



Quarterly Report

for the quarter ended
31 March 2021

Anglo Australian Resources NL

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Capital Structure (at 31-Mar-2021)

Fully Paid Ordinary Shares

589,008,384 Ordinary shares

Options

3,000,000	(\$0.135, exp 27/11/22)*
1,250,000	(\$0.133, exp 31/12/21)
1,250,000	(\$0.15, exp 31/12/22)
2,000,000	(\$0.213, exp 07/10/22)

* - subject to various vesting terms

Performance Rights **

3,661,560	Incentive 2020A
10,680,149	Incentive 2020B
2,382,216	LTI 2020C
5,760,517	LTI 2020D

** - subject to various performance and vesting criteria

Board Members

Leigh Warnick

Non-Executive Chairman

Marc Ducler

Managing Director

John Jones AM

Non-Executive Director

Peter Stern

Non-Executive Director

David Varcoe

Non-Executive Director

Summary & Highlights

EXPLORATION

Mandilla Gold Project, Kalgoorlie, WA (100%)

- 13,065 metres of drilling completed during the Quarter, comprising:
 - 11,229 metres of Reverse Circulation (RC) drilling; and
 - 1,836 metres of diamond drilling.
- Broad zones of strong gold mineralisation intersected at the Mandilla East Main Zone (*results released post quarter-end*), with assays including:
 - 83m @ 1.47g/t Au** from 96m in MDRC326
 - 64m @ 1.88g/t Au** from 44m in MDRC324
 - 84m @ 1.00g/t Au** from 91m in MDRC329
 - 53m @ 0.92g/t Au** from 58m plus **36m @ 1.24g/t Au** from 124m in MDRC327
 - 37m @ 0.97g/t Au** from 113m in MDRC330
- Strong results from the Mandilla East RC drilling program, including:
 - 18m @ 4.74g/t Au** from 54m in MDRC351
 - 29m @ 1.81g/t Au** from 105m in MDRC357
 - 7m @ 4.61g/t Au** from 74m in MDRC364
 - 16m @ 1.40g/t Au** from 36m in MDRC352
- Strong results from the Mandilla South RC drill program, including:
 - 21m @ 1.07g/t Au** from 57m in MDRC318
 - 10m @ 1.89g/t Au** from 108m in MDRC307
 - 17m @ 3.29g/t Au** from 101m in MDRC301
 - 52m @ 1.00g/t Au** from 123m in MDRC303
 - 21m @ 1.11g/t Au** from 105m plus **1m @ 14.96g/t Au** from 63m in MDRC310
 - 24m @ 0.83g/t Au** from 88m in MDRC299
 - 10m @ 1.36g/t Au** from 50m in MDRC298
 - 11m @ 1.21g/t Au** from 114m in MDRC296
 - 19m @ 0.84g/t Au** from 58m in MDRC281
- Significant volume of assay results pending.
- Excellent metallurgical testwork results confirm extremely high gold recoveries, fast leach kinetics and low reagent consumption in both the oxide and fresh rock samples.

Koongie Park Project – Farm Out Agreement

- AuKing General Meeting of Shareholders to approve the Koongie Park transaction to be held on Friday 21 May 2021.
- Expected date for re-quotation of AuKing shares on ASX - 7 June 2021.
- Extension granted to 9 June 2021 to allow AuKing to satisfy outstanding conditions precedent.

CORPORATE

- Cash of \$11.2 million at 31 March 2021.



OVERVIEW

Anglo Australian MD Marc Ducler said: “Notwithstanding the industry-wide frustrations with slow assay turnaround, we continued to take make great progress during the Quarter towards establishing a large-scale and high-quality gold asset at Mandilla. We progressed the final phase of our RC and diamond resource drilling programs, which wrapped up in April, and we have continued to generate impressive results which have confirmed the robustness of the mineralisation.

“Work has now commenced on a maiden JORC Mineral Resource estimate, which will be delivered in the June Quarter, and we are also preparing to commence the next phase of exploration beyond the current Resource by mid-year. This is an exciting time for our shareholders and we are looking forward to achieving a number of key milestones in the coming months.”

EXPLORATION

Mandilla Gold Project – WA

AAR – 100% interest

The Mandilla Gold Project is situated in the northern Widgiemooltha greenstone belt in the western part of the Kalgoorlie geological domain, some 70km south of the significant gold mining centre of Kalgoorlie, Western Australia. The location of the project in relation to Kalgoorlie and other nearby gold projects is shown in Figure 1.

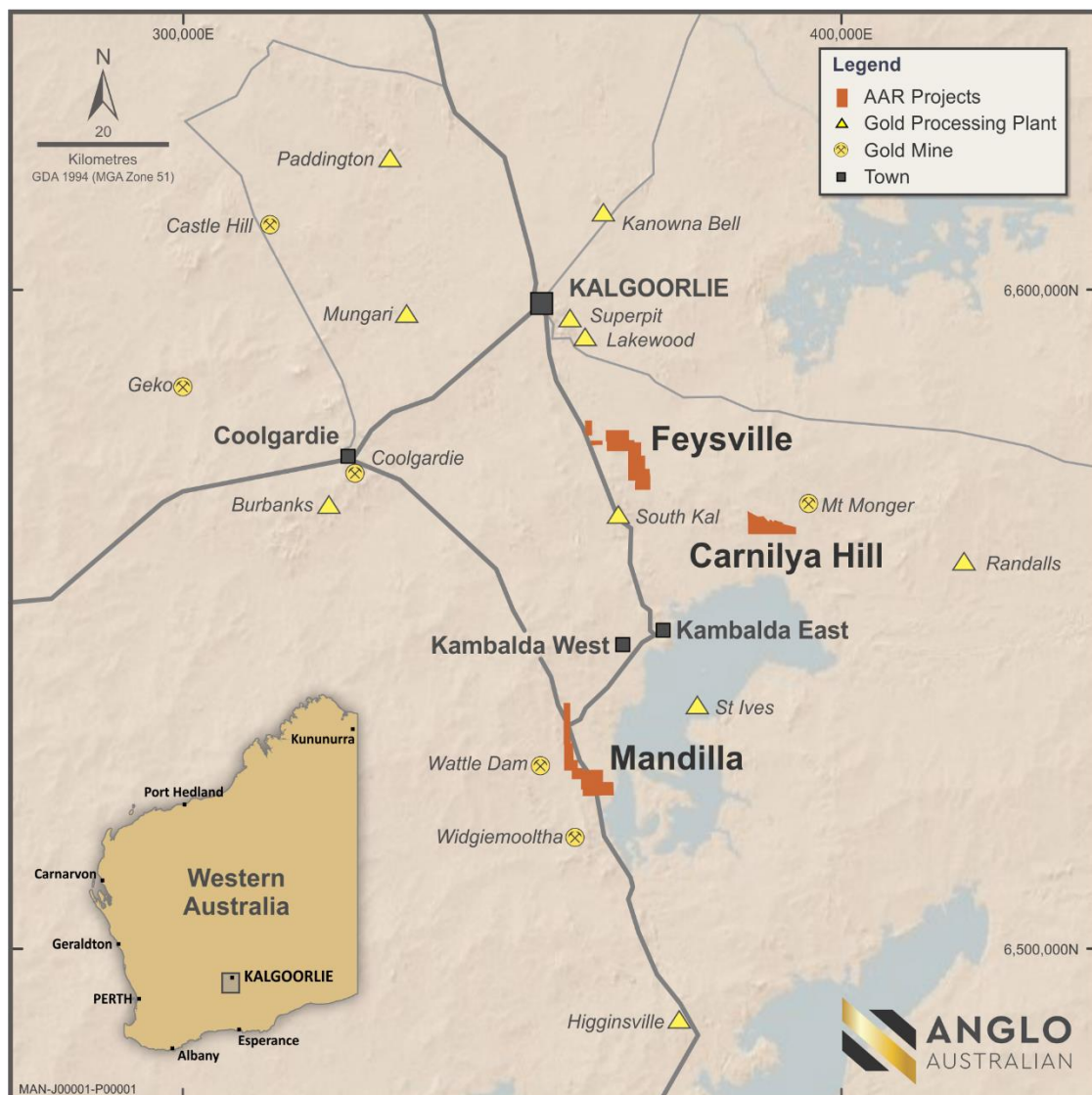


Figure 1 – Mandilla Project, Location Map.



The Project lies on the western margin of a porphyritic granitic intrusion known as the Emu Rocks Granite, locally termed the Mandilla Syenite. The granite intrudes volcanoclastic sedimentary rocks in the project area which form part of the Spargoville Group.

Significant NW to WNW-trending structures along the western flank of the project are interpreted from aeromagnetic data to cut through the granitic intrusion and may be important in localising mineralisation at Mandilla East where a footprint extending over more than 1km strike length has previously been identified.

A second sub-parallel structure appears to host the gold mineralisation at Mandilla South. Here a mineralised footprint extending over a strike length of approximately 500m has previously been identified.

The Mandilla Gold Project is covered by existing Mining Leases which are not subject to any third-party royalties other than the standard WA Government gold royalty.

A map of the Mandilla Gold Project, illustrating key locations and geological features, is shown in Figure 2.

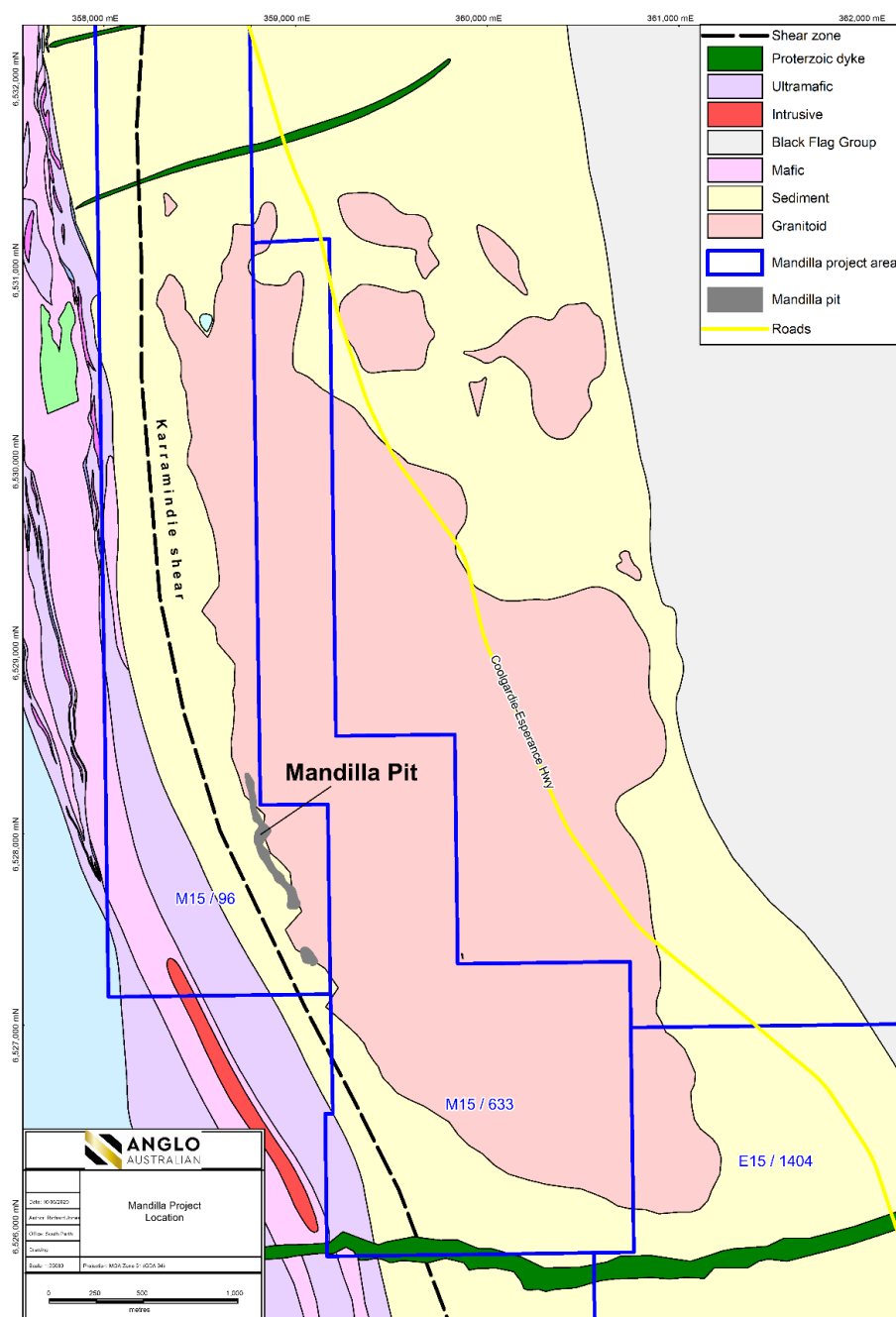


Figure 2 – Mandilla local area geology



The Company released the following drill results during and after the Quarter, noting that the drill results released on 20 April 2021 related to drilling completed up to 31 March 2021.

17 February 2021

On 17 February 2021, the Company announced the results from a total of 62 RC holes for an aggregate of 9,066 metres, drilled up until the Christmas/New Year break at Mandilla South, including the exploration targets to the east and south-east.

Results included the following:

- **17m @ 3.29g/t Au** from 101m in MDRC301
- **52m @ 1.00g/t Au** from 123m in MDRC303
- **21m @ 1.11g/t Au** from 105m plus **1m @ 14.96g/t Au** from 63m in MDRC310
- **24m @ 0.83g/t Au** from 88m in MDRC299
- **10m @ 1.36g/t Au** from 50m in MDRC298
- **11m @ 1.21g/t Au** from 114m in MDRC296
- **19m @ 0.84g/t Au** from 58m in MDRC281

A cross-section at Mandilla South between MDRC301 and MDRC303 is set out in Figure 3. It shows the mineralisation, the interpreted Mandilla South Shear and the NW Fault (Emu Rocks Trend).

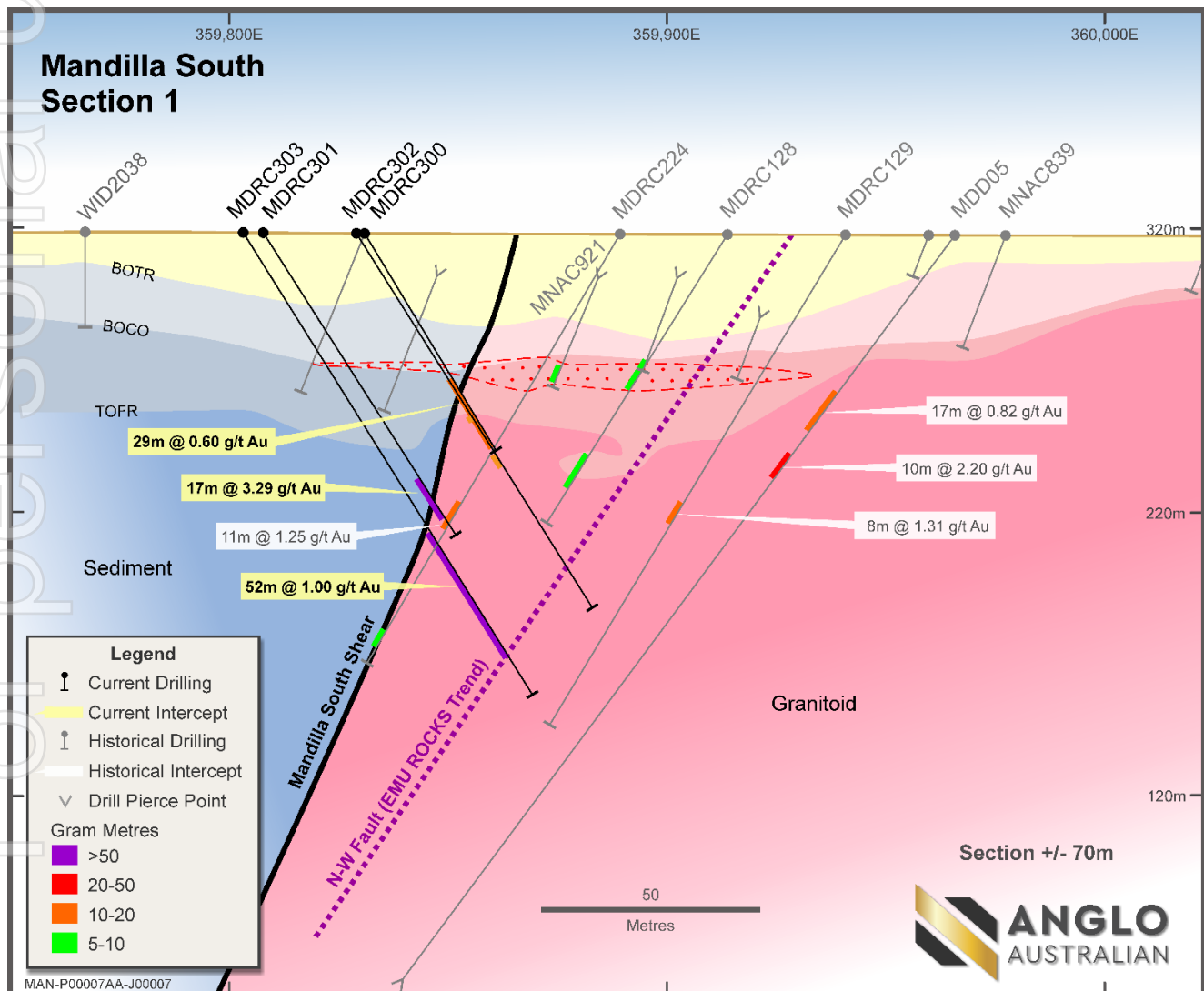


Figure 3 – Mandilla South cross-section (refer Figure 4 for section location)

The location of the drill holes reported on 17 February 2021 are set out in plan view below.

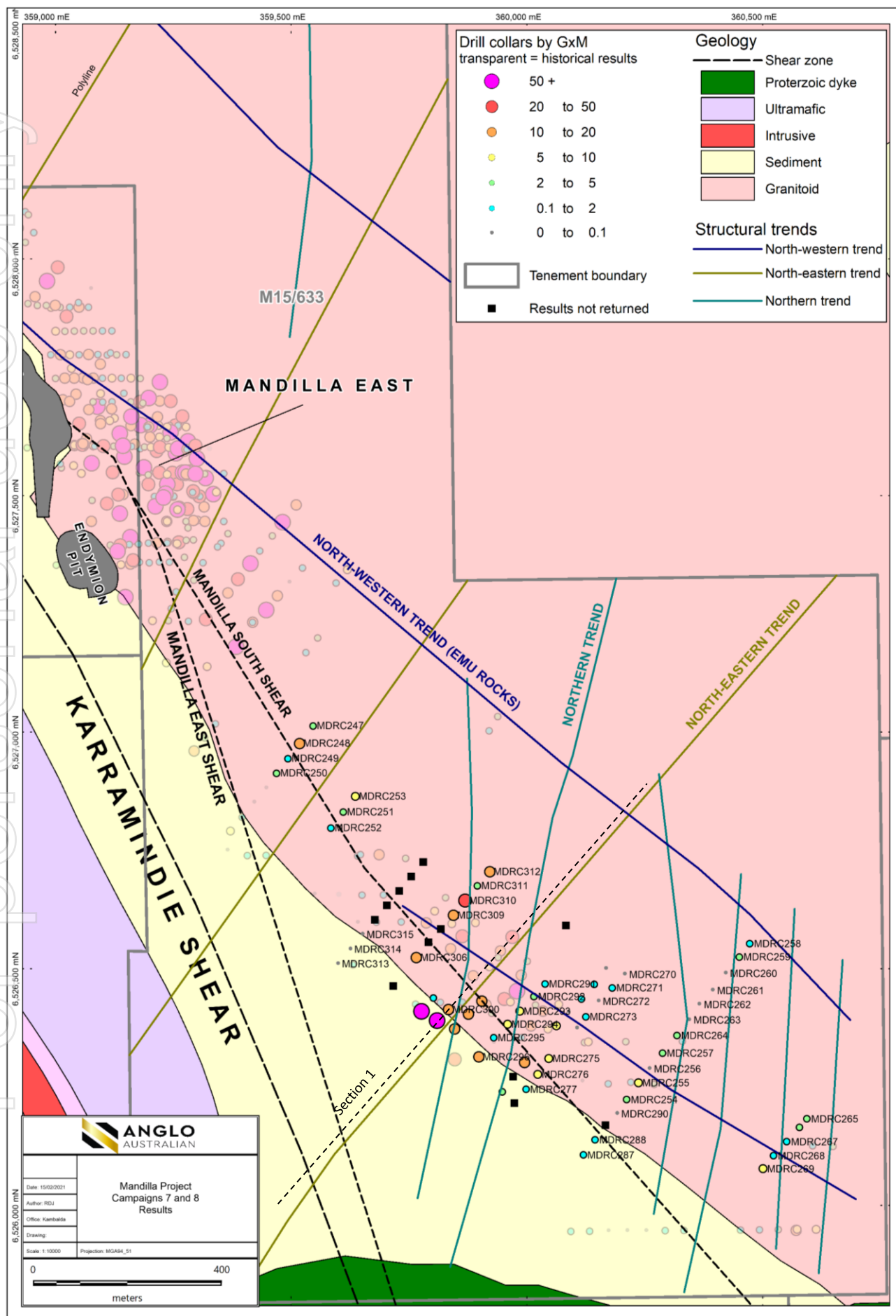


Figure 4 – Drill collar locations of results released 17 February 2021 on local area geology



These results demonstrated a growing footprint of mineralisation at Mandilla South, delineating wide zones of mineralisation that remain open at depth and along strike to the north. This confirmed the potential for the bedrock mineralisation between Mandilla South and Mandilla East to link up.

26 March 2021

On 26 March 2021, the Company announced the results from a total of 34 RC holes for an aggregate of 5,307 metres, drilled up until the Christmas/New Year break. Of the reported 34 RC holes, 23 holes for an aggregate of 3,620 metres was in-fill and extensional drilling at Mandilla East with the remaining 11 holes for an aggregate of 1,687 metres drilled at Mandilla South.

At the northern extents of the Mandilla East mineralisation, results returned broad zones of low-grade mineralisation that were consistent with previous drilling in this area.

Results included:

- **19m @ 0.58g/t Au** from 116m in MDRC241;
- **27m @ 0.50g/t Au** from 70m in MDRC245;
- **19m @ 0.59g/t Au** from 130m in MDRC242; and
- **28m @ 0.41g/t Au** from 37m in MDRC246.

A high-grade zone at the northern extent of Mandilla East, which returned a previously reported intersection of 9m @ 5.89g/t Au from 76m in MDRC195, returned further high-grade intercepts from holes drilled nearby including:

- **18m @ 4.74g/t Au** from 54m in MDRC351; and
- **16m @ 1.40g/t Au** from 36m in MDRC352.

This demonstrates the potential for additional significant high-grade mineralisation to be hosted in this area.

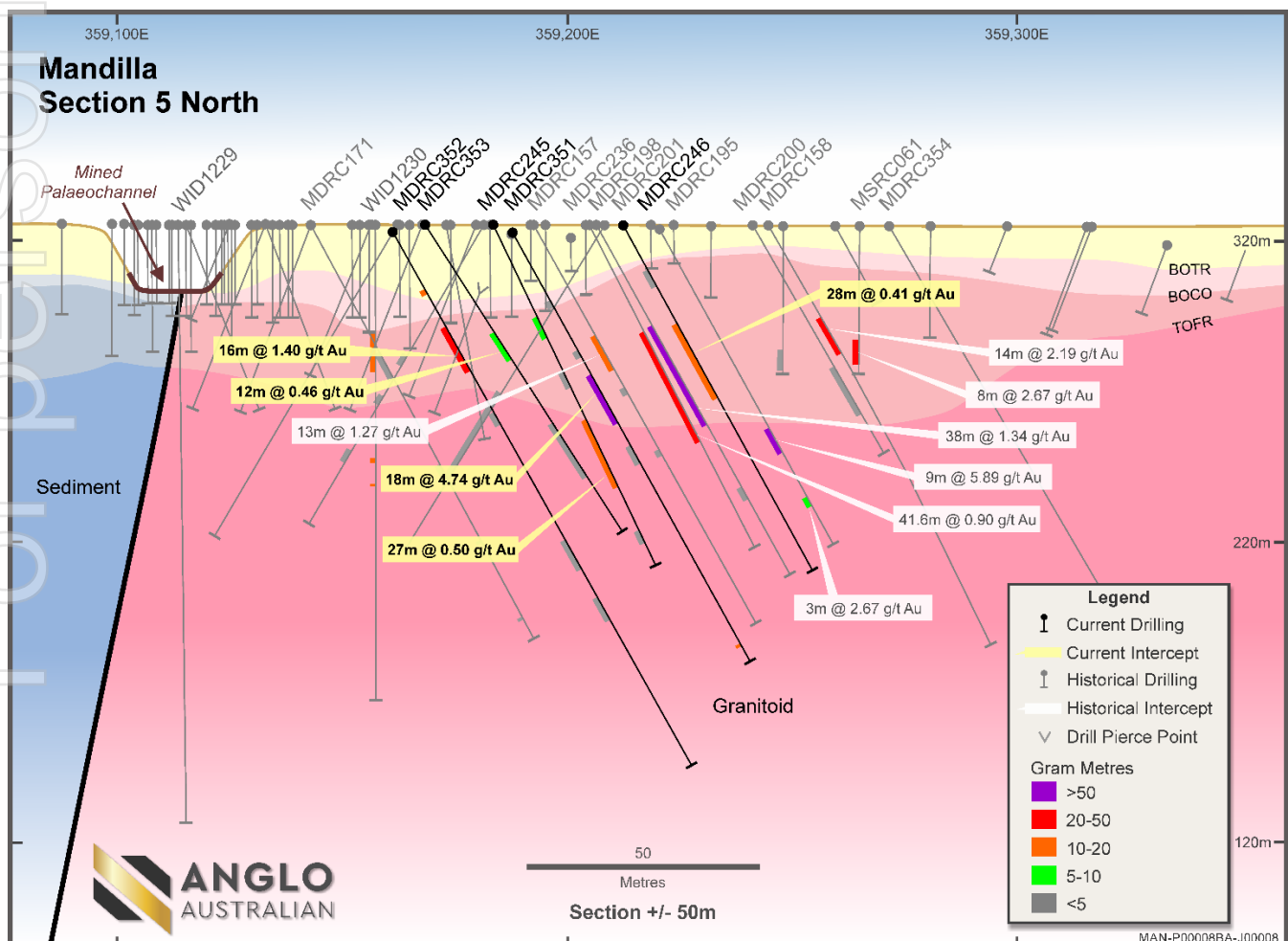


Figure 5 – Mandilla East cross-section (refer Figure 6 for section location)



The cross-section shown in Figure 5 above is located close to the northern extent of the Mandilla East deposit, with most of the reported intersections located within the weathered and transitional zones. This is consistent with the observed southerly plunge of the mineralisation at Mandilla.

The location of the drill holes reported on 26 March 2021 are set out in plan view in Figure 6 below.

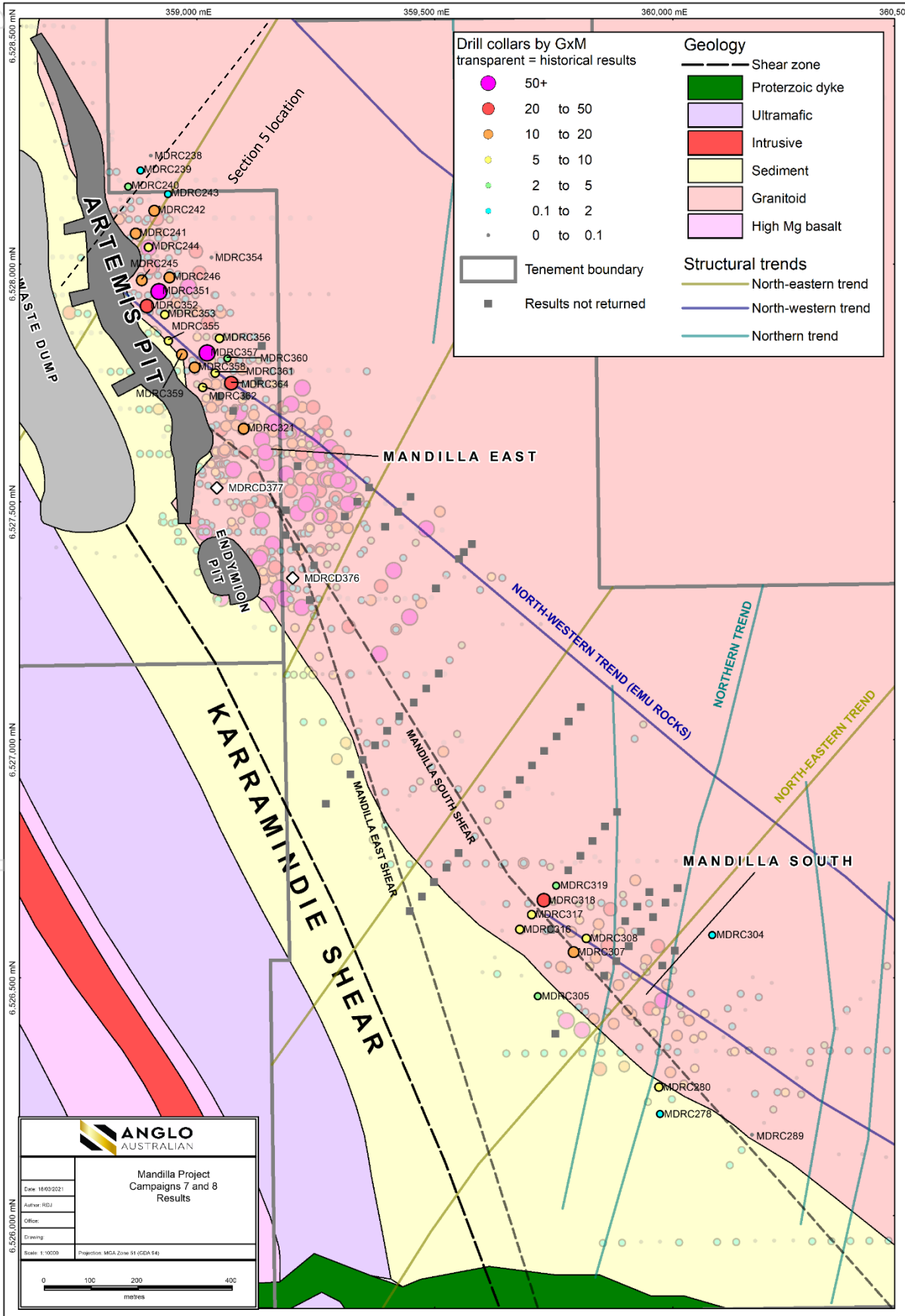


Figure 6 – Drill collar locations of results released 26 March 2021 on local area geology



Further south of the above intersections, in-fill drilling intersected:

- **29m @ 1.81g/t Au** from 105m in MDRC357;
- **7m @ 4.61g/t Au** from 74m in MDRC364; and
- **19m @ 0.83g/t Au** from 30m in MDRC358.

This confirms the continuation of mineralisation through to the Mandilla East Main Zone.

At Mandilla South, significant results included:

- **21m @ 1.07g/t Au** from 57m in MDRC318; and
- **10m @ 1.89g/t Au** from 108m in MDRC307.

These drill results, combined with the results announced on 17 February 2021, continue to demonstrate a zone of mineralisation at Mandilla South which has the potential to link to the main Mandilla East mineralisation. This linkage, if established, would form an extensive zone of bedrock mineralisation extending over a 2.3km long strike length.

20 April 2021

On 20 April 2021 (*post the end of the March Quarter*), the Company announced the results from a total of 18 RC holes for an aggregate of 3,061 metres of in-fill drilling in the Mandilla East Main Zone of which 15 holes for an aggregate of 2,531 metres were drilled during the March Quarter. The remaining three holes for an aggregate of 530 metres were completed during the December 2020 Quarter. Best reported results from the Mandilla East Main Zone drilling included:

- **83m @ 1.47g/t Au** from 96m in MDRC326;
- **64m @ 1.88g/t Au** from 44m in MDRC324;
- **84m @ 1.00g/t Au** from 91m in MDRC329;
- **53m @ 0.92g/t Au** from 58m plus **36m @ 1.24g/t Au** from 124m in MDRC327; and
- **37m @ 0.97g/t Au** from 113m in MDRC330.

MDRC324 which returned an intersection of 64m at 1.88g/t Au from 44m, also demonstrated significant quantities of visible gold when panned (refer to Image 2). The interval from 102 to 103m assayed 8.02g/t Au and is further testament to the significant quantities of visible gold evident at the Mandilla Gold Project.



Image 1 – RC drilling at Mandilla East



Image 2 - Visible gold in MDRC324 from 102m - 103m

The Mandilla East in-fill results demonstrate a continuous wide zone of gold mineralisation. Historically this area has delivered the widest and highest-grade intersections and the most recent in-fill results continue to build on this high-grade zone within the broader Mandilla Gold Project.



The locations of the drill-holes reported on 4 April 2021 are set out in plan view in Figure 7 below.

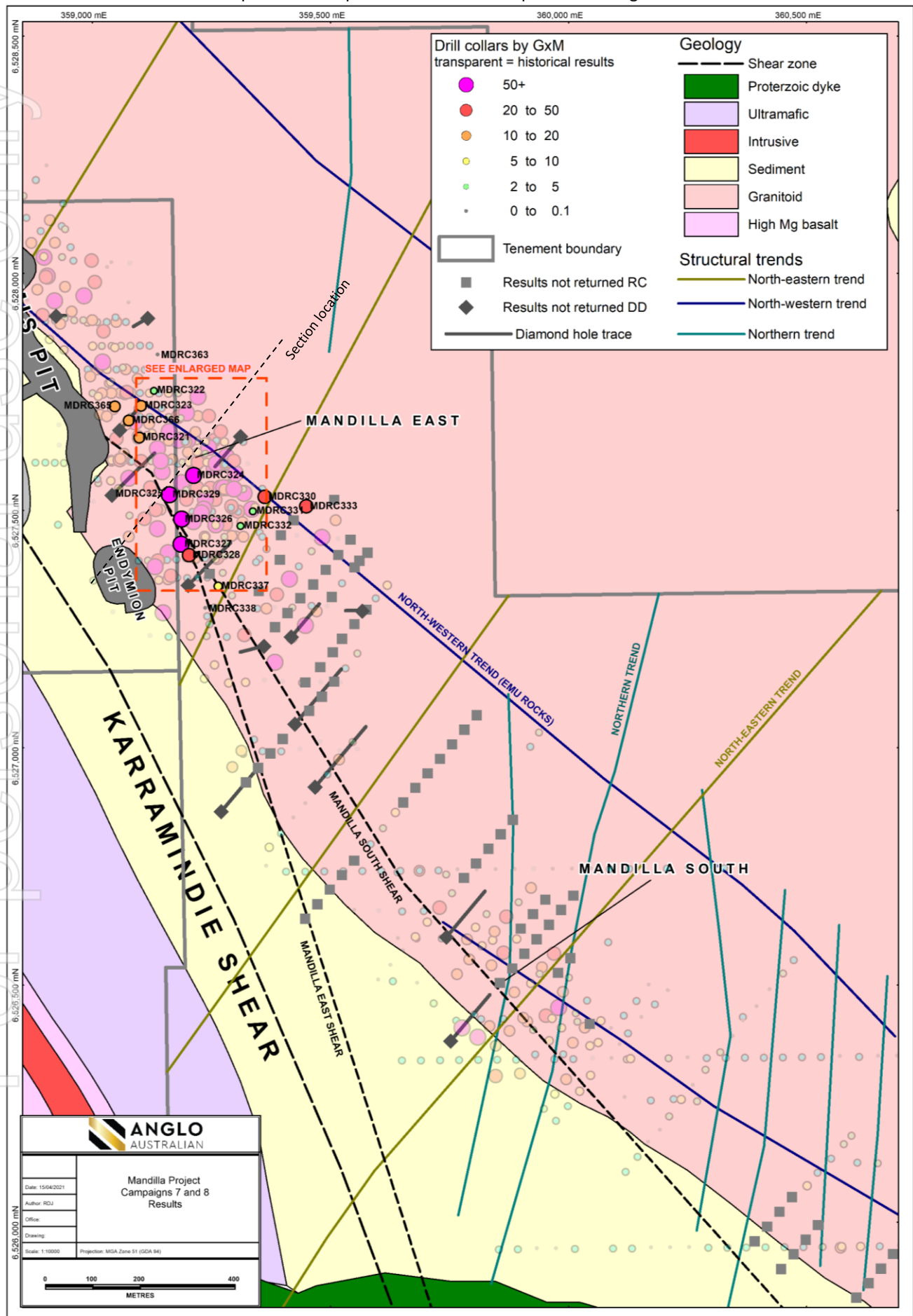


Figure 7 – Drill collar locations of results released 20 April 2021 on local area geology



A more detailed plan view of the Mandilla East Main Zone showing the most recent and historical plus 50-gram metre intersections is set out in Figure 8 below.

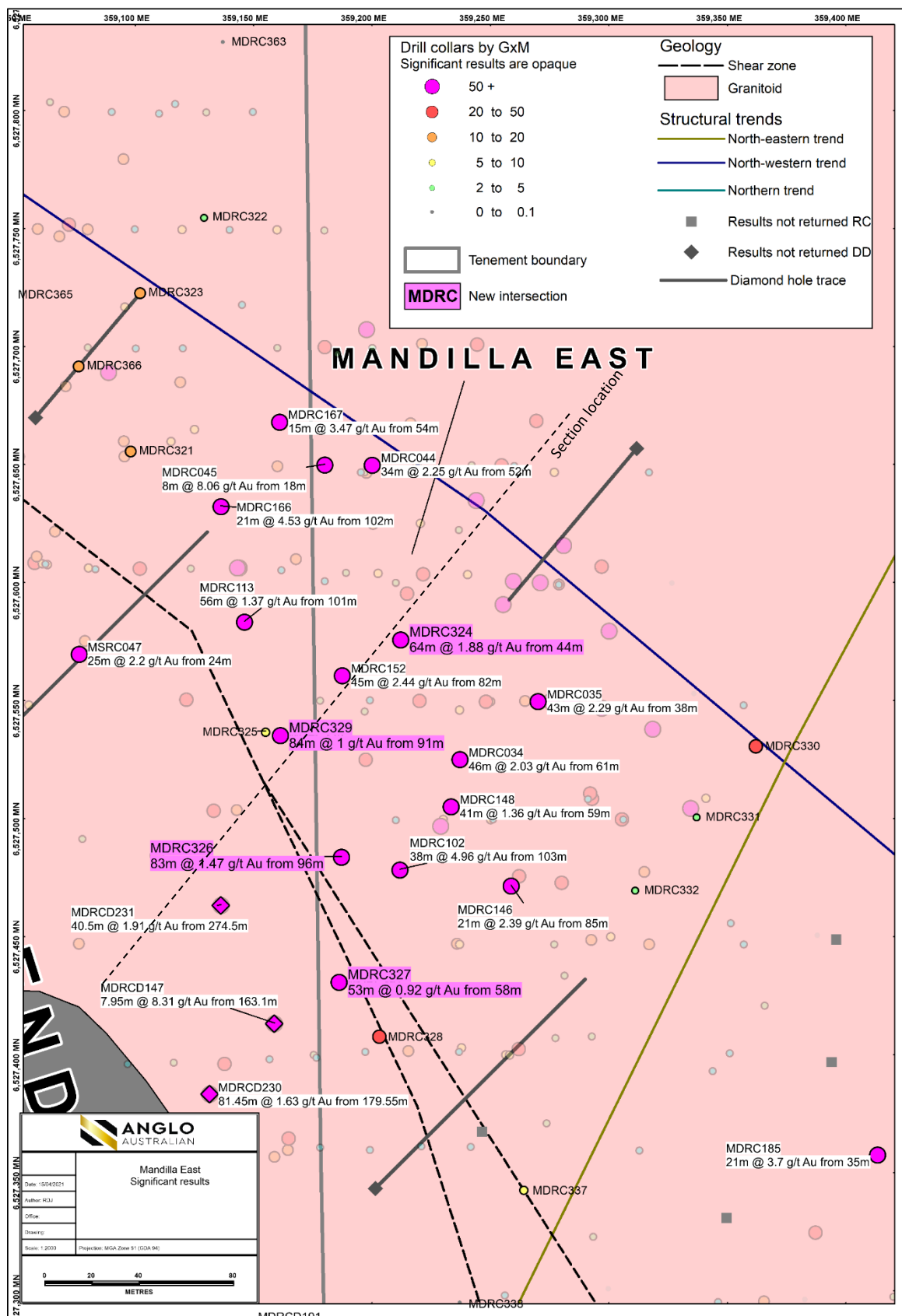


Figure 8 – Plan view of Mandilla East Main Zone



The cross-section shown in Figure 9 is located in the central portion of Mandilla East. In-fill drilling to date has confirmed the wide high-grade nature of the Mandilla East Main Zone as well as extending this to the south.

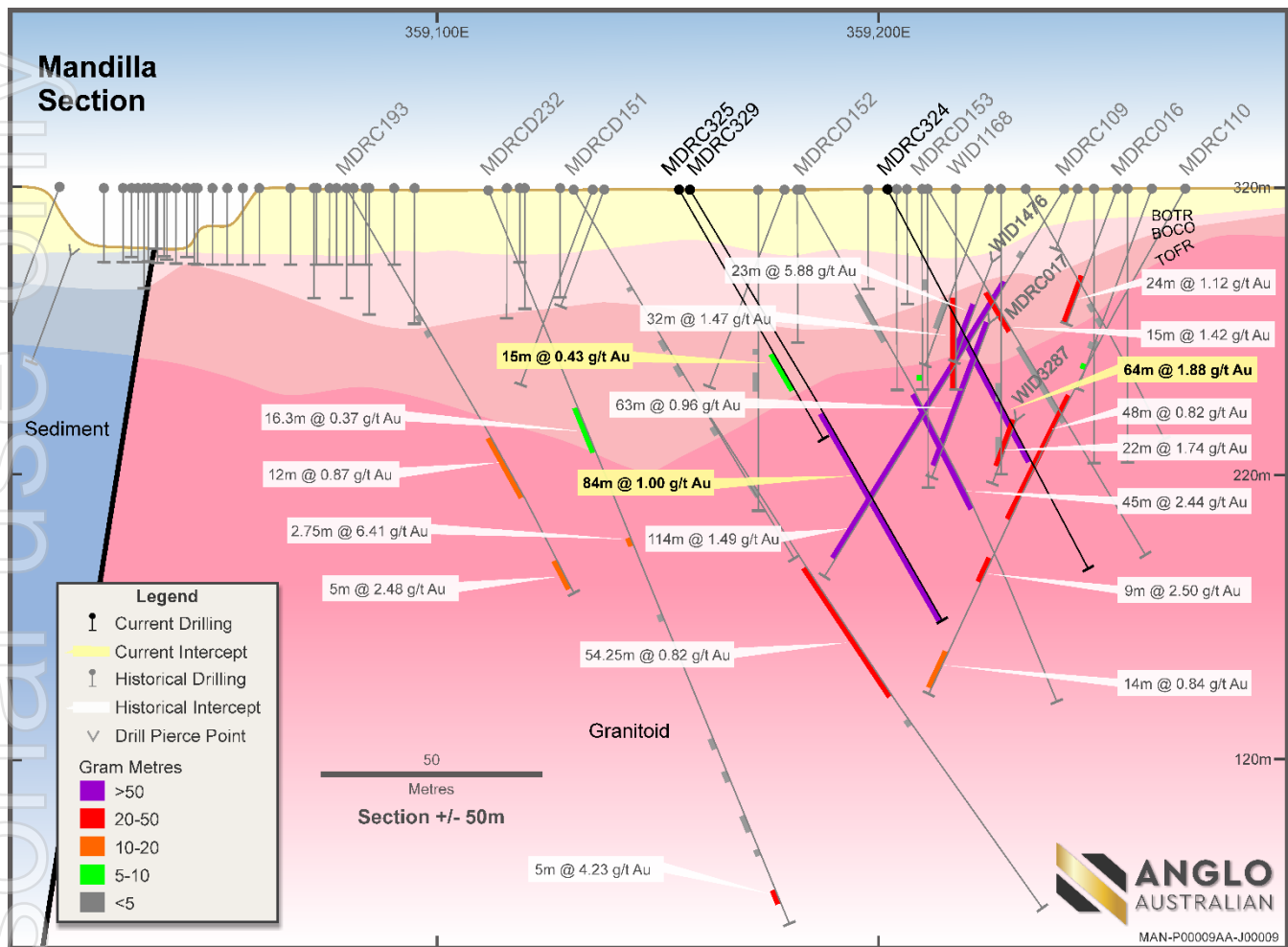


Figure 9 – Mandilla East cross-section (refer Figure 7 for section location)

Drill Programs

RC Drilling

RC Drilling for the Quarter recommenced on 6 January 2021. During the Quarter, the Company completed a total of 78 RC holes and 4 pre-collars for a total of 11,229 metres comprising:

- 1 hole for 160 metres testing mineralisation north of Mandilla East;
- 19 holes for 3,531 metres of in-fill drilling at Mandilla East;
- 11 holes for 1,540 metres to test the south-eastern extension to Mandilla East;
- 16 holes for 2,345 metres to test the potential linkage of Mandilla East to Mandilla South;
- 18 holes for 2,613 metres of in-fill drilling at Mandilla South; and
- 13 holes for 1,040 metres of drilling to test the supergene zone located south-east of Mandilla South

Results for a total of 15 holes for an aggregate of 2,531 metres were announced on 20 April 2021, subsequent to quarter-end (refer above).

As at the date of this report, results for a total of 83 holes for an aggregate of 11,698 metres of RC drilling are awaited, including 63 holes for an aggregate of 8,698 metres completed during the March Quarter and a total of 20 holes for an aggregate of 3,000 metres of RC drilling completed as part of the 2020-2021 RC programs.



Image 3 – Diamond and RC drill rig operating in close proximity at Mandilla East

Diamond Drilling

Diamond drilling re-commenced on 18 February 2021, focused on resource definition at Mandilla East, drill testing for mineralisation between Mandilla East and Mandilla South and geotechnical drilling.

A total of 11 holes for 2,170 metres of diamond drilling was completed during the Quarter. This included five geotechnical diamond holes for a total of 537 metres.

No results of the diamond drilling completed during the Quarter have been received as yet. An additional four holes for 499 metres of diamond drilling were completed post quarter-end which brought to finalisation the current diamond drilling program.





Image 4 – Nightshift diamond drilling at Mandilla East

As reported in the ASX Announcement dated 26 March 2021, MDRCD377 intersected a zone of mineralisation from 120m to 230m downhole with 15 observed instances of visible gold (refer below for Image 5, Image 6, Image 7 and Image 8).



Image 5 – Visible gold in MDRCD377 from 181m



Image 6 – Visible gold in MDRCD 377 from 191m



Image 7 – Visible gold in MDRCD 377 from 193m



Image 8 – Visible gold in MDRCD377 from 223m

Geotechnical hole MDGT004, drilled on a 220° azimuth, intersected visible gold at 166m with multiple observations of visible gold from 166m to the bottom of hole (198.7m). This is illustrated in Image 9 below.



Image 9 – Visible gold in MDGT004 from 166.0m

Diamond drill hole MDRCD342, drilled to test for mineralisation between Mandilla East and Mandilla South, was drilled to a depth of 300.7m. This intersected visible gold at 243.7m, further strengthening the potential linkage of mineralisation between Mandilla East and Mandilla South. This is shown in Image 10 below.

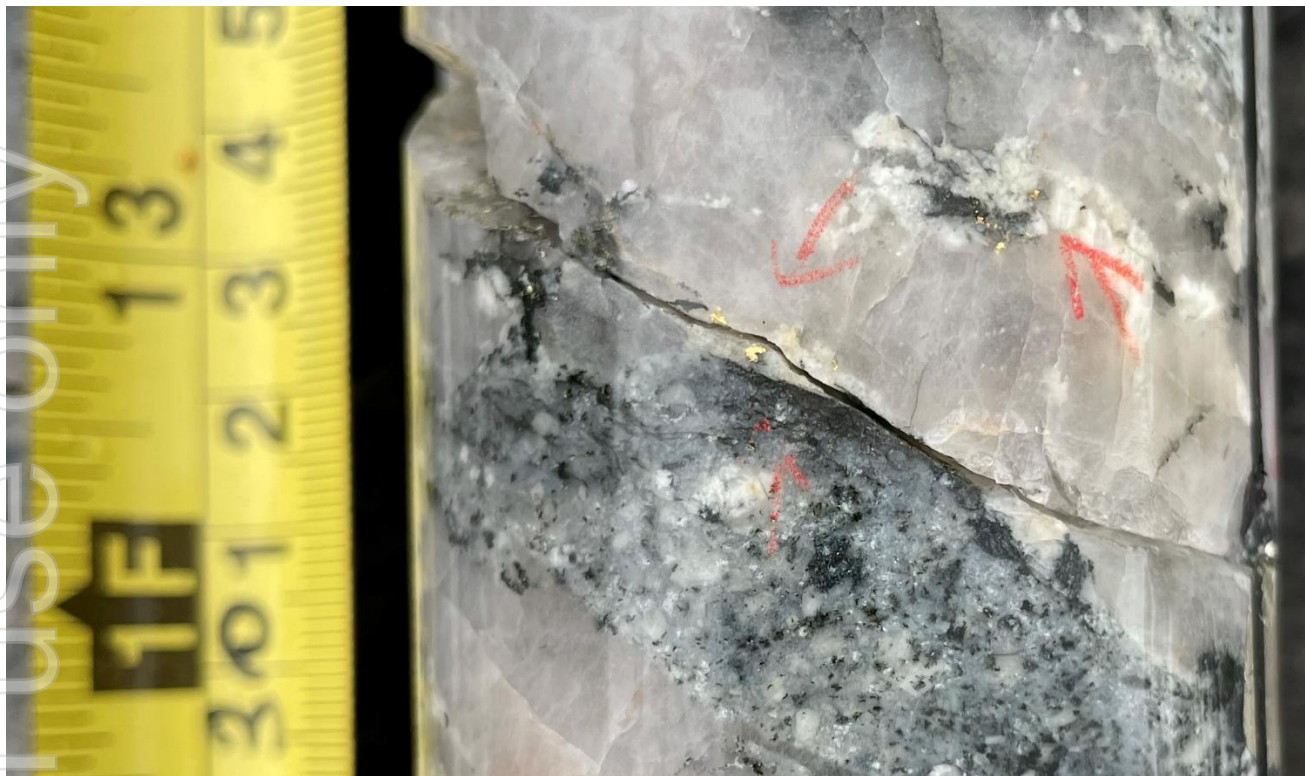


Image 10 – Visible gold in MDRCD342 from 243.7m

To 31 March 2021, across a number of drilling campaigns, the Company has undertaken a total of 46,295 metres of RC drilling and 6,792 metres of diamond drilling. This represents a significant investment in exploration drilling and demonstrates the Company's strong belief in the geological potential of the Mandilla Gold Project.

The return of sample results from the commercial laboratories continued to be slow during the Quarter, with the turnaround time drifting out to between ~ 50 to 90 days.

Metallurgical Testing

During the Quarter, the Company announced the results of metallurgical testwork completed on samples collected from three diamond drill holes, MDRCD151, MDRCD228 and MDRCD 236 (refer to ASX Announcement dated 28 January 2021).

These holes were selected as they covered the known strike length of the zones of known mineralisation, as determined in the September 2020 Quarter and as depicted in Figure 10 below.



Figure 10 – Location of Mandilla East diamond drill holes for metallurgical testing

The metallurgical testwork results demonstrate extremely high gold recoveries, fast leach kinetics and low reagent consumptions in both the oxide and fresh rock samples tested. The results confirmed excellent metallurgical recoveries as tabled below:



In the oxide zone

Table 1 – Oxide composite metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
75	0.92	68.8	94.4	96.9	96.9	96.9	98.4	0.02	0.32	0.32
106	0.96	71.1	95.5	96.3	97.0	97.0	98.4	0.02	0.21	0.21

In the fresh zone:

Table 2 – LG fresh variability composite metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
75	0.60	80.7	94.6	94.6	95.8	95.8	95.8	0.03	0.25	0.14
106	0.75	66.3	91.5	94.5	95.5	95.5	97.3	0.02	0.23	0.23

Importantly, the results demonstrate that gold recoveries of over 95% can be achieved after only 8 hours of leaching with modest reagent consumption, albeit with testing conducted using Perth tap water. This should support a conventional process plant design with low reagent costs.

These preliminary results were followed by the main fresh composite sample and additional variability testing to confirm that the gold can be economically extracted (*refer to ASX Announcement dated 17 February 2021*). The detailed results of the main Mandilla East fresh composite and Mandilla East fresh variability composite No.2 are tabled below.

Table 3 – Fresh composite metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
75	1.24	92.6	98.6	98.6	99.2	99.2	99.2	0.01	0.29	0.24
106	0.49	71.4	93.0	93.0	94.4	95.9	95.9	0.02	0.29	0.23

Table 4 – Fresh variability composite No 2 metallurgical test results

Grind Size P80 (µm)	Au Calc Head Grade (g/t)	Au Extraction (%)						Au Tail Grade (g/t)	Reagents (kg/t)	
		Grav	2-hr	4-hr	8-hr	24-hr	48-hr		NaCN	Lime
106	0.95	81.6	95.8	96.6	96.6	97.4	97.4	0.03	0.29	0.29

The results serve to reinforce the excellent metallurgical characteristics of the Mandilla Gold Project. The mineralisation continues to demonstrate an insensitivity to grind size, very high gravity recoverable gold content, exceptionally high overall gold recovery and low reagent consumption.

In addition, results from the viscosity determination and oxygen uptake testing have demonstrated a slurry rheology that is more than acceptable for mixing and screening applications. The oxygen uptake test demonstrated low oxygen consumption.

This further demonstrates the amenability of the Mandilla Gold Project to a conventional gravity and CIP processing pathway.



Technical Studies

During the Quarter, several early technical studies were advanced, including the following:

- Completion of targeted fauna survey;
- Completion of diamond drilling campaign to support a pre-feasibility level geotechnical study;
- Completion of scoping level hydrogeological field study; and
- Commencement of metallurgical testwork (as per above).

Current and Forward Plan

As at the date of this Quarterly Report, assay results for a total of 83 holes for an aggregate of 11,698 metres of RC drilling remains unreported, including 63 holes for an aggregate of 8,698 metres completed during the March Quarter and a total of 20 holes for an aggregate of 3,000 metres of RC drilling completed pre and post the March 2021 Quarter.

As at the date of this Quarterly Report, assay results for a total of 15 holes for 2,669 metres of diamond drilling are yet to be reported.

A maiden JORC Mineral Resource Estimate (MRE) for Mandilla which was commenced during late 2020 will be completed during the June Quarter. The Company has experienced an increase in the turn-around time of assay results recently due to the significant activity levels within the exploration sector in Western Australia.

Once the outstanding assay results at the Mandilla Gold Project have been received and interpreted, it is anticipated that the next phase of exploration drilling will resume during June/July 2021. The drill program will be determined taking into account the outcome of the MRE which is underway and the additional drill results from the recently completed RC and diamond drilling programs.



Koongie Park Gold and Base Metals Project – WA

AAR – 100% interest

KOONGIE PARK FARM-OUT AGREEMENT

On 25 June 2020, the Company announced that it had entered into a binding term sheet with AuKing Mining Limited (**AuKing**) with respect to the Koongie Park Project (**Agreement**). Under the Agreement, AuKing and AAR propose to form a joint venture (**Joint Venture**) on terms which include, but are not limited to, the following:

- AAR retains the right to explore for and develop gold and other precious metals deposits within the project area; and
- AuKing is granted the right to:
 - Explore for and develop base metals deposits within the project area;
 - Conduct exploration and development activities for base metals deposits on the project area during the earn-in period; and
 - Earn up to a 75% interest in the project area through the joint venture by funding exploration and project development studies (as stipulated below).

Conditions Precedent

The Agreement does not bind the parties and has no force or effect unless and until the following conditions are satisfied or waived:

- AuKing completing due diligence in respect of the Koongie Park Project within 30 days of the date of the Agreement;
- AuKing obtaining all necessary AuKing shareholder and regulatory approvals, including for the purposes of Chapters 1, 2 and 11 of the ASX Listing Rules, as required to give effect to the transaction contemplated by the Agreement; and
- AuKing successfully raising a minimum of A\$6,000,000 pursuant to a capital raising.

(together, the **Conditions Precedent**).

AuKing and AAR must use reasonable endeavours to satisfy the Conditions Precedent as soon as possible and, in any event, within 120 days of the date of the Agreement (CP Period). The parties may terminate the Agreement if the Conditions Precedent are not satisfied within this period.

AuKing Earn-in Rights

The Agreement provides for a two-staged earn-in process whereby AuKing can ultimately secure a 75% interest in the Koongie Park Project. A summary of the two-stage earn-in is provided below.

First Earn-in Period

AuKing shall be deemed to have earned a nominal 25% interest in the Joint Venture (to be formed upon satisfaction of the first earn-in milestone) upon AuKing making a total initial payment of \$1,000,000 to AAR, in the following tranches:

- \$100,000 non-refundable deposit (paid on 1 July 2020); and
- \$900,000 immediately after satisfaction of the Conditions Precedent.

During the First Earn-In Period of twenty four (24) months after the satisfaction of the Conditions Precedent, AuKing may earn a further 25% interest in the Joint Venture by incurring expenditure of \$1.5 million including expenditure on exploration, testwork and related analysis to establish a commercially viable processing solution for the Koongie Park oxide ores (**First Earn-In Milestone**).

Upon satisfying the First Earn-in Milestone, AuKing shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 50% interest. The Joint Venture is to be formed upon satisfaction of the First Earn-in Milestone. AuKing then has a 10-business day period to elect to proceed with the Second Earn-In Period.

If AuKing fails to satisfy the First Earn-in Milestone during the First Earn-in Period, AuKing will be deemed to have withdrawn from the Joint Venture, will cease to have any interest in the Joint Venture and the Agreement automatically terminates.

Second Earn-in Period

During the Second Earn-in Period, which is the 12-month period commencing from AuKing's election to proceed with the Second Earn-in after completion of the First Earn-In Period, AuKing may earn a further 25% interest in the Joint Venture by incurring additional expenditure of \$1,500,000, including expenditure on exploration activities and feasibility studies with a view to establishing mining operations on the Onedin and Sandiego deposits on the Tenements (**Second Earn-In Milestone**).



Upon satisfying the Second Earn-in Milestone, AuKing shall be deemed to have earned an additional 25% interest in the Joint Venture for a total 75% interest in the Joint Venture. If AuKing fails to satisfy the Second Earn-In Milestone during the Second Earn-in Period, then AuKing will retain its earned interest in the Joint Venture of 50%.

For the duration of the Second Earn-in Period, AuKing agrees to sole fund all expenditure on exploration activities in relation to the Joint Venture and free carry AAR's interest in the Joint Venture.

Any exploration expenditure incurred by AAR pursuant to the exercise of its precious metal rights does not constitute expenditure for the purposes of AuKing satisfying the First or Second Earn-In Milestones.

Current status

AuKing paid the non-refundable deposit on 1 July 2020 and completed due diligence during July 2020.

A prospectus was issued by AuKing on 10 March 2021 seeking to raise up to \$7 million in connection with the Koongie Park Transaction. This was followed by a supplementary prospectus on 19 March 2021 and another supplementary prospectus on 23 April 2021.

On 22 April 2021 AuKing issued a Notice of General Meeting, convening a meeting of shareholders on Friday 21 May 2021.

Resolution 1 as contained in the Notice seeks shareholder approval:

- a) For AuKing to undertake the Koongie Park Earn-in transaction; and
- b) For AuKing to change the nature and scale of their activities, as required by Chapter 1 and Chapter 2 of the Listing Rules.

AuKing has made significant progress with respect to its capital raising activities. As outlined in the cover letter to the Prospectus released on 23 April 2021, AuKing has been advised by its Lead Manager, Novus Capital, that it has received strong support for the public offer and is likely to secure the maximum A\$7 million in application moneys from investors.

In contemplation of the above and at the request of AuKing, AAR has granted AuKing an extension to 9 June 2021 to satisfy the Conditions Precedent. AuKing and AAR are continuing to progress the remaining Conditions Precedent.

Corporate

COVID-19

During the Quarter, the Company continued to implement and maintain the necessary COVID-19 protocols to minimise the risk to our employees, contractors, and the communities in which the Company operates. The Company has managed to successfully advance its exploration and evaluation activities without disruption but continues to monitor the latest advice and directives from the State Government and relevant health authorities.

Issued Capital

There were no changes to issued capital during the March Quarter.

Unmarketable Parcel Sale Facility

The Company announced on 31 March 2021 that it had established an unmarketable parcel sale facility (**Sale Facility**) for shareholders who hold fully paid ordinary shares in the Company (**Shares**) with a market value of less than A\$500, and whose registered address is in Australia.

Based on the Company's closing share price on Tuesday 30 March 2021 (**Record Date**) of \$0.098, the Company had 2,946 shareholders of which approximately 38% held less than A\$500 in Shares (an unmarketable parcel of fully paid ordinary shares is defined in the ASX Listing Rules to be less than A\$500).

Shareholders who held Shares with a market value of less than A\$500 on the Record Date will have received a letter from the Company, together with a Share Sale Election Form. The letter explains that, unless those shareholders notify the Company that they wish to retain their Shares by submitting the Share Sale Election Form, or they hold more than A\$500 in value of the Company's shares at 5pm (WST) on Tuesday 18 May 2021 (**Closing Date**), those Shares will be sold on-market, and the proceeds remitted to them free from brokerage and handling fees.



Those shareholders who hold less than a marketable parcel and want to retain their Shares must return a completed Share Sale Election Form or make their own arrangements so that they hold more than A\$500 in value of the Company's Shares before the Sale Facility Closing Date, otherwise their Shares will be sold.

Cash and cash equivalents

The Company had cash on hand of approximately \$11.2 million at 31 March 2021.

Appendix 5B

Cash outflows for the Quarter totalled \$1.5 million, comprising exploration activity (70%), staff costs (25%) and corporate and administration costs (5%).

Cash inflows for the Quarter totalled \$15,083, comprising proceeds from bank interest.

Payments to related parties and their associates (as set out in section 6 of the Appendix 5B) totalled \$121,903, consisting of executive and non-executive director fees, salaries and superannuation payments.

Authorised for Release

This Quarterly Report has been authorised for release by the Board of AAR.

For further information:

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ABOUT AAR

AAR is a gold-focused exploration company targeting the exploration, growth and development of its flagship Mandilla Gold Project, located 70km south of Kalgoorlie in Western Australia.

The Company's current focus is to determine the extent of the gold mineralisation potential, in-fill the known mineralisation corridors, broaden the understanding of the structural controls to the mineralisation and calculate a Mineral Resource Estimate.

As announced during the June 2020 Quarter and disclosed in this Quarterly Report, the Company has executed an agreement with AuKing with respect to a farm-out arrangement for the Koongie Park Gold and Base Metals Project. The Company and AuKing are currently progressing the Conditions Precedent required to complete the farm-out transaction.

AAR also has significant other tenement interests in the Western Australian Goldfields, including Feysville, Carnilya Hill and Leonora.



SCHEDULE OF MINING TENEMENTS

1. Mining tenements held at the end of the Quarter and their location.

Project (Location)	Tenement Number	Beneficial Percentage Interest	Status	Title Registered to
Mandilla (Western Australia)	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Granted	Neometals Ltd Anglo Australian Resources NL Anglo Australian Resources NL
Koongie Park (Western Australia)	M80/276, 277 E80/4389,4766, 4957, 4960 E80/5076, 5087, E80/5127 E80/5263 P80/1802,1803,1832,1837	100%	Granted	Anglo Australian Resources NL
Feysville (Western Australia)	P26/3943-3944 P26/3947-3951 P26/4051-4052 P26/4293,4294	100%	Granted	Feysville Gold Pty Ltd
	M26/846 L26/289 -290 P26/4390	-	Pending	Feysville Gold Pty Ltd
Carnilya Hill (Western Australia)	M26/47 - 49 M26/453	100% gold rights only	Granted	Mincor Resources NL
Leonora (Western Australia)	E37/1287 E7/1355	100%	Granted	Anglo Australian Resources NL

2. Mining tenements acquired during the Quarter and their location:

Project (Location)	Tenement Number	Status	Comment
Nil.			

3. Mining tenements disposed of during the Quarter and their location.

Project (Location)	Tenement Number	Status	Comment
Nil.			



Compliance Statement

The information in this Quarterly Report that relates to exploration targets and exploration results is based on, and fairly represents, information and supporting documentation compiled by Ms Julie Reid, who is a full-time employee of Anglo Australian Resources NL. Ms Reid is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. Ms Reid 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'. Ms Reid consents to the inclusion in this report of the material based on this information, in the form and context in which it appears.

The information in this Quarterly Report that relates to the Indicated and Inferred Mineral Resource for the Sandiego Deposit was first reported in accordance with JORC 2004 on 1 Nov 2010. The Company confirms that it is not in possession of any new information or data relating to these historical Mineral Resource estimates that materially impacts on the accuracy or reliability of these historical estimates. The Company also confirms that all material assumptions and technical parameters underpinning these historical Mineral Resource estimates continue to apply and have not materially changed.

The information in this Quarterly Report that relates to the Indicated and Inferred Mineral Resource for the Onedin Deposit was first reported in accordance with JORC 2004 on 30 April 2009. The Company confirms that it is not in possession of any new information or data relating to these historical Mineral Resource estimates that materially impacts on the accuracy or reliability of these historical estimates. The Company also confirms that all material assumptions and technical parameters underpinning these historical Mineral Resource estimates continue to apply and have not materially changed.

The information in this Quarterly Report that relates to metallurgical test work for the Mandilla Gold Project is based on, and fairly represents, information and supporting documentation compiled by Mr Marc Ducler, who is a full-time employee of Anglo Australian Resources NL. Mr Ducler is a Competent Person and a Member of The Australasian Institute of Mining and Metallurgy. The information that relates to processing and metallurgy is based on work conducted by ALS Metallurgy Pty Ltd (ALS Metallurgy) on diamond drilling samples collected under the direction of Mr Ducler and fairly represents the information compiled by him from the completed ALS Metallurgy testwork. Mr Ducler 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 Ducler consents to the inclusion in this Quarterly Report of the material based on this information, in the form and context in which it appears.

Previously Reported Results

There is information in this Quarterly Report relating to exploration results which were previously announced on 13 Feb 2017, 21 Mar 2018, 15 May 2018, 26 Nov 2018, 8 April 2019, 24 July 2019, 31 July 2019, 19 September 2019, 16 October 2019, 25 November 2019, 12 December 2019, 12 February 2020, 19 June 2020, 25 June 2020, 11 August 2020, 15 September 2020, 17 February 2021, 26 March 2021 and 20 April 2021. Other than as disclosed in those announcements, the Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ANGLO AUSTRALIAN RESOURCES NL

ABN

24 651 541 976

Quarter ended ("current quarter")

31 MARCH 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	15
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	(398)	(1,046)
(e) administration and corporate costs	(71)	(457)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	32
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	101
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(454)	(1,355)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	(3)	(3)
(d) exploration & evaluation (capitalised)	(1,055)	(3,878)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	100
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) 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	(1,058)	(3,781)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	11,854
3.2	Proceeds from issue of convertible debt securities	-	,
3.3	Proceeds from exercise of options	-	1,665
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(599)
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	-	12,920

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,699	3,403
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(454)	(1,355)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,058)	(3,781)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	12,920

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	11,187	11,187

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	11,121	12,633
5.2	Call deposits	66	66
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)	11,187	12,699

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	122
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities		
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities		
7.5 Unused financing facilities available at quarter end		
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(454)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,055)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(1,509)
8.4 Cash and cash equivalents at quarter end (item 4.6)	11,187
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	11,187
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	7.42
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

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.

Date:29 APRIL 2021.....

Authorised by: ...BY THE BOARD.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow 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 cash flow 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.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.