ANGLO AUSTRALIAN RESOURCES NL AND ITS CONTROLLED ENTITIES

ABN 24 651 541 976

Interim Financial Report
For the half year ended 31 December 2019

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2019 and any public announcements made by Anglo Australian Resources NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Contents

DIRECTORS' REPORT

Your Directors present their half-yearly report on the consolidated entity consisting of Anglo Australian Resources NL ("Anglo Australian" or "the Company") and the entities it controlled at the end of, or during, the period 1 July 2019 to 31 December 2019 ("the Group").

Directors

The persons who were Directors of Anglo Australian Resources NL during the interim reporting period and up to the date of this report are:

Mr Leigh Warnick	Non-Executive Chairman (appointed on 23 December 2019)
Mr Marc Ducler	Managing Director (appointed on 23 December 2019)
Mr John Jones	Non-Executive Director (appointed on 9 February 1990)
Mr Peter Stern	Non-Executive Director (appointed on 28 November 2011)
Mr David Varcoe	Non-Executive Director (appointed on 27 November 2019)
Mr Graeme Smith	Non-Executive Director (appointed on 18 March 2014)
Mr Andrew Barclay	Non-Executive Director (appointed on 13 December 2019, resigned on 23 December 2019)
Mr Matthew Hardisty	Non-Executive Director (appointed on 13 December 2019, resigned 23 December 2019)

Review of Operations

The principal activities during the period were focused on progressing the Company's 100% owned Mandilla Gold Project.

The Group's loss after tax for the period ended 31 December 2019 was $1,453,011 (31 December 2018: loss of $342,005).

Exploration and Evaluation

Mandilla Gold Project – WA

Anglo Australian – 100%

The Mandilla Gold Project is situated in the northern Widgiemooltha greenstone belt in the western part of the Kalgoorlie geological domain, some 60 kilometres south of Kalgoorlie and 20 kilometres west of Kambalda. Significant nickel and gold deposits are present in the belt, the nearest gold deposit being the high-grade Wattle Dam Mine located just 3 kilometres to the west of Mandilla. The location of the project in relation to Kalgoorlie and other nearby gold projects is set out in Figure 1.

The Project lies on the western margin of a porphyritic granitic intrusion, 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 regional aeromagnetic data to cut through the Mandilla Syenite.

One such structure localises the Mandilla East Prospect at a point where the western granite contact is offset by at least 300 metres. A second sub-parallel structure appears to host the Mandilla South Prospect.

In 2006, Anglo Australian mined the high-grade Mandilla West paleochannel, producing approximately 23,000 ounces of gold.

Both prospects are covered by existing Mining Leases.

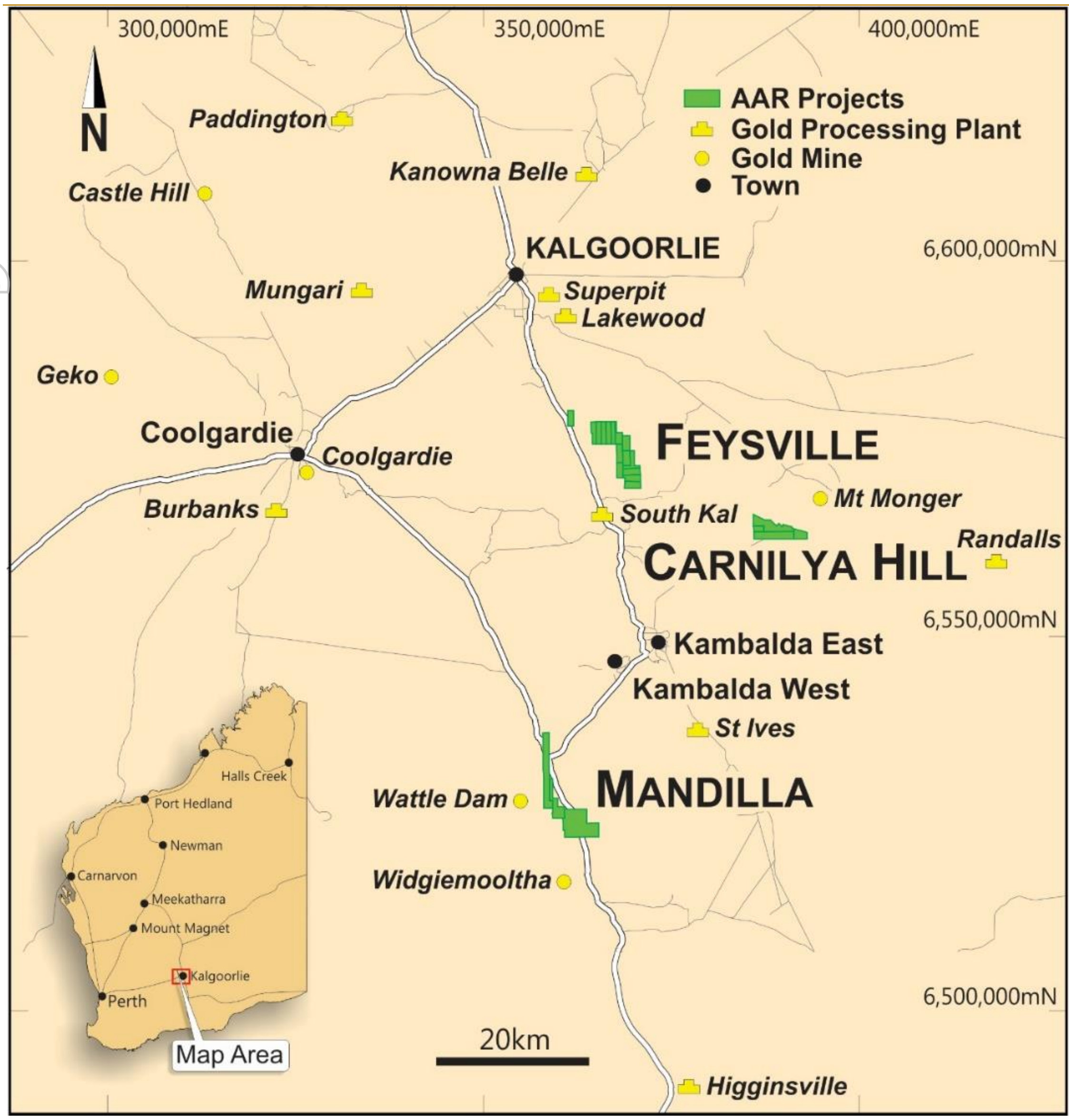

Figure 1 – Mandilla location map.

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

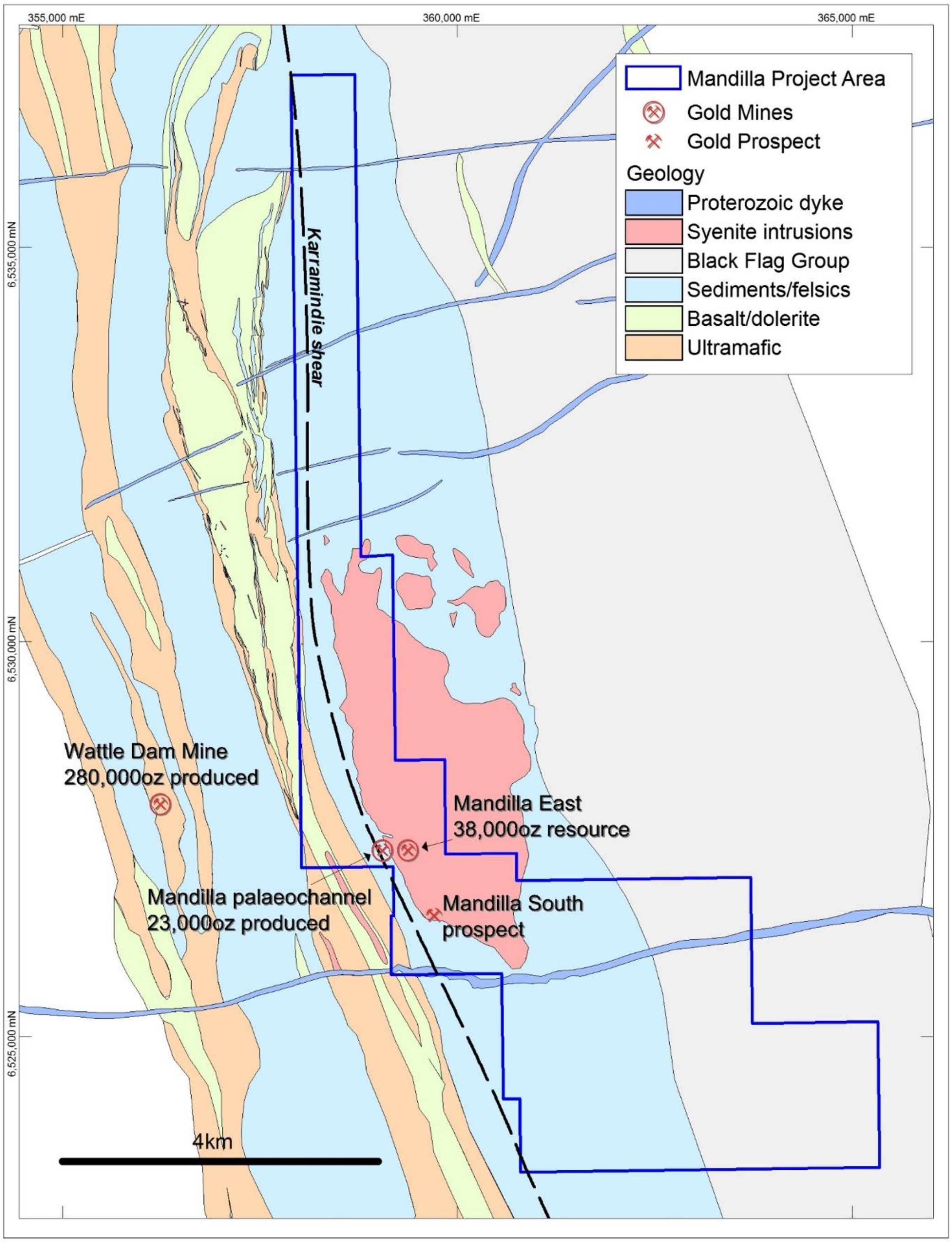

Figure 2: Map of Mandilla Project illustrating key locations and geological features.

At Mandilla East, Anglo Australian has previously identified a bedrock Inferred Resource, based on a low tonnage, high grade interpretation, of 357,000 tonnes at 3.3g/t Au for approximately 38,000 contained ounces (ASX: 13/06/13). Significantly, much of the previous RC drilling on which this Resource is based only penetrated from typically 20m to 60m into fresh rock and did not adequately define the depth extent of mineralisation at this location.

At Mandilla South, Anglo Australian has previously identified a 2km long mineralised trend with peak gold values exceeding 5g/t Au over a strike length of approximately 300m. Bedrock gold mineralisation is also known to be present.

During the half year, the Company progressed substantial exploration activity at Mandilla.

During July 2019, the Company released results of a drilling campaign undertaken with the objective of gaining a better understanding of the geological setting of gold mineralisation at both the Mandilla East and Mandilla South Prospects. The campaign was co-funded through a grant provided by the Department of Mines and Petroleum, Western Australia under its Exploration Incentive Scheme.

Three diamond holes were drilled for a total of 580 with 153 metres of reverse circulation (RC) pre-collars.

MDD003 drilled within and beneath previous RC drilling which formed part of the Mandilla East resource area. Initial sampling for assays from MDD003 focussed on the most obvious zones of extensional veining which returned several intervals of high-grade gold mineralisation.

- 60.2 m @ 3.79 g/t Au from 65.8 m
- 64.7 m @ 0.71 g/t Au from 183 m

MDD004 drilled some 200 metres to the north-west to test for extensions to the Mandilla East resource. It also intersected multiple zones of shallow-dipping extensional quartz veins, though vein density overall was lower than in MDD003 and gold grades returned for sampled intervals were less than 5 g/t Au.

MDD005 was expected to intersect the sediment-to-granite contact at a depth of approximately 300 metres. However, whilst the hole was drilled to a final depth of 330.8 metres, the contact was not in fact intersected.

Composite intersections of significance are as follows:

- 37 m @ 1.05 g/t Au from 69 m
- 4 m @ 0.89 g/t Au from 152 m
- 1 m @ 15.42 g/t Au from 179 m

As MDD005 represents the first bedrock drilling undertaken at Mandilla South, the hole is important in that it extends significant gold anomalism in the Mandilla Granite a further 1.2 kilometres from the Mandilla East resource, within a total strike length for the system of at least 3 kilometres.

In October 2019, the Company completed a campaign involving the drilling of 55 shallow ("slimline") reverse circulation ("RC") holes for 2,235 metres. The programme was designed to penetrate a short distance into fresh rock to test various extensional targets at Mandilla, with the objective to expand the footprint of significant mineralisation. The average depth of these holes was 41m. Assay results from all holes were reported in the ASX release dated 12 December 2019.

RC drilling at Mandilla East and South continued with infill to a 40m x 40m and 40m x 80m spacing respectively with 30 holes completed for 4,096m. This included three pre-collars of which one of the planned diamond tails was completed for 132.9m of HQ (hole depth 282.9m). The diamond holes were planned to test the down plunge continuity of Mandilla East.

Assay results up to and including the November drilling campaign were also reported in the ASX release dated 12 December 2019. This included the three pre collars from the latest December drilling. The Company completed an additional sixteen (16) hole RC drilling campaign during December 2019, with the objective to expand the potential mineralisation to a greater depth. Assay results of this drilling campaign were announced on 12 February 2020, subsequent to the end of the half year.

Total drilling completed during the half-year consisted of 11 RC holes for 11,175 metres with an average depth of 101 metres and one diamond hole for 132.9m of HQ core.

Mandilla West

The majority of the slimline drilling campaign was located at an area designated Mandilla West, to test the previously undrilled western margin along the contact with the syenite intrusion.

Significant intersections included:

- MSRC047 – 25m @ 2.2g/t Au from 24 m
- MSRC048 – 4m @ 2.31g/t Au from 45 m
- MSRC012 – 4m @ 4.43g/t Au from 38 m to EOH

MSRC047 referred to above, is also significant in the context that it represented a new discovery of gold to the west of Mandilla East. The first pre-collar RC hole MDRC165 was also drilled, to the west of what has until now been interpreted as the western margin of the Mandilla East gold envelope. This hole returned an assay of 37m @ 1.64 g/t Au from 104m down-hole.

A map illustrating Mandilla West, identifying slimline drill-hole locations and assay results, is shown in Figure 3.

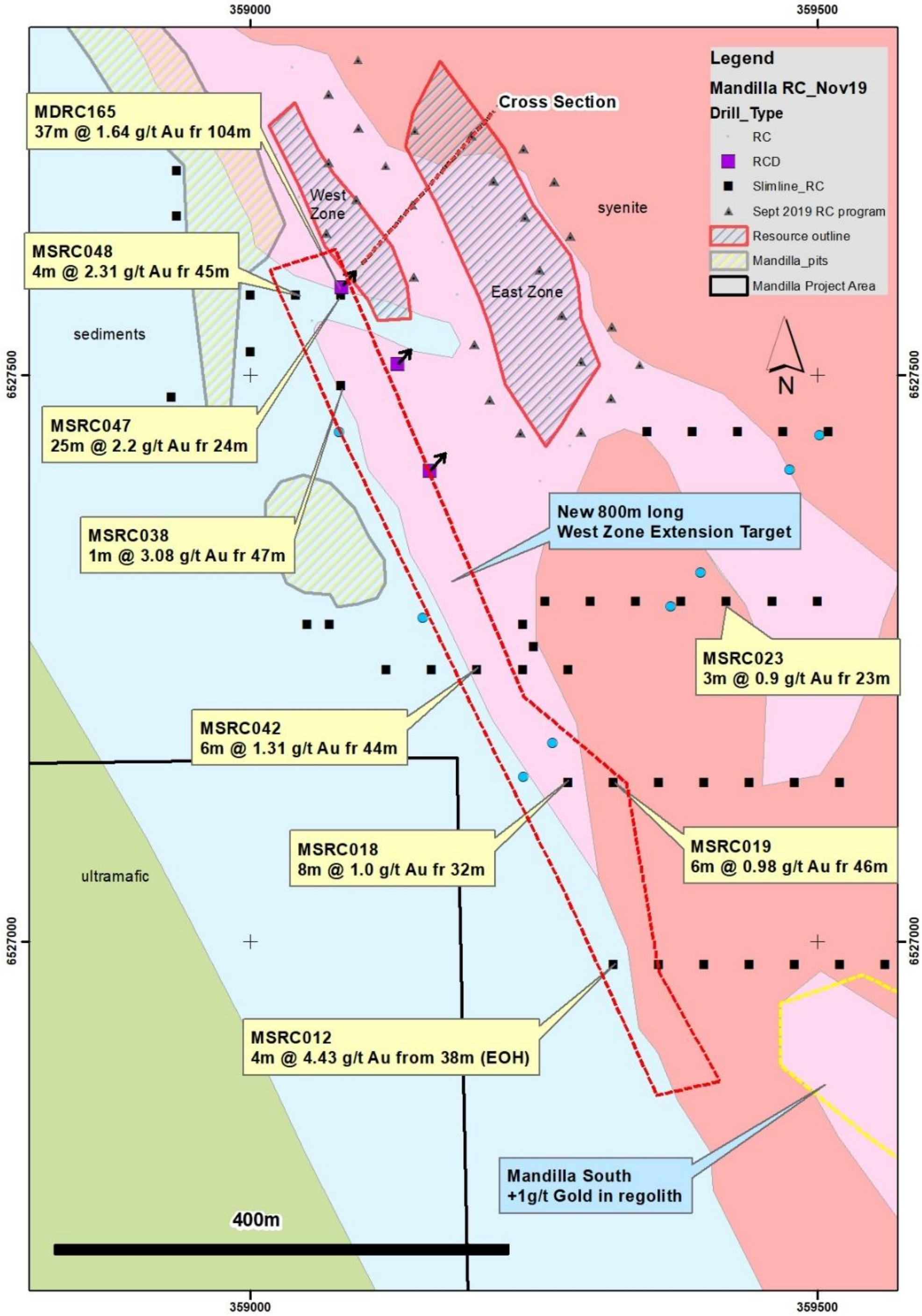

Figure 3: Map of Mandilla West.

The expanded 800m Western Zone trend adds an important new dimension to the Mandilla gold system, which will be assessed with deeper bedrock drilling commencing early in 2020.

A map illustrating the location of Mandilla West with respect to Mandilla South is shown in Figure 4.

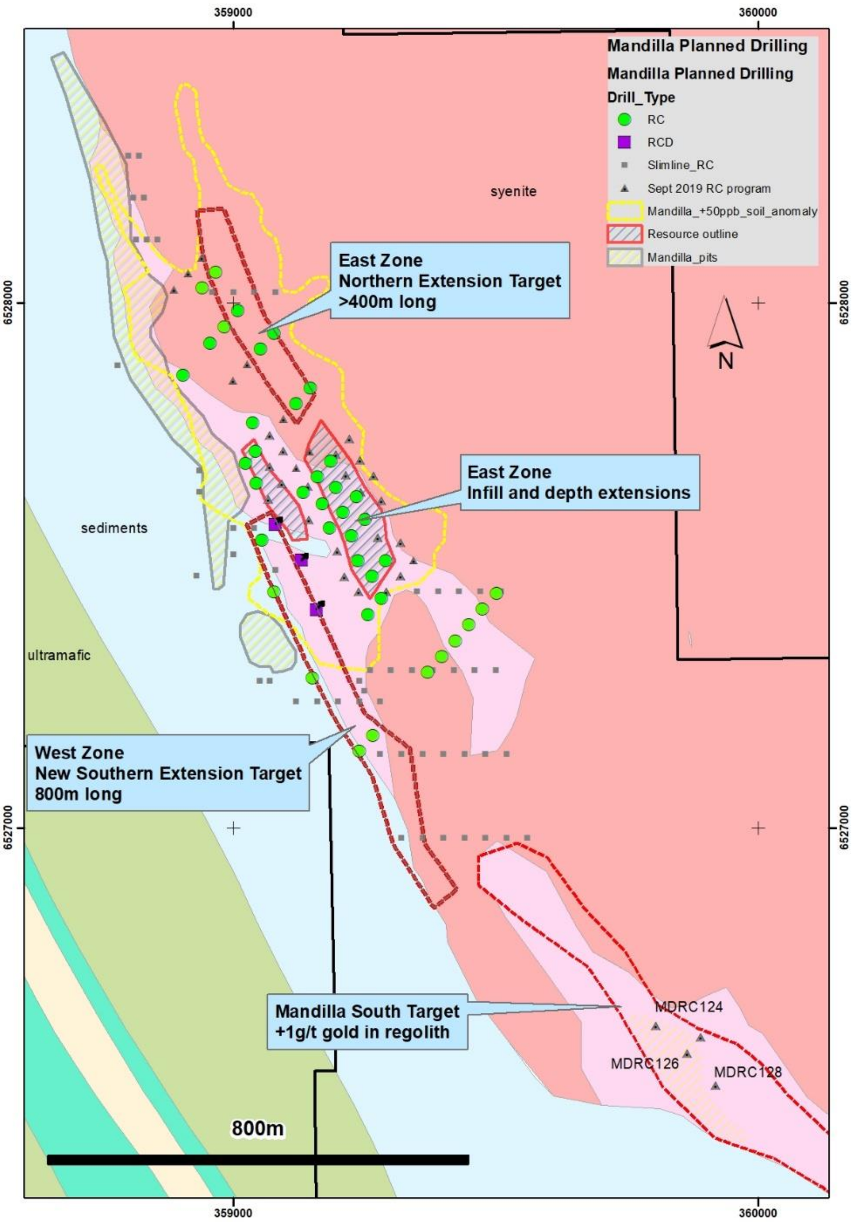

Figure 4: Map illustrating the location of Mandilla West and Mandilla South.

Mandilla East

More recently, Mandilla East drilling was completed in the half year ending December 2019 and reported in January 2020. This drilling was designed to infill the core of the historic resource area to a nominal 40m x 40m pattern and the test the zone along strike to the north. Significant results from this drilling are listed below:

- **45m @ 2.33g/t Au from 82m** including 1m @ 31.4g/t Au from 86m and 1m @ 45.7g/t Au from 97m and **14m @ 1.85g/t Au from 42m** including 1m @ 8.8g/t Au from 54m (MDRC152)
- **21m @ 4.53g/t Au from 89m** including 1m @ 24.7/t Au from 107m, 1m @ 40.6g/t Au from 113m & 1m @ 14.2g/t Au from 117m and **1m @ 48.13g/t Au from 192m** (MDRC166)
- **42m @ 1.85g/t Au from 45m** including 1m @ 23.5g/t Au from 84m and **5m @ 1.79g/t Au from 97m** (MDRC150)
- **41m @ 1.36g/t Au** from 59m including 2m @ 9.0g/t from 66m (MDRC148)
- **21m @ 2.39g/t Au** from 85m including 1m @ 20.9g/t Au from 99m and **18m @ 0.76g/t Au from 60m** (MDRC146)
- **15m @ 3.47g/t Au** from 54m including 1m @ 31.3g/t Au from 64m, **14m @ 1.45g/t Au from 81m** and **5m @ 2.95g/t Au from 14m** (MDRC167)
- **14m @ 3.18g/t Au** from 31m including 1m @ 16.7g/t Au from 31m and 1m @ 23.1g/t Au from 40m (MDRC149)

Figure 5 represents the Mandilla East results as a long projection and demonstrates the thick, high-grade nature of the intersections. The significant intersection in MDRC143 is the southern-most RC hole drilled to date and demonstrates that gold mineralisation remains open in this direction.

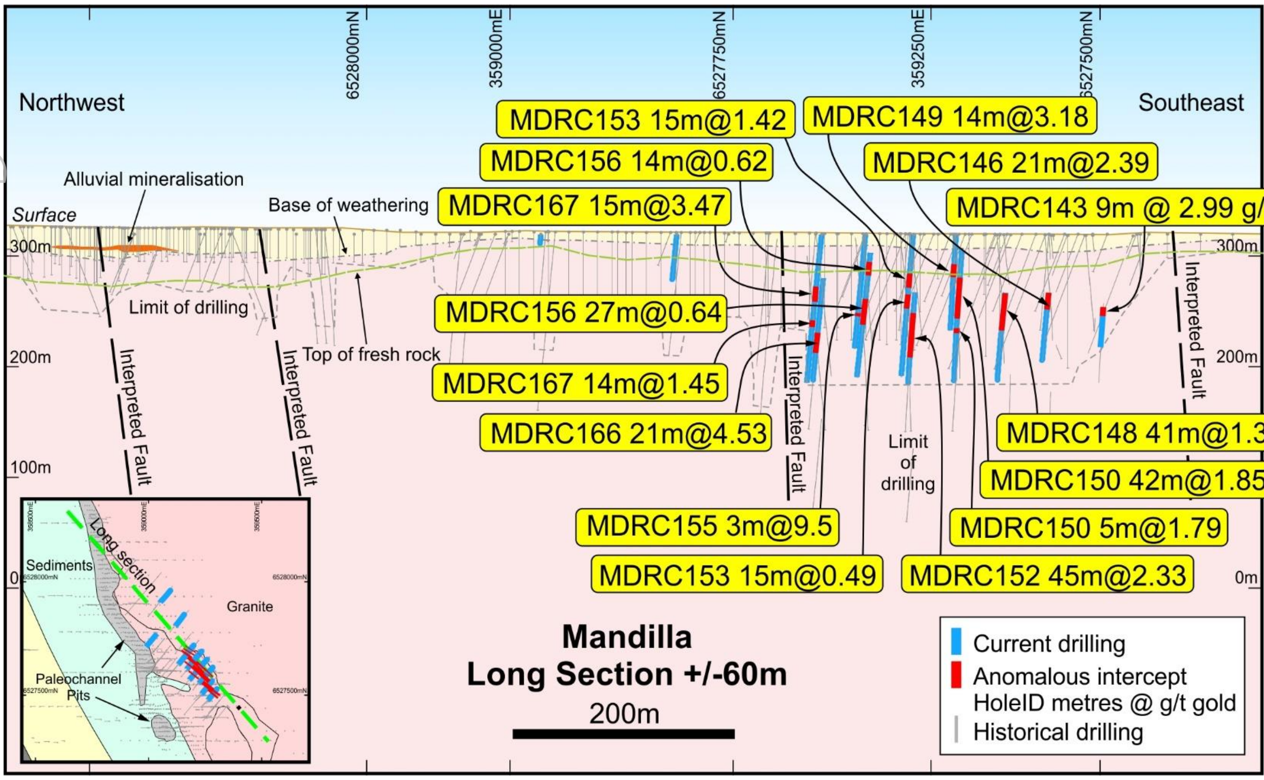

Figure 5: Mandilla East Long Projection

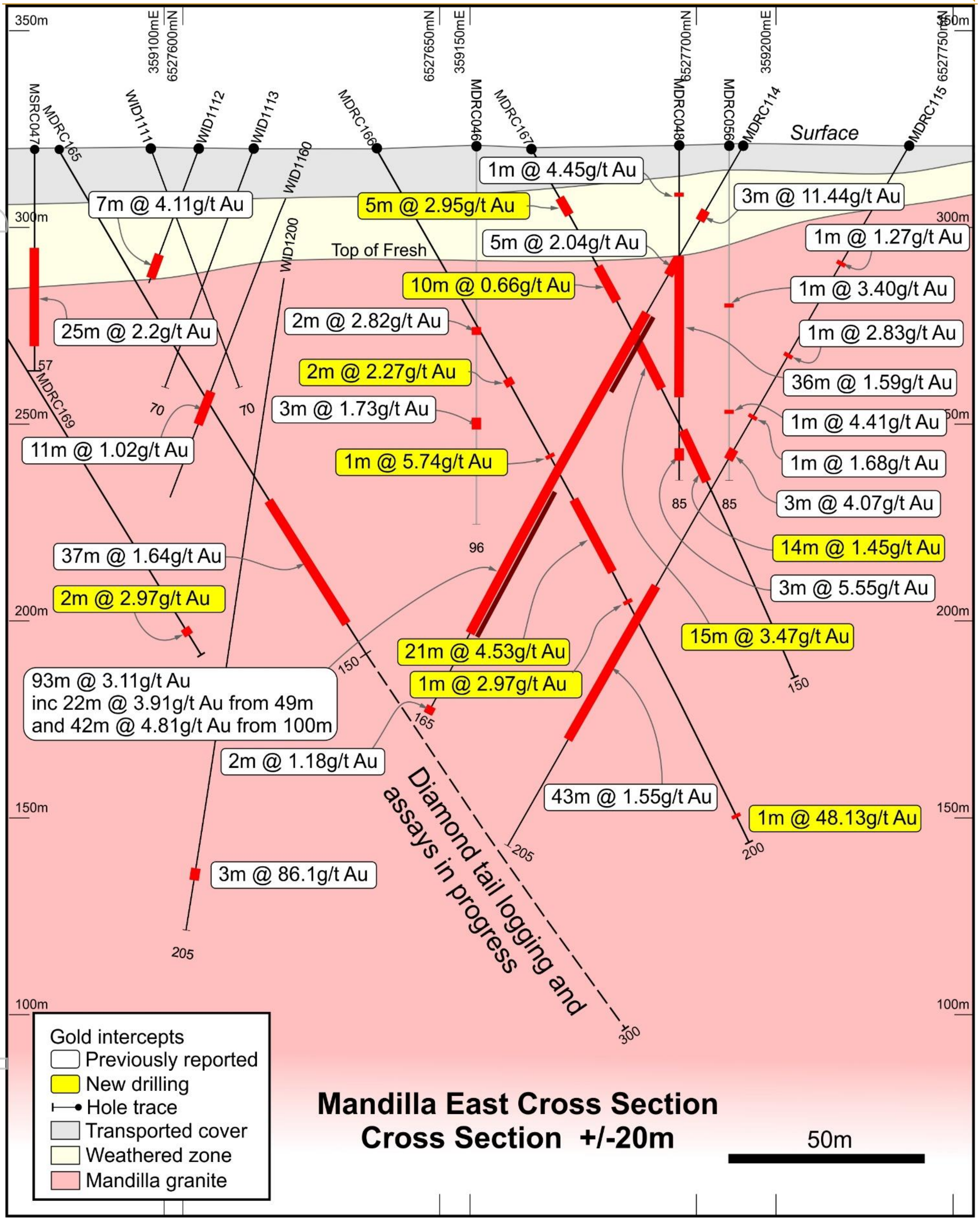

Figure 6: Cross-section at Mandilla East (its location shown on Figure 2).

Figure 6 presents a cross-section of Mandilla East, showing new intersections at MSRC166 and MSRC 167 (new results highlighted in yellow). Further work is required to determine the overall dip and plunge of the mineralisation and/or the existence of possible parallel lodes. The initial diamond tail (MDRC165) drilled from 150m to a depth of 283m down hole is yet to be logged and submitted for assay, however visual inspection of the core showed variably spaced quartz veining and pyrite typical of the Mandilla mineralisation.

Mandilla East Extension

The slimline drilling campaign also involved the drilling of holes in the region to the north of Mandilla East in an area for now referred to as the Mandilla East Extension. Anomalous gold was identified in most holes.

The most significant of these was MSRC061, which returned an assay of 1m @ 1.26g/t Au from 38m, and 1m @ 19.37g/t Au from 45m. This hole is located approximately 400m to the north of previously known mineralisation at Mandilla East.

Importantly, the Mandilla East Extension also broadly corresponds to an area of significant gold-in-soil anomalism.

A map illustrating Mandilla East, identifying slimline drill hole locations and assay results, the gold-in-soil anomalism outline and the interpreted new Mandilla East extension, is shown in Figure 7.

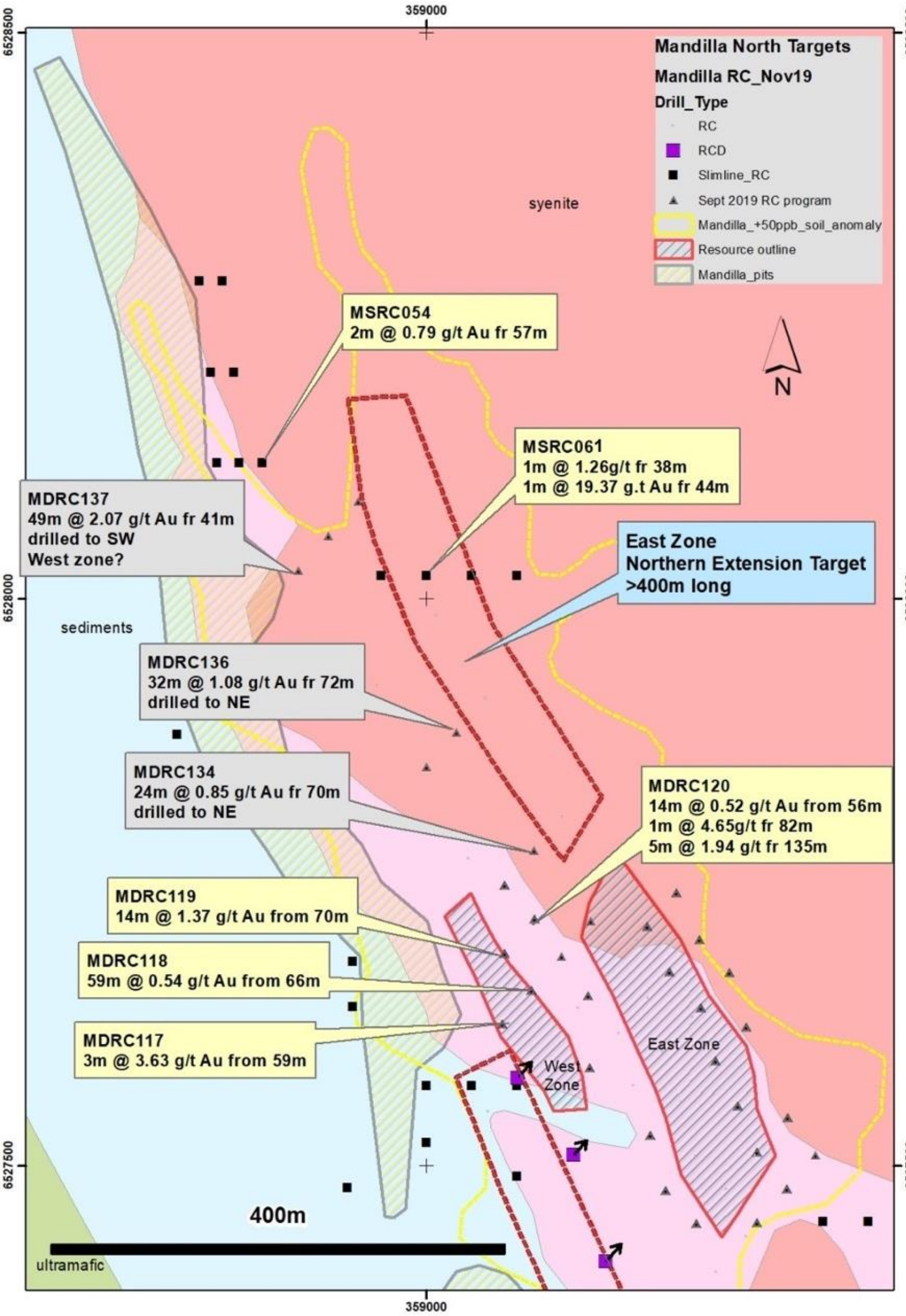

Figure 7: Map illustrating Mandilla East, identifying slimline drill hole locations and assay results, the gold-in-soil anomalism outline and the interpreted new Mandilla East extension.

The map also shows the location of and intersections from two final RC holes from the Western Zone drilling completed in the September campaign:

- MDRC118 – 59 m @ 0.54 g/t Au from 66 m (Western Zone)
- MDRC119 – 14 m @ 1.37 g/t Au from 70 m (Western Zone)

Mandilla South

MDRC124, located centrally with respect to the current two-kilometre-long anomaly, assayed as to 2 m @ 4.57 g/t Au from 60 m and 6 m @ 1.02 g/t Au from 91 m.

Forward Plan

Following the successful capital raising recently completed subsequent to the half year end. An active exploration drilling program comprising RC and diamond drilling will recommence during the first half of 2020.

Planned diamond and RC drilling will:

- continue to define the current Mandilla East mineralisation on a 40m x 40m spacing;
- test the northern and southern extension of Mandilla East;
- test Mandilla West on initial 160m - spaced sections;
- test moderate gold anomalism in de-magnetised syenite to the southeast of Mandilla East; and
- be designed to extend Mandilla East mineralisation to 200m depth below surface.

The drilling program is estimated to total approximately 30,000m of RC and diamond drilling.

Additionally, Anglo will target the completion of a Mineral Resource Estimation for Mandilla East in the 2H of 2020, as well as commencement of initial technical, economic and environmental studies (including metallurgical testwork) to underpin future feasibility studies and government approvals.

Feysville Gold Project – WA

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

The Feysville Gold Project is located in Australia's premier gold belt, approximately 14 kilometres south of the giant Golden Mile deposit (70 MOz) at Kalgoorlie. The belt extends for some 100 kilometres along a North, North-West strike, and takes in major gold deposits at New Celebration (3 MOz), some 10 kilometres south of Feysville, and the large St Ives field (+15 MOz) 30 to 60 kilometres to the south. Numerous other economic gold deposits have also been discovered within the belt (refer Figure 8).

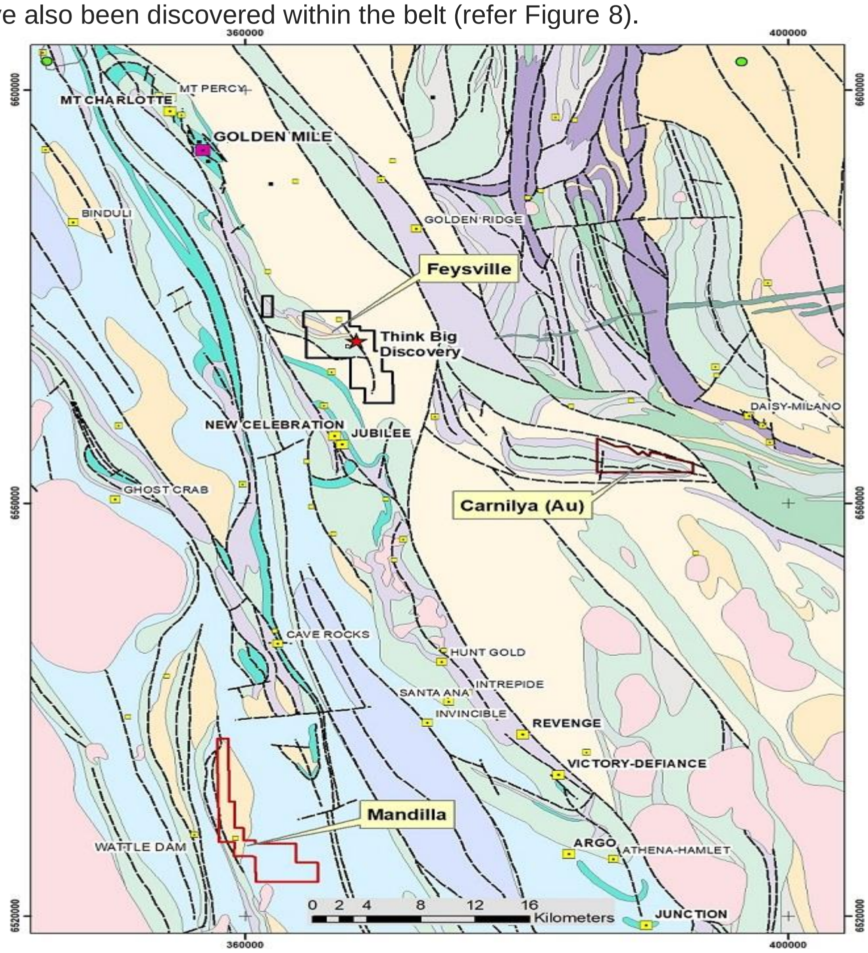

Figure 8: Feysville Gold Project Location Map

On 6 November 2018, Feysville Gold Pty Ltd, a wholly owned subsidiary of Anglo Australian, submitted to the Department of Mines, Industry Regulation and Safety of Western Australia, a Mineralisation Report as part of an application for a Mining Lease pursuant to the Mining Act. Negotiations are ongoing on this matter and no further work has been undertaken during this period.

Koongie Park Gold and Base Metals Project - WA

Anglo Australian - 100% interest

The Koongie Park Project is situated 20 kilometres to the south-west of Halls Creek in the Eastern Kimberley region of Western Australian, illustrated in Figure 8.

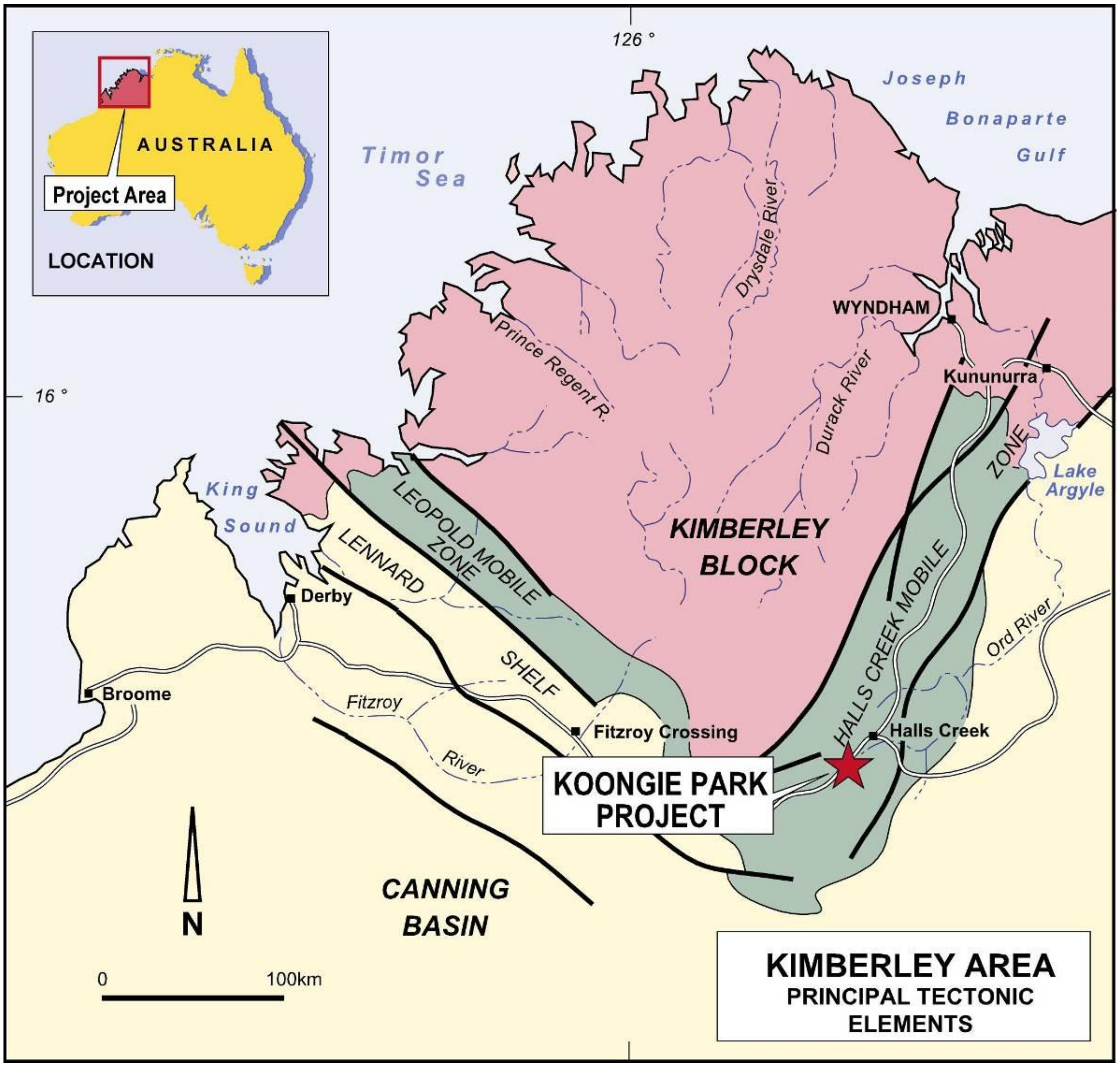

Figure 9: Koongie Park location map.

Anglo Australian's ground position at Koongie Park is considered highly prospective for the discovery of gold.

Various tenements held by Anglo Australian are adjacent to the ground position held by the ASX-listed, Pantoro Limited. Pantoro owns the Nicolson's Gold Project, with its relative proximity illustrated in Figure 10.

Anglo Australian holds a substantial ground position, also illustrated in Figure 10.

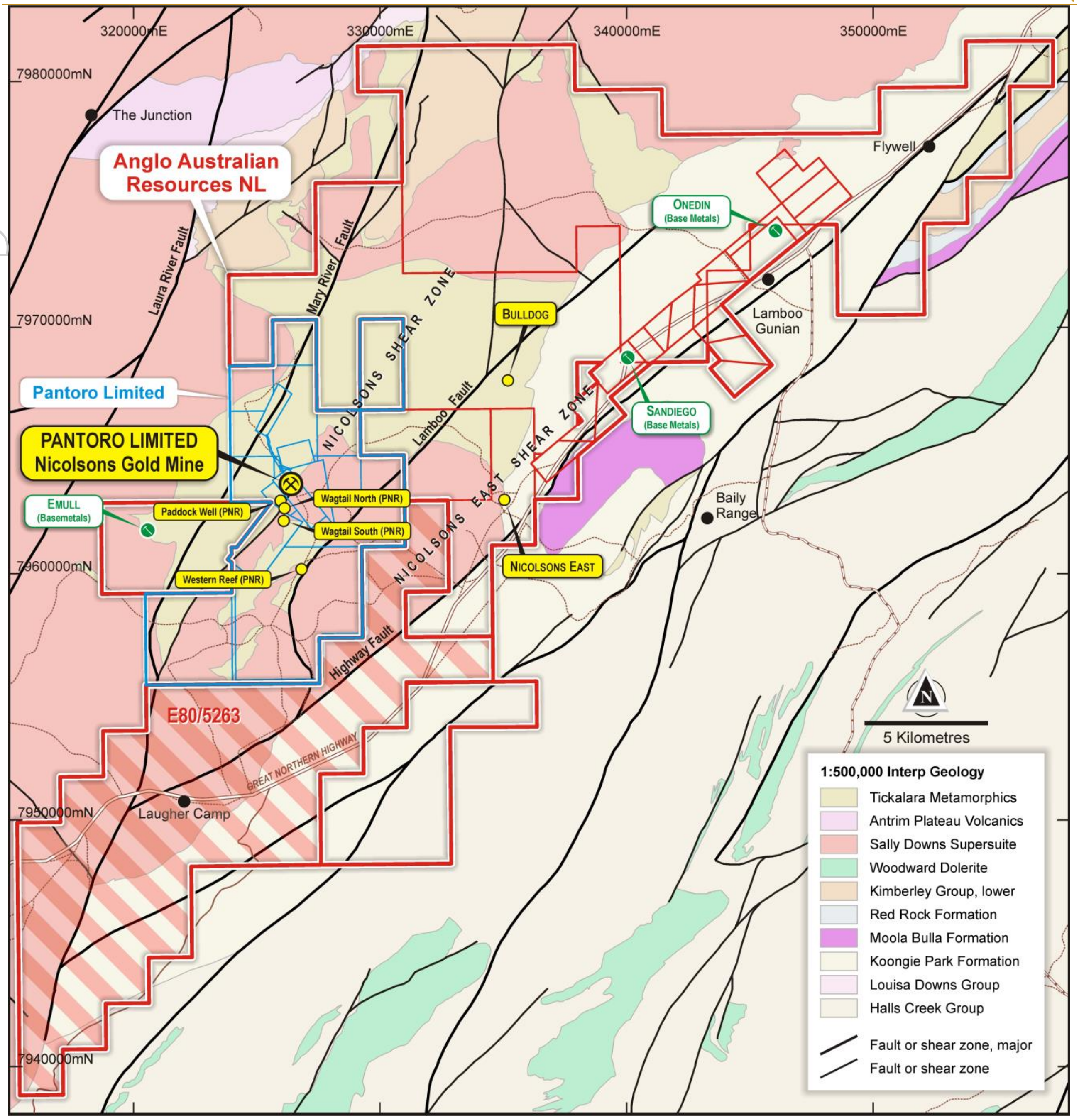

Figure 10: Koongie Park tenement map illustrating key features.

Anglo Australian's tenements host approximately 15 kilometres of the Nicolson's Shear Zone to the north of Pantoro's ground and approximately 15 kilometres to the south.

Anglo Australian also holds some 30 kilometres of strike along the Nicolson's East Shear Zone, approximately 8 kilometres to the east of and sub-parallel to the Nicolson's Shear Zone. This zone hosts a number of highly attractive targets including the undrilled Nicolson's 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 11.

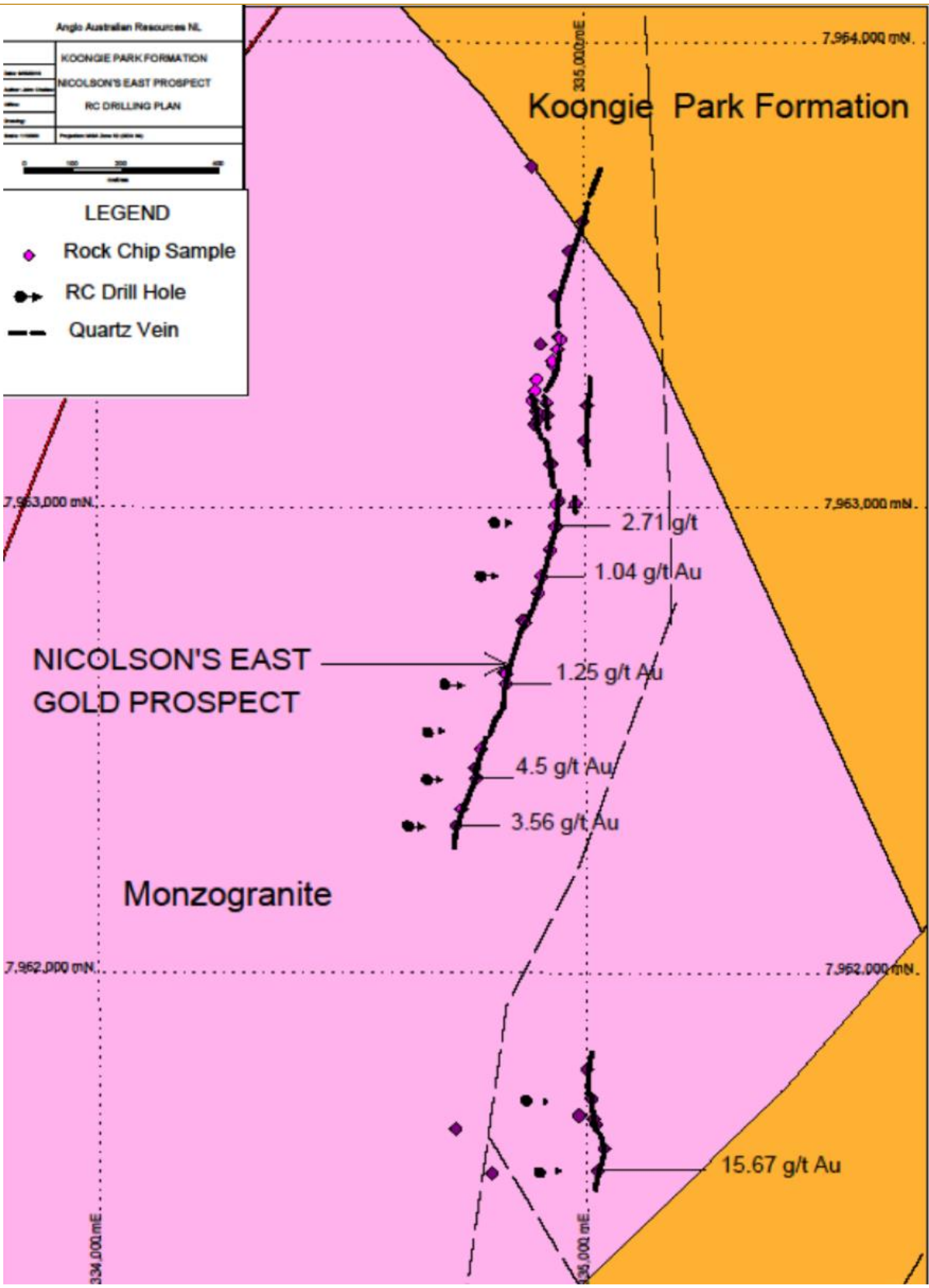

Figure 11: Nicolson's East Gold Prospect.

INDICATED MINERAL RESOURCES

Anglo Australian's ground position at Koongie Park is also highly prospective for base metals with significant mineralisation previously identified at Sandiego and Onedin, as follows:

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**

Carnilya Hill Gold Project – WA

Anglo Australian – 100% of gold rights

Carnilya Hill is located approximately 20 kilometres east-south-east of the Company's Feysville Project and approximately 40 kilometres south-east of Kalgoorlie, Western Australia.

The Project encompasses various tenements – M26/047-049, M26/453 representing an aggregate area of approximately 2.65 square kilometres – with rights to nickel and other minerals held by Mincor Resources NL (ASX: MCR).

A newly defined prospect named Hang Glider Hill has been outlined by Lefroy Exploration Limited (ASX: LEX) immediately north of the Carnilya Hill tenements. The prospect comprises a surface gold geochemical anomaly where a number of gold nuggets have been recovered.

Corporate

Issued Capital

During the half-year, 55,058,882 fully paid ordinary shares were issued, comprising:

- 802,950 fully paid ordinary shares issued to Olgen Pty Ltd on 26 July 2019 at a deemed issue price of $0.06 per share as compensation for services provided to the Company.
- 8,230,692 fully paid ordinary shares on 12 August 2019 at $0.065 as a placement to sophisticated and professional investors.
- 12,814,418 fully paid ordinary shares on 30 August 2019 at $0.065 as a placement to sophisticated and professional investors.
- 2,211,921 fully paid ordinary shares issued to various parties on 27 September 2019 at a deemed issue price of $0.065 per share as compensation for services provided to the Company.
- 400,000 fully paid ordinary shares on 27 September 2019, upon the exercise of 400,000 unlisted options exercisable at $0.025, expiring 30 November 2020;
- 2,500,000 fully paid ordinary shares on 16 October 2019, upon the exercise of 2,500,000 unlisted options exercisable at $0.02, expiring 30 November 2019;
- 19,800,000 fully paid ordinary shares on 25 November 2019, upon the exercise of 19,800,000 unlisted options exercisable at $0.02, expiring 30 November 2019;
- 7,200,000 fully paid ordinary shares on 25 November 2019, upon the exercise of 7,500,000 unlisted options exercisable at $0.02, expiring 30 November 2020; and
- 1,098,901 fully paid ordinary shares issued to Olgen Pty Ltd on 13 December 2019 at a deemed issue price of $0.091 per share as compensation for services provided to the Company.

On 2 December 2019, the Company issued 3,000,000 unlisted options to incoming Director, Mr David John Varcoe. The options have an exercise price of $0.135 with an expiry date of 27 November 2022. One million options vested immediately, one million vest after 12 months and the remaining one million vest after 24 months.

Settlement of Legal Matters

On 14 October 2019, Anglo Australian received from a member with at least 5% of the votes that may be cast at a general meeting of the Company a notice under section 249D of the *Corporations Act 2001* (Cth) ("Corporations Act") requesting the Company call a general meeting of shareholders for the purposes of considering resolutions concerning the composition of the Board. On 31 October, the notice was withdrawn and a new 249D notice lodged in its stead, again seeking changes to the composition of the Board (**Requisition Notice**).

On 28 November 2019, Anglo commenced proceeding number COR 232 of 2019 in the Supreme Court of Western Australia (**Proceeding**) against a number of the Company's shareholders (**Supreme Court Proceedings)**.

The Company announced on 23 December 2019 that a settlement agreement had been entered into between the Company and the shareholders who were defendants to the Supreme Court Proceedings (the **Settlement Agreement**), involving the following:

- Termination of the Supreme Court Proceedings.
- Agreed changes to the composition of the Company's Board of directors (refer below).
- Withdrawal of the Requisition Notice.
- Agreement on a structure for the payment of legal and other costs incurred by the defendants (which totalled approximately $453,000) (**Incurred Costs**). This involved a cash payment of $16,500 (paid 22 January 2020), with the balance being settled via the issue of 4,367,500 Anglo shares at a deemed issue price of 10 cents per share (issued 2 March 2020). The issue of these Anglo shares was subject to shareholder approval (approved by shareholders at a general meeting held 26 February 2020).
- All parties provided mutual releases and indemnity undertakings to prevent future legal actions (or Takeover Panel applications) on the issues that were the subject of the Supreme Court Proceedings.
- No admissions of liability by any party.

The Company confirms that all actions required by the Settlement Agreement have been completed.

Board Composition

Following the execution of the Settlement Agreement, the reconstituted Board of the Company is as follows:

- Leigh Warnick – Non-Executive Chair
- Marc Ducler – Managing Director
- John Jones – Non-Executive Director
- Peter Stern – Non-Executive Director
- David Varcoe – Non-Executive Director

Other changes to Board composition during the period included the following:

- Mr John Jones resigned his position as Chairman, in accordance with the terms of the Settlement Agreement.
- Mr Andrew Barclay and Mr Matt Hardisty were appointed as Non-Executive Directors on 13 December 2019. Mr Barclay and Mr Hardisty resigned as directors in accordance with the terms of the Settlement Agreement.
- Mr Graeme Smith resigned as a director, in accordance with the terms of the Settlement Agreement.

Management Appointments

As announced on 23 December 2019, Mr Brendon Morton joined the Company as Chief Financial Officer and Company Secretary and Ms Julie Reid joined the Company as Geology Manager. Both appointments were subject to terms being agreed, which occurred during January 2020.

Cash and cash equivalents

As at 31 December 2019, the Company had cash on hand of approximately $0.26 million.

An additional $0.55 million was raised between the end of the half year and 11 March 2020.

On 11 March 2020, the Company announced that it had secured firm commitments to raise $5.5m via the issue of 55 million shares at $0.10 per share.

SCHEDULE OF MINING TENEMENTS

Project	Tenement	Company Interest	Title Registered to
Koongie Park *(Western Australia)*	M80/276, 277 E80/4389,4766, 4957, 4960 E80/5076, 5087, E80/5127 E80/5263 P80/1802-10 P80/1831-1837	100%	Anglo Australian Resources NL
Feysville *(Western Australia)*	P26/3943-3944 P26/3947-3951 P26/4051-4052 P26/4074-4077 P26/4293,4294	100%	Feysville Gold Pty Ltd
Mandilla *(Western Australia)*	M15/96 M15/633 E15/1404	100% gold rights only 100% gold rights only 100%	Apollo Phoenix Resources Pty Ltd Anglo Australian Resources NL Anglo Australian Resources NL
Carnilya Hill *(Western Australia)*	M26/47 - 49 M26/453	100% gold rights only	Mincor Resources NL
Leonora *(Western Australia)*	E37/1287 E7/1355	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 trading as 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 this report of the matters based on his information, in the form and context in which it appears.

Mr Otterman has disclosed to the 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 relevant information in this 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.

The information in this report that relates to the Indicated Mineral Resource for the Sandiego and Onedin Deposits was first reported in accordance with JORC 2004 on 1 Nov 2010. The Company confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.

The information in this report that relates to the Inferred Resource estimate for the Mandilla Gold Project was first reported in accordance with JORC 2004 on 30 Sept 2011. The Company confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.

The information in this report that relates to Mineral Resources for the Feysville Gold Project was first reported in accordance with JORC 2012 on 8 Apr 2019 and is based on information compiled by Mr Richard Maddocks, a Competent Person who is a Fellow of The Australasian Institute of Mining and Metallurgy. The Company confirms that all material assumptions and technical parameters underpinning the Resource estimate continue to apply and have not materially changed.

Mr Maddocks 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 Maddocks consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Mr Maddocks is an independent consultant to Anglo Australian.

<u>Processing & Metallurgy</u>

The information in this report that relates to the Processing and Metallurgy for the Feysville Gold Project is based on, and fairly represents, information and supporting documentation compiled by Damian Connelly who is a Fellow of The Australasian Institute of Mining and Metallurgy and a full-time employee of METS. Damian Connelly has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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'. Damian Connelly consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

<u>Previously Reported Results</u>

There is information in this report relating to exploration results which were previously announced on 13 February 2017, 21 March 2018, 15 May 2018, 26 November 2018, 8 April 2019, 19 September 2019, 12 December 2019 and 12 February 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in those announcements and all material assumptions and technical parameters underpinning the exploration results included in those announcements continue to apply and have not materially changed.

Significant Change in State of Affairs

There were no significant changes in the state of affairs of the Company during the period.

Matters Subsequent to Reporting Date

Date	Details
13-Jan-20	On 13 January 2020, the Company announced that it had received commitments to raise $558,151 through the issue of 5.3 million shares at $0.105 each to sophisticated and professional investors. The shares were issued on 31 January 2020.
2-Mar-20	Following shareholder approval being obtained on 26 February 2020, the Company issued 4,367,500 Anglo shares at a deemed issue price of 10 cents per share, in final satisfaction of amounts owing under the Settlement Agreement.
11-Mar-20	On 11 March 2020, the Company announced that it had secured firm commitments to raise $5.5m via the issue of 55 million shares at $0.10 per share.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group or the results of those operations of the Group in future financial years.

Auditor's Independence Declaration

The Auditor's Independence Declaration under section 307C of the *Corporation Act 2001* is included within this financial report.

This report is signed in accordance with a resolution of the Board of Directors.

Marc Ducler
Managing Director

Perth, Western Australia, 13 March 2020

ELDERTON
AUDIT PTY LTD

Auditor's Independence Declaration

To those charged with the governance of Anglo Australian Resources NL

As auditor for the review of Anglo Australian Resources NL for the half-year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

(i) no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

Elderton Audit Pty Ltd
Elderton Audit Pty Ltd

Rafay Nabeel
Audit Director

13 March 2020
Perth

T +61 8 6324 2900 **E** info@eldertongroup.com **A** Level 2, 267 St Georges Terrace, Perth WA 6000
ABN 51 609 542 458 **W** www.eldertongroup.com **P** PO Box 983 West Perth W 6872

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half year ended 31 December 2019

	Note	Half-year ended 2019 $	2018 $
Revenue from continuing operations			
Other income	3	1,490	3,086
Consultants and advisors	4	(925,218)	(37,656)
Corporate costs		(261,502)	(147,908)
Depreciation and amortisation	10	(42,797)	-
Employee benefit expense		(8,000)	-
Exploration expenditure written off		(60,143)	-
General and administrative expenses		(89,413)	(80,396)
Interest expense		(1,017)	-
Occupancy costs		(12,747)	(47,131)
Share based payment expense	13	(53,664)	(32,000)
Profit/(Loss) before income tax expense		**(1,453,011)**	**(342,005)**
Income tax expense		-	-
Profit/(Loss) after income tax for the period		**(1,453,011)**	**(342,005)**
Other Comprehensive Income			
Items that may be reclassified to profit or loss		-	-
Other comprehensive loss for the period, net of tax		**(1,453,011)**	**(342,005)**
Total comprehensive profit/(loss) for the period		**(1,453,011)**	**(342,005)**
Total comprehensive profit/(loss) is attributable to:			
Owners of Anglo Australian Resources NL		(1,453,011)	(342,005)
		(1,453,011)	**(342,005)**
Profit/(Loss) per share from continuing operations attributable to the ordinary equity holders of Anglo Australian Resources NL:			
Basic and diluted profit/(loss) per share (cents)		(0.40)	(0.11)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31 December 2019 $	30 June 2019 $
ASSETS			
Current assets			
Cash and cash equivalents	5	253,242	448,919
Trade and other receivables	6	151,056	148,209
Prepayments		15,648	10,974
Total current assets		**419,946**	**608,102**
Non-current assets			
Exploration and evaluation expenditure	7	7,078,358	5,873,285
Right-of-use assets	10	-	-
Total non-current assets		**7,078,358**	**5,873,285**
TOTAL ASSETS		**7,498,304**	**6,481,387**
LIABILITIES			
Current liabilities			
Trade and other payables	8	444,423	652,223
Provisions	9	453,250	-
Total current liabilities		**897,673**	**652,223**
Non-current liabilities			
Provision for rehabilitation		85,710	85,710
Total non-current liabilities		**85,710**	**85,710**
TOTAL LIABILITIES		**983,383**	**737,933**
NET ASSETS		**6,514,921**	**5,743,454**
EQUITY			
Issued capital	11	37,463,807	35,292,993
Reserves	12	970,313	916,649
Accumulated losses	12	(31,919,199)	(30,466,188)
TOTAL EQUITY		**6,514,921**	**5,743,454**

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

For personal use only

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2019

	Contributed Equity	Share Based Payment Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2019	35,292,993	916,649	(30,466,188)	5,743,454
Total comprehensive income for the period				
Profit/(loss) for the period ended 31 December 2019	-	-	(1,453,011)	(1,453,011)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period	**-**	**-**	**(1,453,011)**	**(1,453,011)**
Transactions with owners, recorded directly in equity				
Issue of shares, net of costs	2,170,814	-	-	2,170,814
Share based payments	-	53,664	-	53,664
Balance at 31 December 2019	**37,463,807**	**970,313**	**(31,919,199)**	**6,514,921**

	Contributed Equity	Share Based Payment Reserve	Accumulated Losses	Total
	$	$	$	$
Balance at 1 July 2018	33,951,434	916,649	(29,810,182)	5,057,902
Total comprehensive loss for the period				
Loss for the period ended 31 December 2018	-	-	(342,005)	(342,005)
Other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	**(342,005)**	**(342,005)**
Transactions with owners, recorded directly in equity				
Issue of shares, net of costs	33,359	-	-	33,359
Issue of options	-	-	-	-
Balance at 31 December 2018	**33,984,793**	**916,649**	**(30,152,187)**	**4,749,255**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2019

	Note	31 December 2019 $	31 December 2018 $
Cash flows from operating activities			
Receipts from customers		(52,596)	-
Payments to suppliers and employees		(1,006,355)	(287,608)
Net cash outflow from operating activities		(1,058,951)	(287,608)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(4,765)
Exploration and evaluation expenditure		(1,265,216)	(1,062,612)
Interest received	3	1,490	3,086
Net cash outflow from investing activities		(1,263,725)	(1,064,291)
Cash flows from financing activities			
Proceeds from issue of shares		2,260,062	-
Share issue costs		(89,249)	-
Repayment of lease liabilities	10	(43,504)	-
Interest paid		(310)	-
Net cash inflow from financing activities		2,126,999	-
Net decrease in cash and cash equivalents		(195,677)	(1,351,899)
Cash and cash equivalents at beginning of the financial period	5	448,919	1,623,785
Cash and cash equivalents at end of the period	5	**253,242**	**271,886**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half year ended 31 December 2019

1. Summary of significant accounting policies

Basis of preparation

These general purpose interim financial statements for the half year reporting period ended 31 December 2019 has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting.* The consolidated entity is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report does not include full disclosures of the type normally included in an annual report. It is recommended that this financial report to be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Anglo Australian Resources NL during the half year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Going concern

The financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation and extinguishment of liabilities in the ordinary course of business. For the half year ended 31 December 2019 the Company incurred a loss of $1,453,011 (2018: Loss of $342,005). The Company had net cash outflows from operations of $1,058,951 (2018: cash outflow of $287,608), and net cash outflows from investing activities of $1,263,725 (2018: cash outflow of $1,064,291).

On 11 March 2020, the Company announced that it had secured firm commitments to raise $5.5 million via the issue of 55 million shares at $0.10 per share.

The Board of Directors have reviewed the business outlook and is of the opinion that the use of the going concern basis of accounting is appropriate.

AASB 9 Financial Instruments

AASB 9 supersedes AASB 139 'Financial Instruments: Recognition and Measurement' and was adopted by the Group from 1 July 2018. This, and the related amendments to other accounting standards, introduced three significant areas of change from AASB 139 Financial Instruments: Classification and Measurement:

- A new model for classification and measurement of financial assets and liabilities
- A new expected loss impairment model for determining impairment allowances; and
- A redesigned approach to hedge accounting.

The standard has been applied as at 1 July 2018 without adjustment to comparatives.

Classification and Measurement:

For financial liabilities, the existing classification and measurement requirements of AASB 139 are largely retained.

1. Summary of significant accounting policies (continued)

For financial assets, under the new standard these are classified as measured at amortised cost, fair value through profit or loss, or fair value through other comprehensive income. The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Group's business model was made as of the date of initial application, 1 July 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 July 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Group.

Trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Group has continued to measure these at amortised cost under AASB 9.

Under AASB 9, impairments of financial assets classified as measured at amortised cost are recognised on an expected loss basis which incorporates forward-looking information when assessing credit risk. Movements in the expected loss reserve are recognised in profit or loss. Due to the short-term nature and high quality of the financial assets, the Group has not recognised any impacts on the adoption of AASB 9.

Taxation receivables are considered statutory in nature and therefore not accounted for as financial assets under AASB 9. Taxation receivables are initially recognised at fair value and subsequently measured at amortised cost.

Listed equity investments previously classified as available for sale financial assets are now classified and measured as financial assets at fair value through profit or loss.

The Group has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Group's financial liabilities.

Impairment:

The adoption of AASB 9 has required changes to the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

AASB 9 requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. The expected credit losses on these financial assets are estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current, as well as forecast, conditions at the reporting date.

For all other receivables measured at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for the financial instrument at an amount equal to expected credit losses within the next 12 months.

Due to the short-term nature and high quality of the Group's financial assets, the adoption of AASB 9 has not resulted in the recognition of additional impairment.

Hedge Accounting:

The hedge accounting requirements of AASB 9 are not applicable to the Group as the Group has not entered into any hedging arrangements.

1. Summary of significant accounting policies (continued)

AASB 15 Revenue from contracts with Customers

AASB 15 was adopted by the Group from 1 July 2018. AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations, and it applies with limited exceptions, to all revenue arising from contracts with its customers.

The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under AASB 15, a Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The standard requires the Group to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted AASB 15 in accordance with the transition requirements in AASB 15, which permits Groups to transition to AASB 15 by applying the Standard:

- retrospectively to each prior reporting period presented; or
- retrospectively with the cumulative effect of initially applying the Standard recognised as at the date of initial application (i.e., at the beginning of the annual reporting period in which the entity first applies the Standard).

The Group adopted AASB 15 using the full retrospective method of adoption.

At the initial date of application, the effect of adopting AASB 15 did not have a material impact on the transactions and balances recognised in the financial statements, including comparatives.

New and amended standards adopted by the entity

These consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2019, with the exception of the impact of new and amended standards and interpretations issued by the AASB as follows:

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs.

1. Summary of significant accounting policies (continued)

Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. Based on the Group's detailed assessment for the impact of AASB16, the standard does not have a material impact on the transactions and balances recognized in the interim financial statements.

Standards and Interpretations in use not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half year ended 31 December 2019.

Other than the above, there is no material impact of the new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to Group accounting policies.

Statement of Compliance

The interim financial statements were authorised for issue on 13 March 2020.

The interim financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the interim financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

2. Operating segments

Operating Segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and determining the allocation of resources.

The Group operates as a single segment, which is mineral exploration.

The revenues and results of this segment are those of the Group as a whole and are set out in the statement of profit or loss and other comprehensive income.

Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

3. Other Income

	31 December 2019 $	31 December 2018 $
Interest received	1,490	3,086
Other Income	-	-
Total Other Income	**1,490**	**3,086**

4. Consultants and Advisors

	31 December 2019 $	31 December 2018 $
Legal fees	271,493	8,100
Provision for settlement of defendants' legal costs	453,250	-
Other	200,475	29,556
Total Consultants and Advisors	**925,218**	**37,656**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half year ended 31 December 2019

5. Cash and Cash Equivalents

	31 December 2019 $	30 June 2019 $
Cash at bank and in hand	210,242	405,919
Short-term term deposits	43,000	43,000
Total Cash and Cash Equivalents	**253,242**	**448,919**

6. Trade and Other Receivables

	31 December 2019 $	30 June 2019 $
Trade receivables	4,194	67,192
GST	117,730	81,017
Other receivables (refer to Note 14)	29,132	-
Total Trade and Other Receivables	**151,056**	**148,209**

7. Exploration & Evaluation Assets

	31 December 2019 $	30 June 2019 $
Opening Balance	5,873,285	3,871,182
Expenditure capitalised during the period	1,205,073	2,003,415
Less: Exploration written off during the period	-	(21,802)
Revaluation of rehabilitation provision	-	20,490
Total Exploration & Evaluation Expenditure	**7,078,358**	**5,873,285**
Comprised of:		
Feysville Project	3,549,330	3,405,893
Koongie Park Project	1,679,570	1,571,794
Leonora Project	220,809	217,205
Mandilla Project	1,628,649	678,393
	7,078,358	**5,873,285**
Impairment / Write Off:		
Feysville Project	-	(16,742)
Koongie Park Project	-	(4,979)
Leonora Project	-	(81)
Mandilla Project	-	-
	-	**(21,802)**

The ultimate recoupment of exploration and evaluation assets is dependent upon successful development and commercial exploitation, or alternatively sale of the respective areas.

The Company's exploration properties may be subjected to claim(s) under native title, or contain sacred sites, or sites of significance to indigenous Australians. As a result, exploration properties or areas within the tenements may be subject to exploration restrictions and/or claims for compensation. At this time, it is not possible to determine whether such claims exist of the quantum of such claims, if any.

8. Trade and Other Payables

	31 December 2019 $	30 June 2019 $
Trade payables	417,005	539,603
Accrued director fees	27,418	50,988
Other payables and accruals	-	61,632
Total Other Payables	**444,423**	**652,223**

9. Provisions

	31 December 2019 $	30 June 2019 $
Provision for legal settlement	453,250	-

Settlement amount of $453,250 is in accordance with Settlement Agreement executed by the Company and announced on 23 December 2019. The settlement involves the Company reimbursing legal and other expenses incurred by the defendants, totalling $453,250. Settlement of this provision involved a cash payment of $16,500 (paid 22 January 2020), with the balance being settled via the issue of 4,367,500 Anglo shares at a deemed issue price of 10 cents per share (issued 2 March 2020, following shareholder approval on 26 February 2020).

10. Lease Assets and Lease Liabilities

The Group leases office premises for periods not exceeding 5 years. The arrangements do not include variable lease payments, extension options or residual guarantees. The Group is required to return the underlying assets in a specified condition at the end of the lease term.

At the commencement date of a lease (other than leases of 12 months or less and lease of low value assets), the Group recognises a lease asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

(a) Right of Use Assets

	31 December 2019 $	30 June 2019 $
Buildings	-	-

	Buildings	Total
Reconciliation of the carrying amount of lease assets at the beginning and end of the half-year:		
Carrying amount at 1 July 2018	-	-
Additions	-	-
Amortisation	-	-
Carrying amount at 30 June 2019	**-**	**-**
Additions	42,797	
Amortisation	(42,797)	
Carrying amount at 31 December 2019	**-**	**-**

(b) Amounts Recognised in Profit or Loss

	31 December 2019 $	31 December 2018 $
Amortisation expense on right of use assets	42,797	-
Interest expense on lease liabilities	1,408	-
Expense relating to short term leases	-	-
Expense relating to low value assets	-	-
Leases of low value assets	-	-

(c) Cashflow

	31 December 2019 $	30 June 2019 $
Total cash outflow relating to leases	43,504	-

As at 31 December 2019, the Group is not committed to any fixed lease payments. The lease on the Group's office premises at 63 Hay Street, Subiaco expired on 1 January 2020. The Group agreed to remain in the premises on a month-by-month basis from 1 January 2020 until an alternative lease was executed. As announced on 12 February 2020, the Group relocated its registered office and principal place of business to Suite 2, 6 Lyall Street South Perth. The Group executed a sublease to 30 December 2021.

11. Contributed Equity

(d) Issued and fully paid

	31 December 2019		30 June 2019	
	No.	$	No	$
Ordinary shares	403,802,935	37,463,807	348,744,053	35,292,993

(e) Movement reconciliation

Ordinary Shares	No. of Shares	$
Opening Balance at 1 July 2019	348,744,053	35,292,993
Exercise of options	29,900,000	600,000
Placements – August 2019	19,496,294	1,267,432
Share based payments (refer to Note 13(c))	5,662,588	392,625
Share issue costs	-	(89,249)
Closing Balance at 31 December 2019	**403,802,935**	**37,463,807**

12. Reserves and Accumulated Losses

a) Reserves

	31 December 2019 $	30 June 2019 $
Share based payments reserve		
Balance at the beginning of the period	916,649	916,649
Options issued to Director	53,664	-
Balance at the end of the period	**970,313**	**916,649**

b) Accumulated Losses

	31 December 2019 $	30 June 2019 $
Balance at the beginning of the period	(30,466,188)	(29,810,182)
Net loss for the period	(1,453,011)	(656,006)
Balance at the end of the period	**(31,919,199)**	**(30,466,188)**

13. Share Based Payments

Share based payments during the half year ended 31 December 2019 are summarised below.

(a) Recognised share based payment expense

	31 December 2019 $	31 December 2018 $
Expense arriving from equity settled share based payment transactions	53,664	32,000

(b) Options granted during the half year

Unquoted options granted during the half year to 31 December 2019 as share based payments are as follows:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
A	Director Options	2 Dec 2019	1,000,000	$0.135	27 Nov 2022	Immediate
B	Director Options	2 Dec 2019	1,000,000	$0.135	27 Nov 2022	27 Nov 2020
C	Director Options	2 Dec 2019	1,000,000	$0.135	27 Nov 2022	27 Nov 2021

The Options were valued using a Black Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options ($)	Total Value ($)
A	2 Dec 2019	50%	2.00%	27 Nov 2022	$0.085	0.0179	17,888
B	2 Dec 2019	50%	2.00%	27 Nov 2022	$0.085	0.0179	17,888
C	2 Dec 2019	50%	2.00%	27 Nov 2022	$0.085	0.0179	17,888

(c) Shares issued for consideration of Services

During the half year, the following shares were issued in consideration for services:

Share Based Payment	Number of shares	Issued Price	Value $
July 2019 - Issue of shares as consideration for services.	802,950	$0.060	48,177
August 2019 – Issue of shares as consideration for services.	1,548,816	$0.065	100,673
September 2019 – Issue of shares as consideration for services.	2,211,921	$0.065	143,775
December 2019 - Issue of shares as consideration for services.	1,098,901	$0.091	100,000
Total	**5,662,588**		**392,625**

14. Related Parties

Other than as presented below, there were no material changes to the Group's related party transactions to those disclosed in the 30 June 2019 Annual Report.

Other transactions with Key Management Personnel

Issue of Options

During the half year to 31 December 2019, the following securities were issued to key management personnel:

Tranche	Class of Securities	Grant Date	Number of Securities	Exercise Price	Expiry Date	Vesting Date
A	Director Options	2 Dec 2019	1,000,000	$0.135	27 Nov 2022	Immediate
B	Director Options	2 Dec 2019	1,000,000	$0.135	27 Nov 2022	27 Nov 2020
C	Director Options	2 Dec 2019	1,000,000	$0.135	27 Nov 2022	27 Nov 2021

The Options were valued using a Black Scholes Model with the following inputs:

Tranche	Valuation Date	Expected Volatility	Risk-Free Interest Rate	Expiry	Underlying Share Price	Value per Options ($)	Total Value ($)
A	2 Dec 2019	50%	2.00%	27 Nov 2022	$0.085	0.0179	17,888
B	2 Dec 2019	50%	2.00%	27 Nov 2022	$0.085	0.0179	17,888
C	2 Dec 2019	50%	2.00%	27 Nov 2022	$0.085	0.0179	17,888

Advances to Related Parties

As at 31 December 2019, the Company has incurred expenditure on behalf of director, Mr John Jones totalling $29,132 (refer to Note 6). The Company intends to withhold payment of Mr Jones' directors fee entitlements until this amount is extinguished in full. Amounts owing to Mr Jones as directors fees as at 31 December 2019 totalled $7,876.

15. Dividends

No dividends have been paid or declared since the start of the financial period, and none are recommended.

16. Fair value measurement of financial instruments

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

Recurring fair value measurements

The Group does not have any financial instruments that are subject to recurring or non-recurring fair value measurements.

Fair values of financial instruments not measured at fair value

Due to their short-term nature, the carrying amount of current receivables, current trade and other payables and current interest bearing liabilities are assumed to approximate their fair value.

17. Commitments

There are no new commitments, other than the commitments that existed as at 31 December 2019 that the Group has entered into during the period under review.

18. Contingent Assets and Liabilities

There have been no material changes in contingent liabilities or contingent assets since the last annual reporting date.

19. Events Subsequent to Reporting Date

Date	Details
13-Jan-20	On 13 January 2020, the Company announced that it had received commitments to raise $558,151 through the issue of 5.3 million shares at $0.105 each to sophisticated and professional investors. The shares were issued on 31 January 2020.
2-Mar-20	Following shareholder approval being obtained on 26 February 2020, the Company issued 4,367,500 Anglo shares at a deemed issue price of 10 cents per share, in final satisfaction of amounts owing under the Settlement Agreement (refer to Note 9).
11-Mar-20	On 11 March 2020, the Company announced that it had secured firm commitments to raise $5.5m via the issue of 55 million shares at $0.10 per share.

No other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

DIRECTOR'S DECLARATION

The directors of the Company declare that:

(a) The financial statements and notes are in accordance with the *Corporations Act 2001*, including:

(i) complying with the Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

(ii) giving a true and fair view of the financial position as at 31 December 2019 and the performance for the half year ended 31 December 2019.

(b) At the date of this statement there are reasonable grounds to believe that Anglo Australian Resources NL will be able to pay its debts when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:

Mr Marc Ducler
Managing Director

Perth, 13 March 2020

Independent Auditor's Review Report

To the members of Anglo Australian Resources NL

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Anglo Australian Resources NL and it's controlled entities ("the Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2019, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors' determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*. As the auditor of Anglo Australian Resources NL, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Anglo Australian Resources NL is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date;
- and complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Elderton Audit Pty Ltd

Elderton Audit Pty Ltd

Rafay Nabeel
Audit Director

13 March 2020
Perth