

Quarterly Report

for the three months ended
30 September 2017

Anglo Australian Resources NL

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

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Capital Structure

280,893,922 ordinary shares
32,300,000 options (\$0.02, exp. 30/11/19)
37,200,000 options (\$0.02, exp. 30/11/20)
10,500,000 options (\$0.025, exp 30/11/20)
3,000,000 options (\$0.04, exp 30/11/20)
8,950,000 options (\$0.08, exp 30/11/20)

Board Members

John Jones
Executive Chairman

Peter Stern
Non-Executive Director

Graeme Smith
Director / Company Secretary



Summary & Highlights

EXPLORATION

Feysville

- Third round aircore drilling campaign undertaken at the Think Big Prospect which exceeds 1.6 kilometres in length defined by a 100 ppb gold contour
- The core of the prospect is defined by a >200 ppb gold bedrock contour over an 800 metre strike length and 100 to 200 metre width, including a peak 1,000 ppb gold contour which extends over a 200 metre strike length and contains a maximum value of approximately 3.6 g/t gold
- First round RC Drilling identified a very significant NNW-striking zone of primary gold mineralisation of typically 1.0 to 1.7 g/t gold, but including higher grade zones, over a strike length of approximately 200 metres and widths of up to 50 metres (best result 49 metres at 1.71 g/t gold from 33 metres)

Mandilla

- Reconnaissance aircore drilling program undertaken at Mandilla South extended known gold mineralisation to >1.5 km in strike, 100-metre wide, generally at 1+ g/t gold

Koongie Park

- A field program commenced using the new data sets to evaluate the prospective structural corridors and interpreted target areas. Geological mapping, rock chip sampling and an evaluation of the regolith profiles over areas with historical soil surveys in prospective areas is currently being undertaken.

CORPORATE

- \$770,00 raised through a share placement to sophisticated investors.

Details

EXPLORATION

FEYSVILLE GOLD PROJECT – WA

Anglo Australian - 100% interest (with Mining Tenements under purchase option held by Anglo Australian)

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 1). 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.

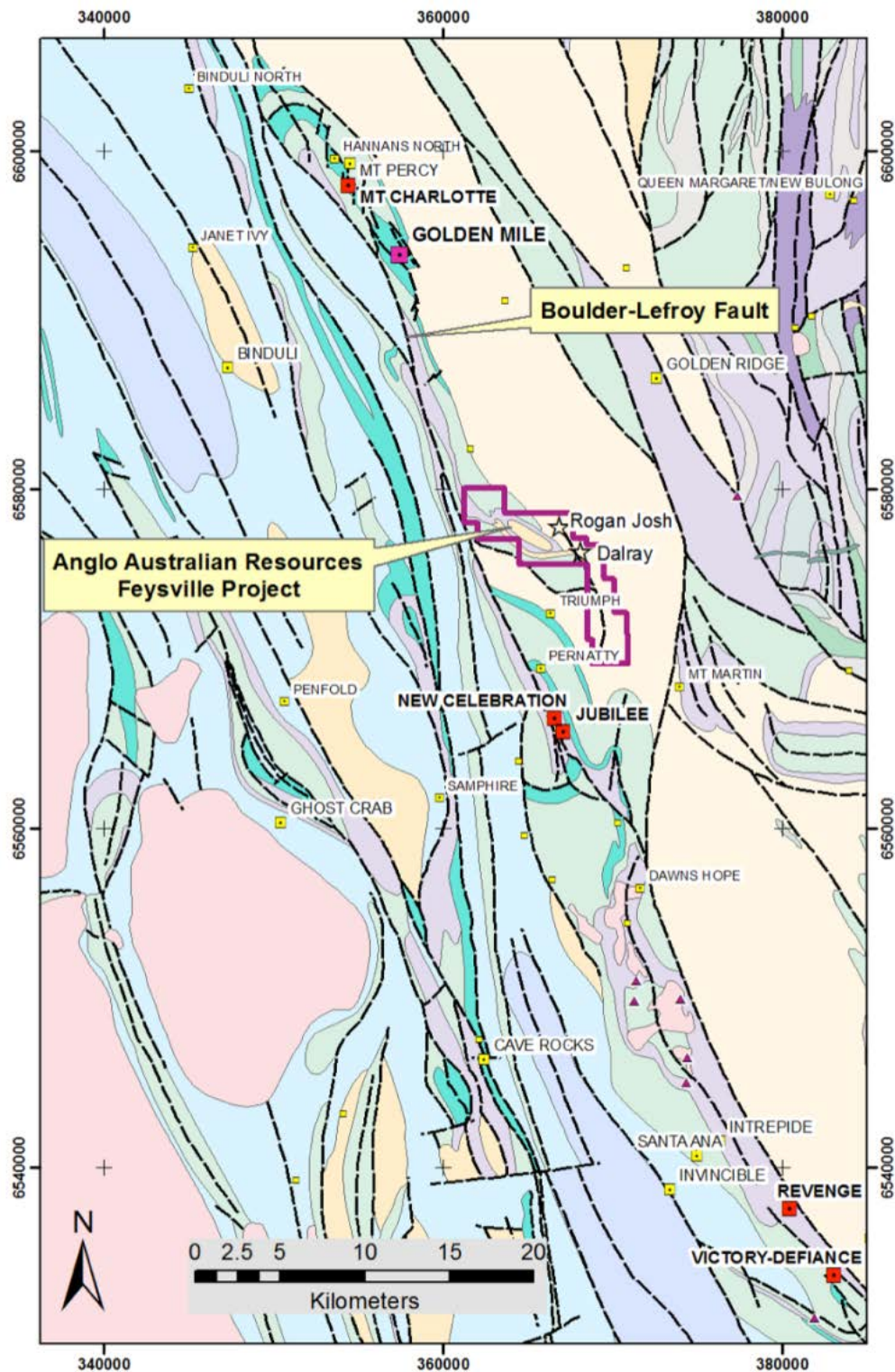


Figure 1: Feysville Gold Project Location Map

Think Big Prospect

The Think Big Prospect was initially located by first-round aircore drilling earlier in 2017 after a detailed ground magnetic survey highlighted the southern continuation of the shear zone corridor hosting the Ethereal prospect (and now referred to as the Ethereal Shear Zone).

During the September Quarter, the Company received results of the 17 hole, third round Aircore drilling campaign undertaken previously, the aim of which was further definition of the Think Big Prospect.

Drilling traverses were positioned perpendicular to the strike of the shear zone with holes drilled at -60° towards 230° or 50°. All holes were drilled to blade refusal; however, on occasions, the AC hammer was used to penetrate harder rock.

The campaign successfully extended the Think Big prospect to the south and further defined the geometry of supergene and bedrock gold anomalism in preparation for RC drilling.

On the basis of a +100 ppb gold anomaly threshold (denoted by the orange contour in the map below), the Think Big anomaly is now interpreted as being more than 1.6 kilometres in length and is open to the southeast.

The core of the anomaly is defined by greater than 200 ppb gold bedrock contour over an 800 metre strike length, with a width of between 100 and 200 metres. Within this core anomaly lies a peak 1,000 ppb gold contour (denoted by the pink line in the map below) which extends over a 200 metre length and contains a maximum value of approximately 3.6 g/t gold.

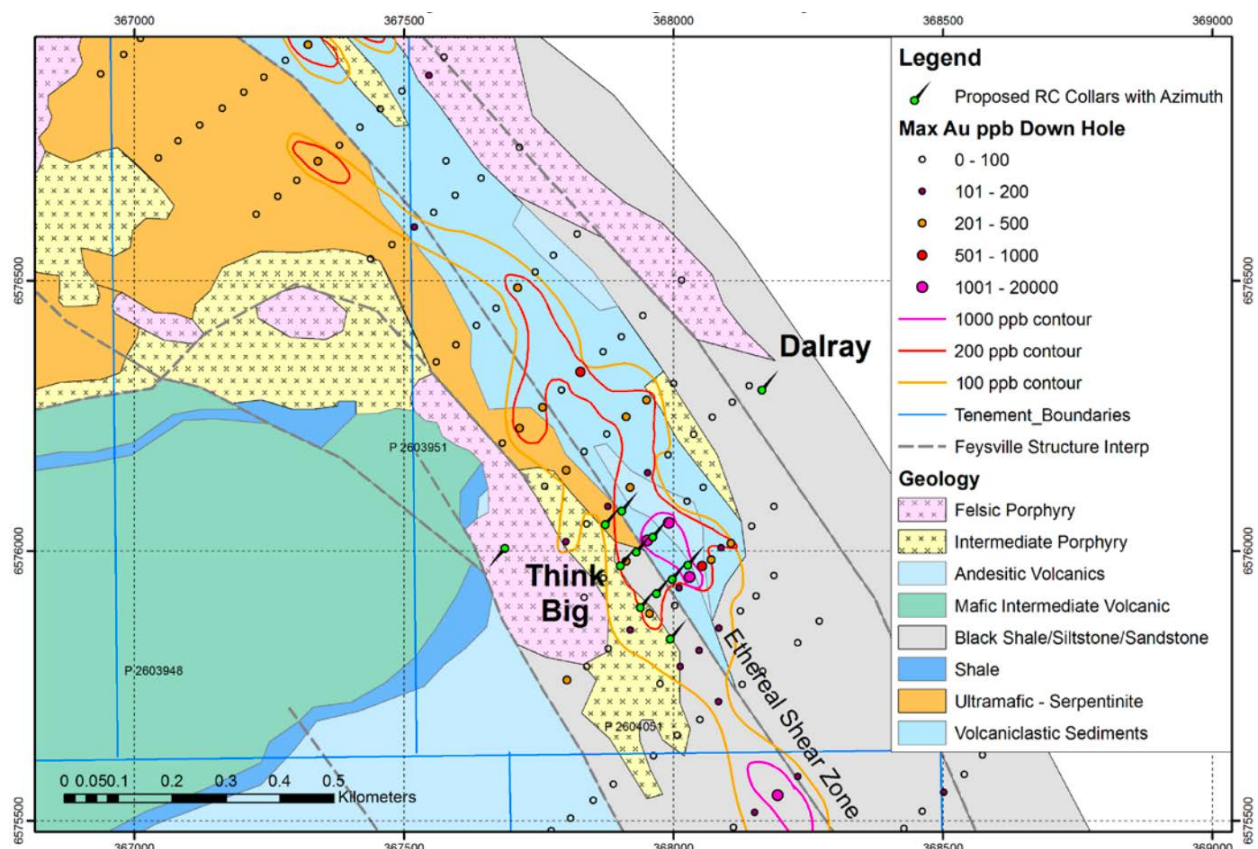


Figure 2. Geology showing location of Think Big with contoured gold results from aircore drilling rounds 1, 2 & 3

The Company subsequently undertook a first-round Reverse Circulation ("RC") drilling campaign involving the drilling of 18 holes at Think Big.

Holes were oriented to the northeast to intersect interpreted steeply SW-dipping fabrics mapped in outcrop.

A plan view of prospects and RC drill holes completed at Think Big is set out below in Figure 3 (black dots denoting drill-hole locations).

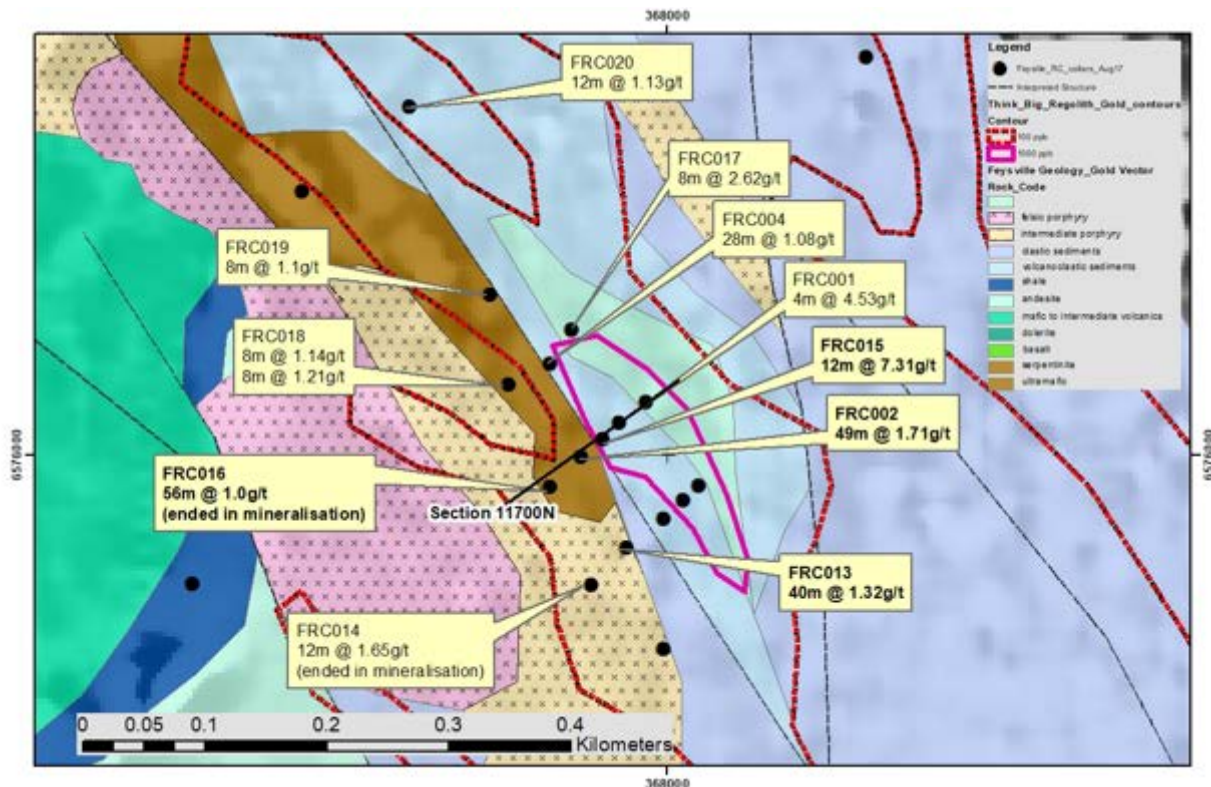


Figure 3: Interpreted geology of the Feysville gold project at Think Big with gold-in-regolith anomalies defining known prospect outlines. Collar positions for the recent RC program reported here are shown as block dots.

A significant NNW-striking zone of primary gold mineralisation was discovered over a strike length of approximately 200 metres and over widths of up to 50 metres. It is important to note that only 500 metres of the 1.6+ km long prospect as defined from aircore drilling was RC drill-tested in this first-round campaign.

Bedrock mineralisation appears to be sub-vertical, and is related to altered intermediate to felsic porphyry intrusions and volcanoclastic sediments within the regional NW-trending Ethereal Shear Zone, which forms the boundary between ultramafic rocks to the west and Black Flag sediments to the east.

Altered rocks include variable intensity silica-albite-sericite-carbonate-pyrite-pyrrhotite assemblages associated with discrete shear zones and foliation, but with limited quartz veining evident. Limited multi-element data shows a strong correlation between gold and tungsten mineralisation, with lesser correlation with elevated tellurium, copper and arsenic.

Notable results within the bedrock mineralisation (with intersection widths stated) include:

- FRC002 intersected 49 metres at 1.71 g/t gold, including 18 metres at 2.76 g/t, from 33 metres
- FRC013 intersected 40 metres at 1.32 g/t gold from 24 metres
- FRC014 intersected 12 metres at 1.65 g/t gold from 76 metres. This hole was abandoned at 88 metres just after the hole penetrated what is interpreted to be the western contact of the primary mineralised zone, and will be completed as a diamond tail at a later date
- FRC016, the deepest hole drilled to date, intersected 3 zones of primary mineralisation separated by lower grade domains, including 56 metres at 1.0 g/t gold from 128 metres which ended in mineralisation at 1.42 g/t gold at 184 metres

Leached Archean basement, typically 20 to 30 metres in thickness, is present beneath a 1- to 2-metre veneer of transported lake clay cover. At the saprolite-bedrock transition, a consistent 50- to 100-metre wide zone of sub-horizontal supergene gold mineralisation is present. Mineralisation can be greater than 2 metres in thickness and grades between 3 to 12 g/t gold.

FRC015 intersected 12 metres at 7.31 g/t gold from 36 metres demonstrating the potential for higher-grade near surface supergene mineralisation of significant width.

Significant near-surface supergene mineralisation exceeding 1 g/t gold is has been confirmed over almost the full 500-metre strike length drilled to date at Think Big, and remains open along strike both to the north and south. Of interest is that earlier aircore drilling has often only touched the top of and, in some cases, failed to reach the supergene gold zone.

A cross section at Section 11700N illustrating the supergene-enriched zone overlaying a broad zone of bedrock mineralisation is set out below in Figure 4.

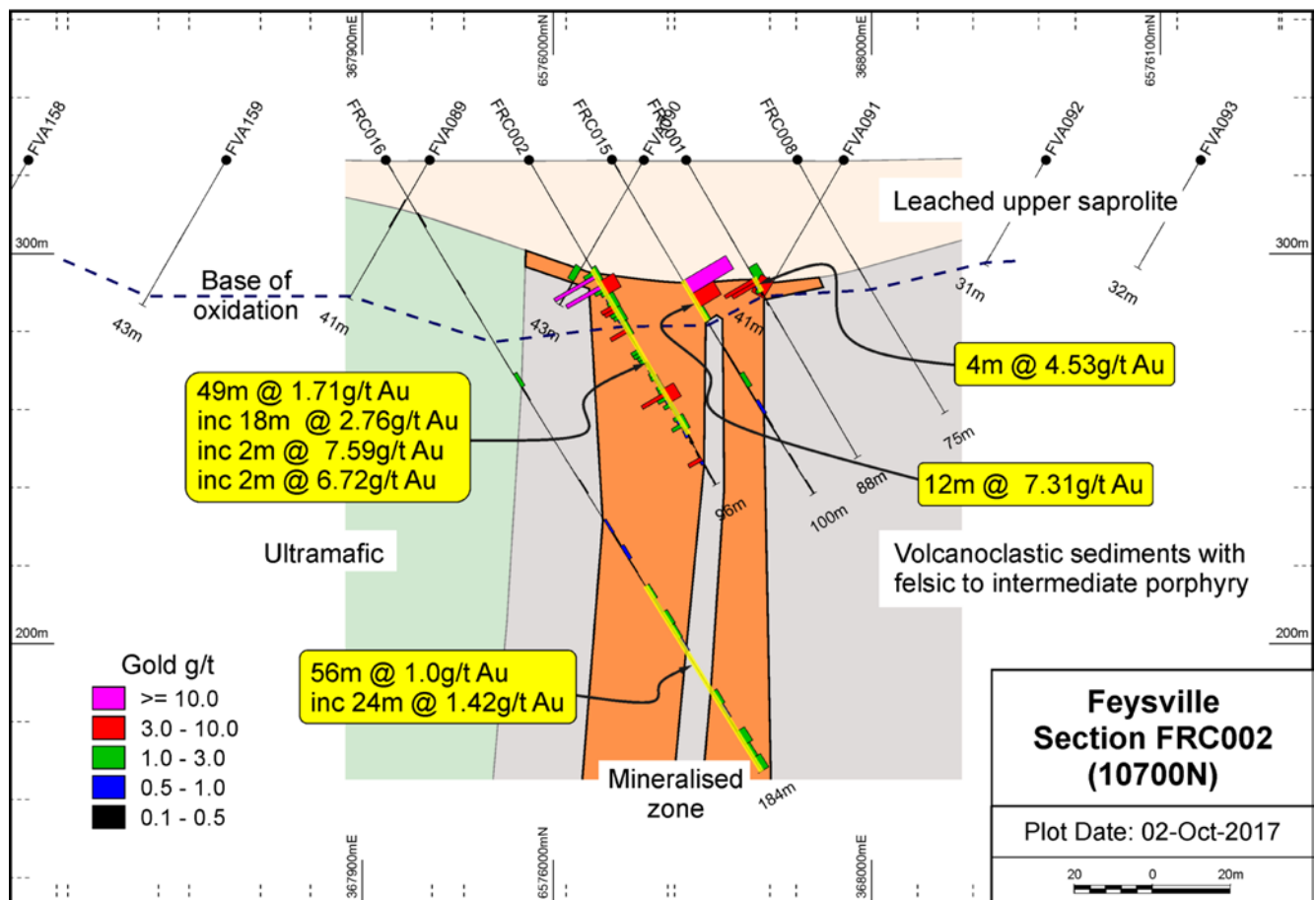


Figure 4: Interpreted geology cross section at Section 11700N illustrating the supergene-enriched zone. (overlaying bedrock mineralisation of typically 50 metres in down hole length). 4-metre composite assays are shown on right side of hole trace, and 1-metre samples on the left side for holes FRC001 and FRC002.

As previously announced, funding assistance to the amount of \$100,000 has been granted to the Company by the Department of Mines and Petroleum, Western Australia under its Exploration Incentive Scheme Co-funded Exploration Drilling Program.

Such funds are to be used for the drilling of three deep diamond drilling holes at Feysville, with the main focus on Think Big, in order to target potentially gold mineralised structures at depth.

This program will commence shortly and will be the subject of a separate announcement.

Rogan Josh, Dalray and Kamperman Prospects

An aggregate of 7 holes of the RC program referred to above were drilled at the Rogan Josh, Dalray and Kamperman Prospects.

Minor gold values were recorded from 2 NE-directed holes at Rogan Josh designed to “scissor” previous RC drilling. The lack of mineralisation in these holes suggests that primary mineralisation at Rogan Josh may dip to the east.

No significant values were recorded from the one hole at Dalray.

Given that significantly anomalous gold values have been recorded in close proximity, the results of the current campaign at these prospects were somewhat disappointing.

Four holes were completed at Kamperman, with anomalous gold identified in four zones in FRC006, including 6 metres at 3.5 g/t gold from 49 metres, and in three zones in FRC009, including 4 metres at 3.12 g/t gold from 50 metres. The results are considered encouraging and warrant additional drilling to further define the orientation and continuity of gold mineralisation.

MANDILLA GOLD PROJECT – WA

Anglo Australian – 100%

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.

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

Along strike and down dip from Mandilla East, a number of gold intersections in rotary air blast and aircore drill holes previously completed by Anglo Australian contain anomalous gold zones, the most notable being 2 metres at 6.21 g/t. (ASX 30/01/14).

A map of the Mandilla tenements, illustrating the key features referred to above, is set out in Figure 5.

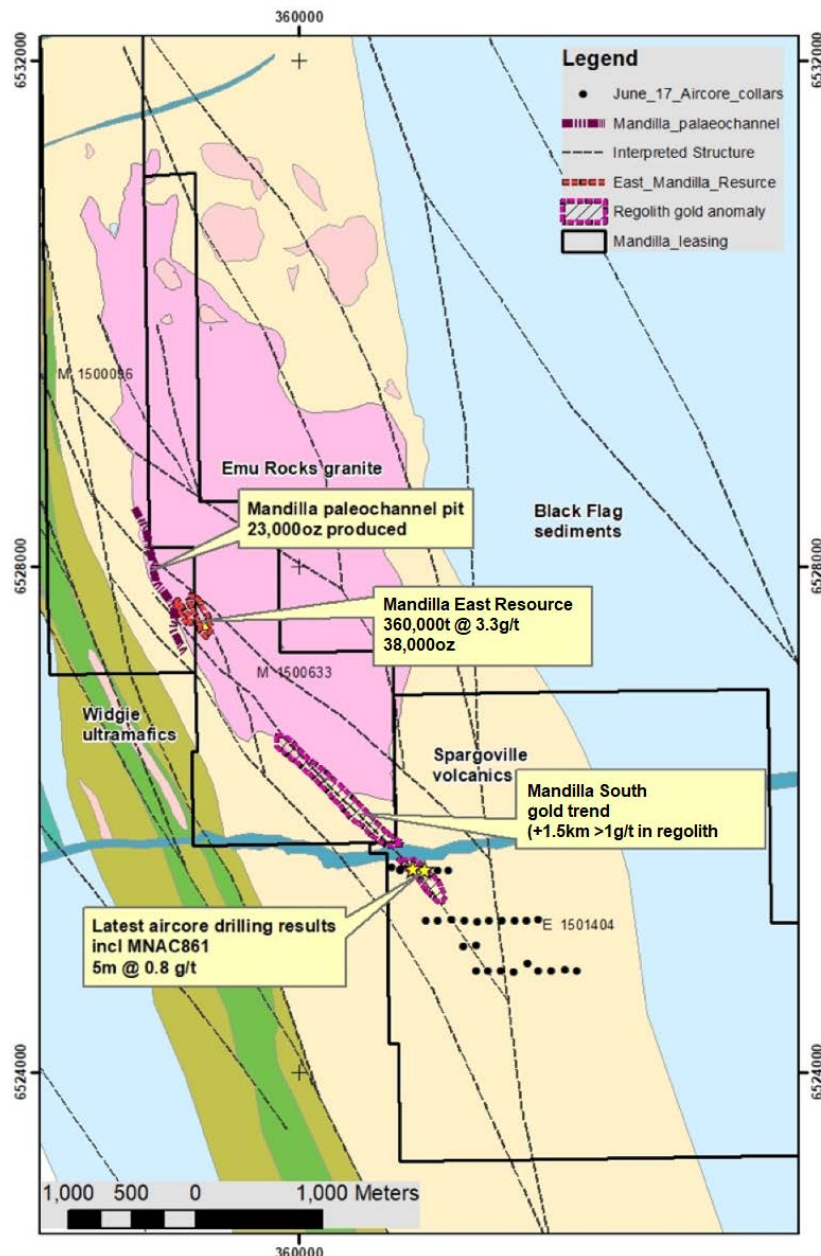


Figure 5: Mandilla Project tenement map illustrating key geological features.

During the June Quarter a reconnaissance Aircore drilling program was undertaken to cover the strike projection of the Mandilla East mineralisation and bedrock gold mineralisation delineated in Aircore and RC drilling to the south east. 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, with the results having been fully evaluated during the September Quarter, the drill program successfully extended the mineralised trend at the newly named Mandilla South target for an additional 500 metres, such that **it 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 it 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 6.

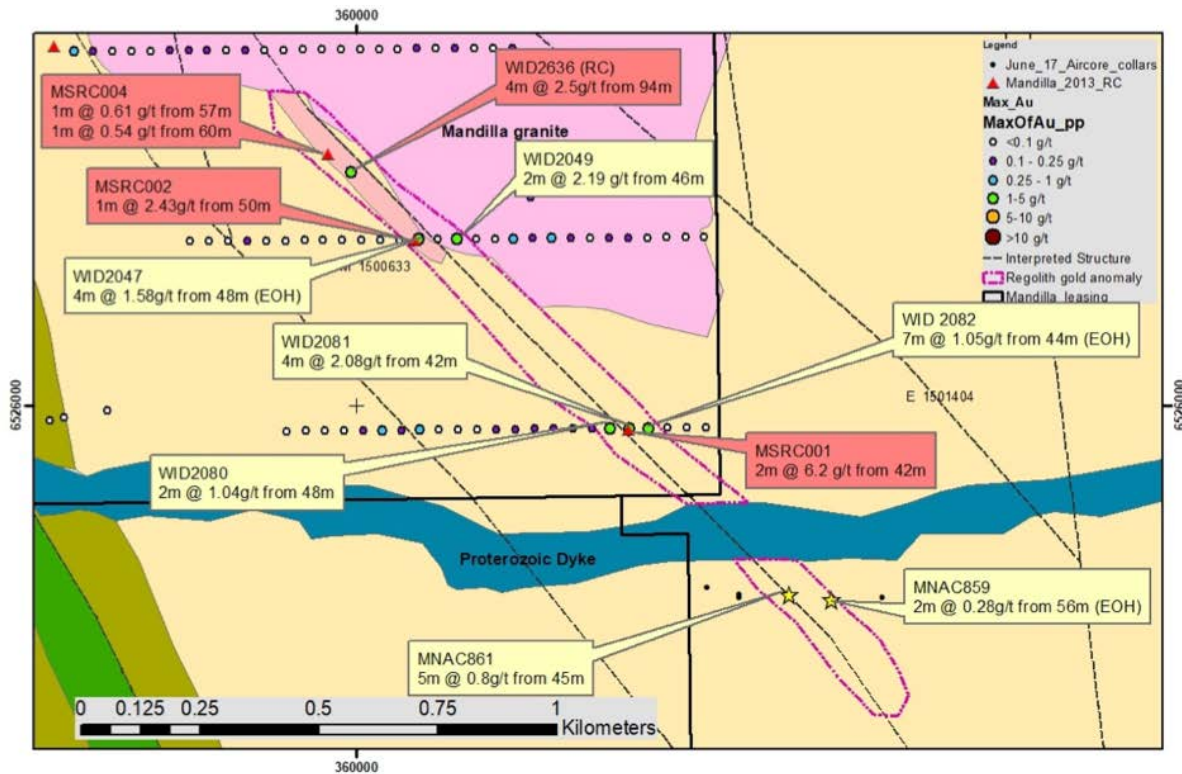


Figure 6: Map illustrating Mandilla South target, drilling results and key geological features.

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

KOONGIE PARK GOLD AND BASE METALS PROJECT – WA

Anglo Australian - 100% interest

The Koongie Park Project is situated 20 km so the south west of Halls Creek in the Eastern Kimberley regions of Western Australian.

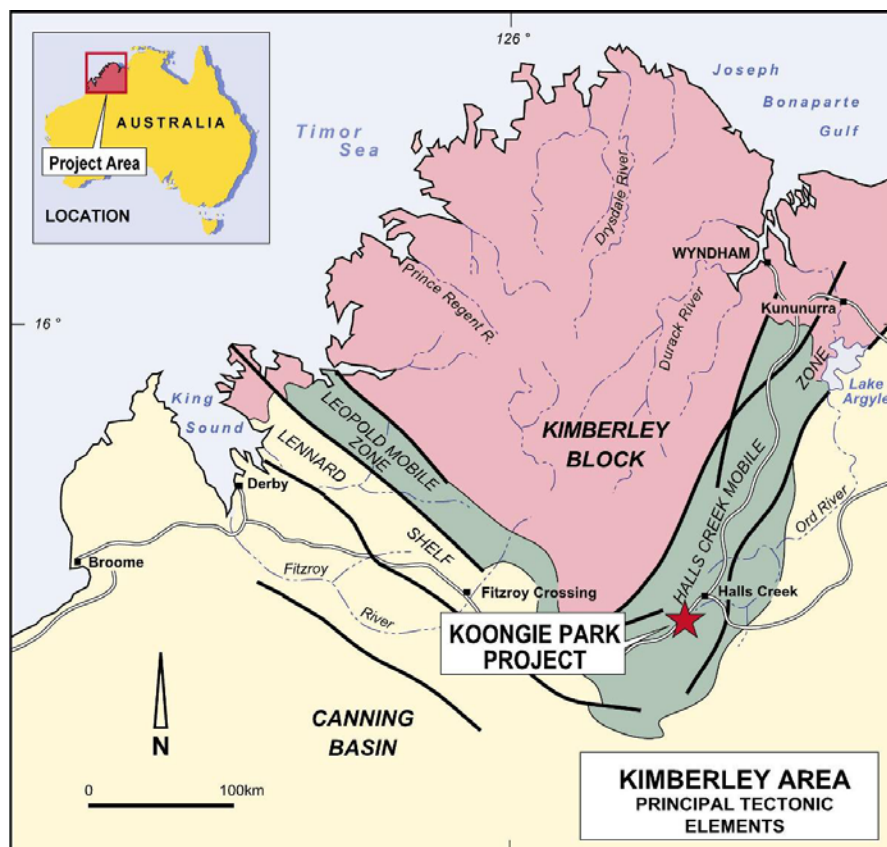


Figure 7: Koongie Park location map.

Anglo Australian holds a significant tenement position, as illustrated in Figure 8.

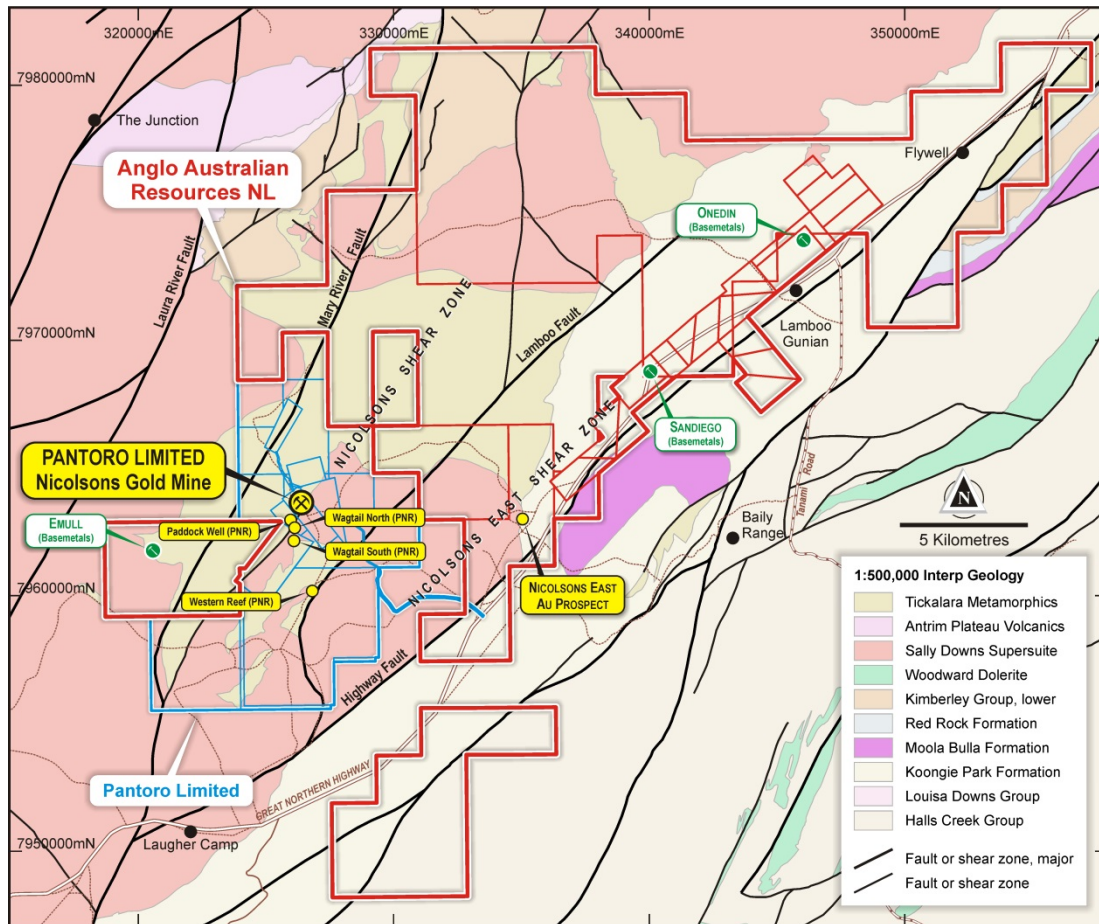


Figure 8: Koongie Park tenement map illustrating key features.

Various tenements held by Anglo Australian (red outline in map above) are adjacent to the ground position held by the ASX-listed, Pantoro Limited, which currently has a market capitalisation of approximately \$155 million.

Pantoro owns the Nicolsons Gold Project which is currently producing gold at a rate of approximately 40,000 ounces per annum.

Anglo Australian hosts some 14 kilometres of the Nicolsons Shear Zone to the north of the Pantoro ground.

Anglo Australian also holds some 30 kilometres of strike along the Nicolsons East Shear Zone, approximately 8 kilometres to the east of and sub-parallel to the Nicolsons Shear Zone. This zone hosts a number of highly attractive targets including the undrilled Nicolsons East Prospect which outcrops over approximately a two kilometres length and where gold mineralised rock chip samples assays up to 15.7 g/t Au have previously been recorded – refer Figure 9.

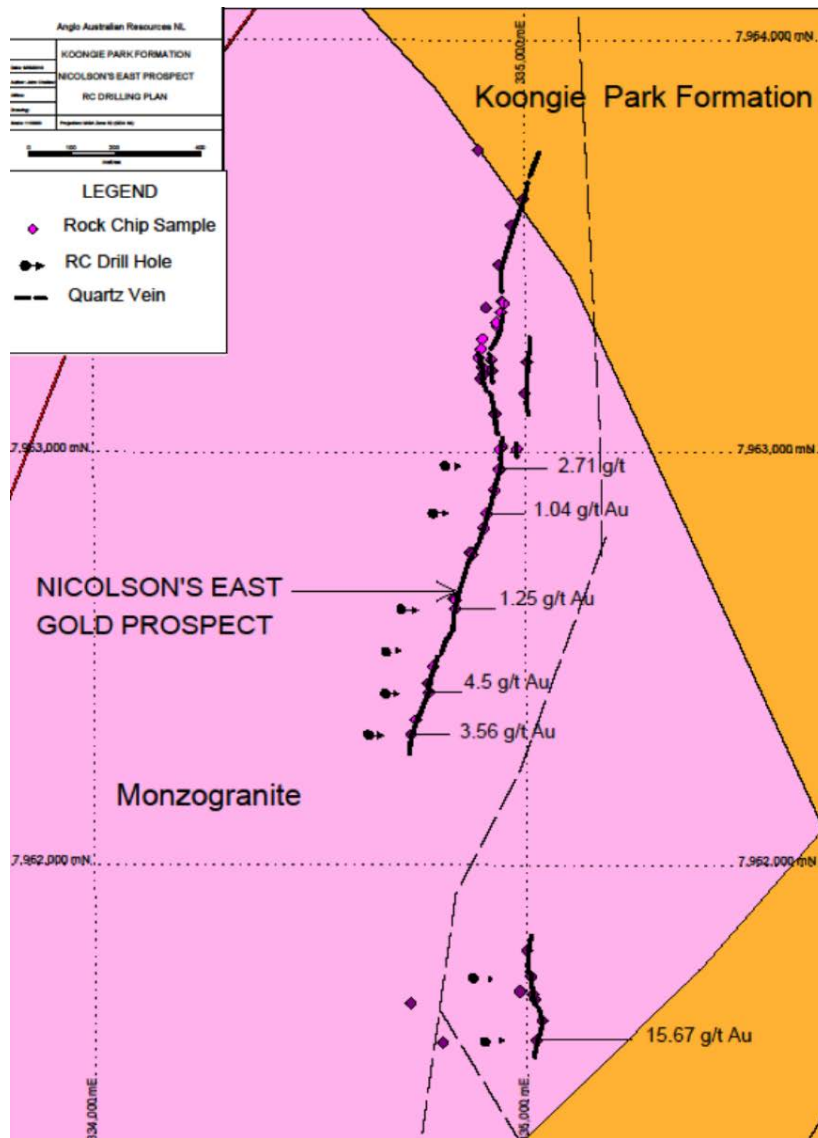


Figure 9: Nicolsons East Gold Prospect.

As such, Anglo Australian's ground position at Koongie Park is highly prospective for gold.

The ground position is also highly prospective for base metals with significant mineralisation previously identified at Sandiego and Onedin.

SANDIEGO DEPOSIT

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 in situ Metal	50,000 tonnes copper, 115,000 tonnes zinc, 2 million ounces of silver & 26,000 ounces of gold

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 in situ Metal	36,000 tonnes copper & 140,000 tonnes zinc metal

Figure 10: Koongie Park base metals mineral resources.

During the September Quarter, Anglo Australian recommenced significant exploration activities at Koongie Park after a long hiatus.

The Company engaged geological consultants, Map to Mine, which completed a historical data compilation and review project over Anglo's Koongie Park tenements.

A total of 393 historical reports were reviewed, summarised and compiled into a central database. Compilation included digitising maps to locate data points as well as typing of relevant locational, geochemical and geological data. The resulting database contains 1,710 drill holes, including 20,074 down hole assays, and 17,642 geochemical samples with associated assay data. This data has been converted to GIS compatible files and has highlighted a number of anomalous areas and gaps in previous exploration.

Additionally, geophysical consultants, Terra Resources, were contracted by Anglo Australian to merge open-file aeromagnetic data sets and produce a series of images over the Koongie Park Project.

This detailed data will help to validate an early structural overview (2015) by Gold Vector Pty Ltd. Two main structural corridors have been prioritized for follow up as number of target zones have been identified that are coincident with historical anomalous gold rock chip sampling.

Late in the September Quarter, the Company commenced a field program comprising geological mapping, rock chip sampling and an evaluation of the regolith using the new data sets to evaluate the prospective structural corridors and interpreted target areas.

Information from the current field program will be used to form the basis of Anglo Australian's future exploration programs at Koongie Park. The next phase of field work is scheduled to commence following the wet season.

CORPORATE

During the September Quarter, the company undertook a placement to professional investors, issuing 16 million shares at a price of 4.8 cents per share, raising \$770,000.

Costs associated with the issue of \$17,750 were satisfied by way of the issue of a further 369,792 shares.

Prior to this placement, the Company issued approximately 1.6 million shares at 4 cents per shares as payment for services.

The Company also issued approximately 2.5 million shares at 4 cents per share and approximately 7 million \$0.08 30/11/2020 options as Directors' fees.

As at 30 September 2017, the Company had cash on hand of \$600,000.

For further information:

John Jones – Chairman

Telephone: (08) 9322 1788

SCHEDULE OF MINING TENEMENTS

Project	Tenement	Company Interest	Title Registered to
Western Australia			
Koongie Park	M80/276, 277 E80/4389,4766, 4957, 4960 5076,5087 P80/1802-10 P80/1831-1837	100%	Anglo Australian Resources NL
Feysville	P26/3684,3685 P26/3942 – 3951 P26/4051- 4052 P26/4074 – 4077	100%	Anglo Australian Resources NL
Mandilla	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Anglo Australian Resources NL
Leonora	E37/1047 E37/1287	100%	Anglo Australian Resources NL

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.

Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

ANGLO AUSTRALIAN RESOURCES NL

ABN

24 009 159 077

Quarter ended ("current quarter")

30 September 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities			
1.1 Receipts from customers			
1.2 Payments for			
(a) exploration & evaluation		(194)	(194)
(b) development			
(c) production			
(d) staff costs			
(e) administration and corporate costs		(155)	(155)
1.3 Dividends received (see note 3)			
1.4 Interest received			
1.5 Interest and other costs of finance paid			
1.6 Income taxes paid			
1.7 Research and development refunds			
1.8 Other (provide details if material)			
1.9 Net cash from / (used in) operating activities		(349)	(349)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities		

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	770	770
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	770	770

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	179	179
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(349)	(349)
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	770	770
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	600	600

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	50	29
5.2	Call deposits	550	150
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	600	179

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter
\$A'000

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7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter
\$A'000

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

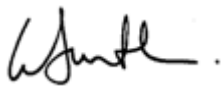
Loan from J Jones – unsecured, interest 6.5%pa

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	200
9.2 Development	
9.3 Production	
9.4 Staff costs	
9.5 Administration and corporate costs	150
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	350

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: ...30 October 2017.....

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.