500 metres, such that the Mandilla South weathered bedrock target now extends along the NW-SE strike for more than 1.5 km and with a width of typically 100 metres, with gold values exceeding 1 g/t recorded in most of the holes along the trend.

The gold values returned indicate a likely supergene-enriched gold zone at a vertical depth of from 40 to 50 metres.

The strong gold anomalous trend appears to be related to a shear zone close to the margin of the Emu Rocks granite, where is swings into a more favourable NW-orientation around the rigid granite body.

The Mandilla South target, identified by way of significant drilling results from both the latest and previous drilling programs (RC results highlighted in red, aircore results in yellow), is illustrated below in Figure 2.

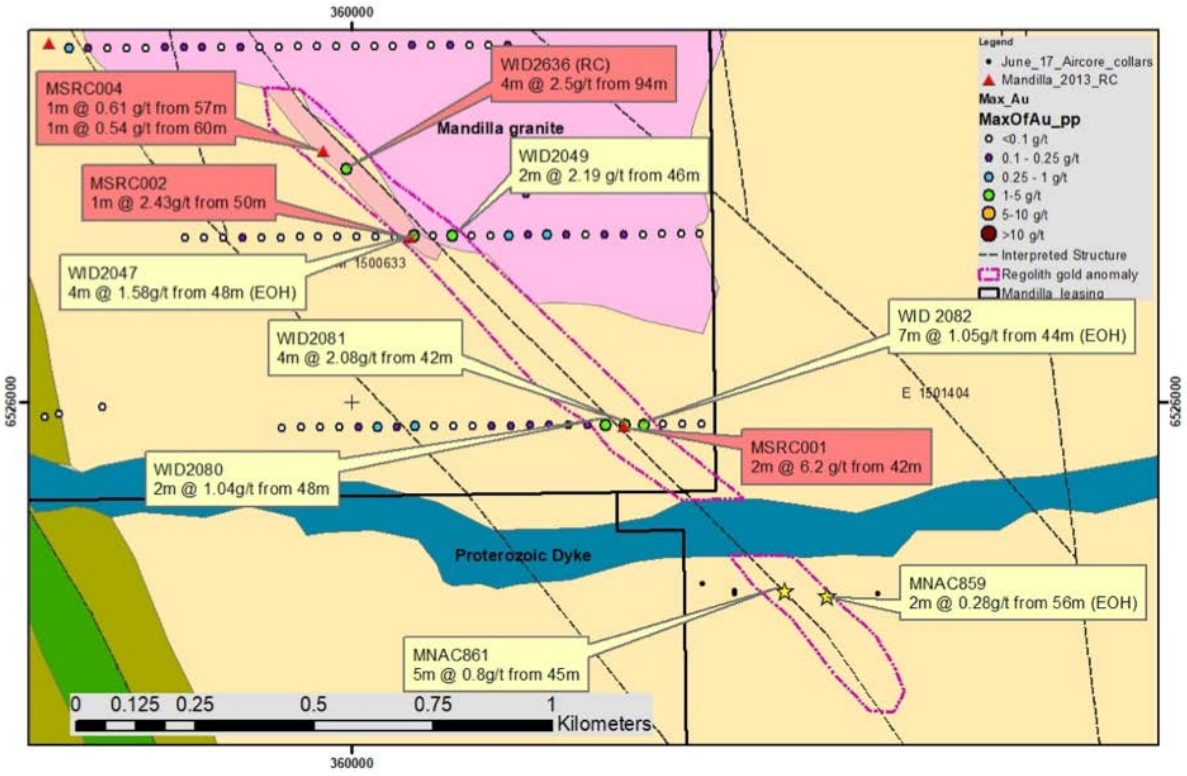

Figure 2 – Mandilla South target and drilling results

It is noted that, whilst primary bedrock mineralisation was not intersected in the five reverse circulation holes previously drilled at Mandilla South, these holes were drilled vertically, and are unlikely to have been an effective test of any steeply-dipping bedrock mineralisation.

Anglo Australian considers Mandilla South to be a high priority target for further exploration.

Aircore drilling completed to date is on 400-metre-spaced East-West lines, or more than 500 metre spaced along the trend of the anomaly.

Infill aircore lines on 160-metre-spaced centres are planned to better define the anomaly, to seek higher grade or thicker zones of mineralisation, and better position any future bedrock drilling program.

## About the Mandilla Project

The Mandilla Project, situated in the northern part of the Widgiemooltha corridor, hosts significant nickel and gold deposits including Ghost Crab (+1Moz gold) about 30 km to the north, and the high-grade Wattle Dam deposit just 3 km to the west of Mandilla which produced 880,000 tonnes @ 10.1 g/t for 286,000 oz of gold from open pit and underground operations.

The geology of the Mandilla project comprises a belt of ultramafic and high-magnesian basalts along the western flank, transitioning to the Spargoville volcanoclastic sediments to the east. Intruding the sedimentary sequence is the Emu Rocks granite (a high-level stock of porphyritic monzogranite). A significant NNW-trending structural corridor passes along the western flank of the Emu Rocks granite, along the entire length of the Mandilla project. This structural corridor, and its interaction with the western flank of the Emu Rocks granite, is the prime focus of gold exploration at Mandilla.

Gold mineralisation at Mandilla, including the Mandilla East resource, is related to extensional quartz vein arrays and potentially shear-hosted lodes in the Emu Rocks granite. Visible gold occurs within the quartz veins, and the eroded products of this mineralisation were deposited in ancient stream drainages overlying and adjacent to the granite. Anglo Australian produced some 23,000 ounces of gold from one such palaeochannel in 2006 and 2007.

Table 1

MANDILLA AC DRILLING SUMMARY - September 2017:

| Prospect | Hole Id | E GDA94 | N GDA94 | From m | To m | Width m | Dip ° | Az ° | Au ppb AR25/MS | Comments |
|---|---|---|---|---|---|---|---|---|---|---|
| Pipe Line | MNAC859 | 361000 | 6525591 | 56 | 57 | 1 | -90 | 0 | 122 | |
| | | | | 57 | 58 | 1 | -90 | 0 | 445 | EOH. |
| | MNAC861 | 360909 | 6525601 | 44 | 45 | 1 | -90 | 0 | 521 | |
| | | | | 46 | 47 | 1 | -90 | 0 | 1728 | |
| | | | | 47 | 48 | 1 | -90 | 0 | 834 | |
| | | | | 48 | 49 | 1 | -90 | 0 | 431 | |
| | | | | 49 | 50 | 1 | -90 | 0 | 504 | |

Cutoff < 100pbb

For further information:

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Compliance Statement

The information in this report that relates to 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 Results.

## Section 1: Sampling Techniques and Data - Mandilla

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| *Sampling techniques* | • *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.*<br>• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*<br>• *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.* | 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.<br>All samples were trucked to Intertek in Kalgoorlie each day. On completion of the drilling program the samples were submitted for analysis.<br>Intertek assay standards, blanks and checks and were inserted at regular intervals. |
| *Drilling techniques* | • *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).* | Aircore Drilling - blade bit. For a 4. 5 inches diameter hole. |
| *Drill sample recovery* | • *Method of recording and assessing core and chip sample recoveries and results assessed.*<br>• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*<br>• *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.* | Visual – amount in sample piles, poor recoveries recorded in sample book.<br>Not known at this stage: more drilling is required to establish if there is any sample bias. |
| *Logging* | • *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.*<br>• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*<br>• *The total length and percentage of the relevant intersections logged.* | 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.<br>Logging is carried out at metre intervals. |
| *Sub-sampling techniques and sample preparation* | • *If core, whether cut or sawn and whether quarter, half or all core taken.*<br>• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*<br>• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*<br>• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*<br>• *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.*<br>• *Whether sample sizes are appropriate to the grain size of the material being sampled.* | 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.<br>Standard Western Australian sampling techniques applied. There has been no statistical work carried out at this stage.<br>Intertek assay standards, blanks and checks and were inserted at regular intervals. No duplicates or standards were submitted by the company.<br>Sample sizes are appropriate to the grain size of the material being sampled. |
| *Quality of assay data and laboratory tests* | • *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*<br>• *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.*<br>• *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether* | Sample receipt – LIMS Registration – Sample sorting and Reconciliation<br>Sample weights are recorded – Samples dried on trays 105° C for a minimum of 12 hours<br>Samples are pulverised to 85% passing 75um using a LM5 Pulveriser.<br>Pulps sent to Intertek Perth. 25 gram sample split off.<br>Assayed for Au, As Co, Cu, Ni, Pb, Zn by method AR25/MS, Samples assaying greater than 1000ppb Au assay by AR25hMS |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| | *acceptable levels of accuracy (ie lack of bias) and precision have been established.* | Standard Intertek Minerals protocols re blanks, standards & duplicates applied.<br>Certified Reference Material (G311 , G314- 8 , G910 – 6 & G911 – 6) from Geostats Pty Ltd submitted at 50 metre intervals approximately.<br>Referee sampling has not yet been carried out. |
| *Verification of sampling and assaying* | • *The verification of significant intersections by either independent or alternative company personnel.*<br>• *The use of twinned holes.*<br>• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*<br>• *Discuss any adjustment to assay data.* | Contractor J Chellew verified hole position on site<br>Standard data entry used on site, backed up in Subiaco WA.<br>No adjustments have been carried out |
| *Location of data points* | • *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.*<br>• *Specification of the grid system used.*<br>• *Quality and adequacy of topographic control.* | Drill holes have been picked up by hand held Garmin GPS 78). ( 5 -10 metre accuracy)<br><br>Grid: GDA94 Datum UTM Zone 51 |
| *Data spacing and distribution* | • *Data spacing for reporting of Exploration Results.*<br>• *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.*<br>• *Whether sample compositing has been applied.* | Drill hole spacing 100m on section, and 400m sectional spacing;<br><br>Sample compositing was undertaken over 4 metre intervals where possible. |
| *Orientation of data in relation to geological structure* | • *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*<br>• *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.* | All drill holes have been drilled normal to the interpreted strike. |
| *Sample security* | • *The measures taken to ensure sample security.* | All samples taken daily to Intertek yard in Kalgoorlie. |
| *Audits or reviews* | • *The results of any audits or reviews of sampling techniques and data.* | No audits have been carried out at this stage. |

## Section 2: Reporting of Exploration Results - Mandilla

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| *Mineral tenement and land tenure status* | • *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.*<br>• *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.* | Mining Leases 15/96 and 15/633 and Exploration Licence 15/1404. All are owned 100% by Anglo Australian Resources NL<br>The licences are in good standing.<br>No known impediments. |
| *Exploration done by other parties* | • *Acknowledgment and appraisal of exploration by other parties.* | Unavailable at current time. |
| *Geology* | • *Deposit type, geological setting and style of mineralisation.* | Archaean orogenic gold mineralisation hosted by felsic to intermediate schist, Mafic volcanics, ultramafic intrusives and porphyry. |
| *Drill hole Information* | • *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:*<br>  • *easting and northing of the drill hole collar*<br>  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*<br>  • *dip and azimuth of the hole*<br>  • *down hole length and interception depth*<br>  • *hole length.* | This Information has been summarised in Table 1 of the ASX announcement. |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| | • *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.* | |
| *Data aggregation methods* | • *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.*<br>• *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.*<br>• *The assumptions used for any reporting of metal equivalent values should be clearly stated.* | No data aggregation methods have been used.<br>A 100 ppb Au lower cut off has been used to calculate grades.<br>This has not been applied |
| *Relationship between mineralisation widths and intercept lengths* | • *These relationships are particularly important in the reporting of Exploration Results.*<br>• *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.*<br>• *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').* | Not known at this stage. |
| *Diagrams* | • *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.* | Applied |
| *Balanced reporting* | • *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.* | Balanced reporting has been applied. |
| *Other substantive exploration data* | • *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.* | No other substantive exploration data. |
| *Further work* | • *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*<br>• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.* | Follow up Aircore, Reverse Circulation & Diamond Drilling is planned.<br>No reporting of commercially sensitive information at this stage. |