



ANGLO AUSTRALIAN RESOURCES NL

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ANGLO AUSTRALIAN ELIMINATES ALL THIRD-PARTY ROYALTIES AT MANDILLA GOLD PROJECT

This allows Anglo Australian to unlock full value from its significant emerging gold discovery

Anglo Australian Resources NL (ASX: AAR) (**Anglo Australian** or the **Company**) is pleased to announce that it has reached agreement with the respective owners to eliminate all third-party royalties held over the Mandilla Gold Project, located 70km south of Kalgoorlie in Western Australia.

One of the tenements which comprises the Mandilla Gold Project, M15/633, has historically been subject to two third-party royalties. These third-party royalties are legacy royalties that provided for the following:

- Royalty # 1: \$1 per tonne of gold ore mined and treated; and
- Royalty # 2: Comprising:
 - 4% NSR (net smelter royalty) on gold production in excess of 100,000oz; and
 - A price participation royalty of 10% of every dollar the gold price exceeds A\$600 for every ounce produced.

The consideration provided to eliminate each of the third-party royalties is as follows:

- Royalty # 1: Issue of 1,142,588 ordinary AAR shares at a deemed issue price of \$0.175 per share (nominal value of AUD\$200,000) (issued on 6 August 2020); and
- Royalty # 2: Payment of cash consideration of US\$400,000.

Anglo Australian Managing Director, Marc Ducler, said: *“The elimination of all third-party royalties is a pivotal step for us in advancing the exciting Mandilla Gold Project to the next level and maximising the value of this rapidly growing discovery for our shareholders. The agreements we have struck with the royalty owners amount to a transformational development for the Company, given our corporate focus on advancing the project as quickly as possible and delivering a maiden Mineral Resource.*”

“With the Mandilla Gold Project effectively royalty free¹, we can focus on the ongoing drilling programs – which are progressing well and laying the foundations for a maiden Mineral Resource Estimate later this calendar year. Given the strategic location of the deposit, we are now extremely well-placed to continue to build value in the Company and realise full value for the potential ounces in the ground.”

¹ With the exception of the Western Australian Government gold royalty of 2.5% NSR



The **Mandilla Gold Project** is located 70km south of Kalgoorlie in Western Australia (Figure 1). It lies on the western margin of a porphyritic granitic intrusion known as the Mandilla Syenite. The syenite intrudes volcanoclastic sedimentary rocks in the Project area which form part of the Spargoville Group as shown in Figure 2.



Figure 1 – Mandilla Gold Project location map

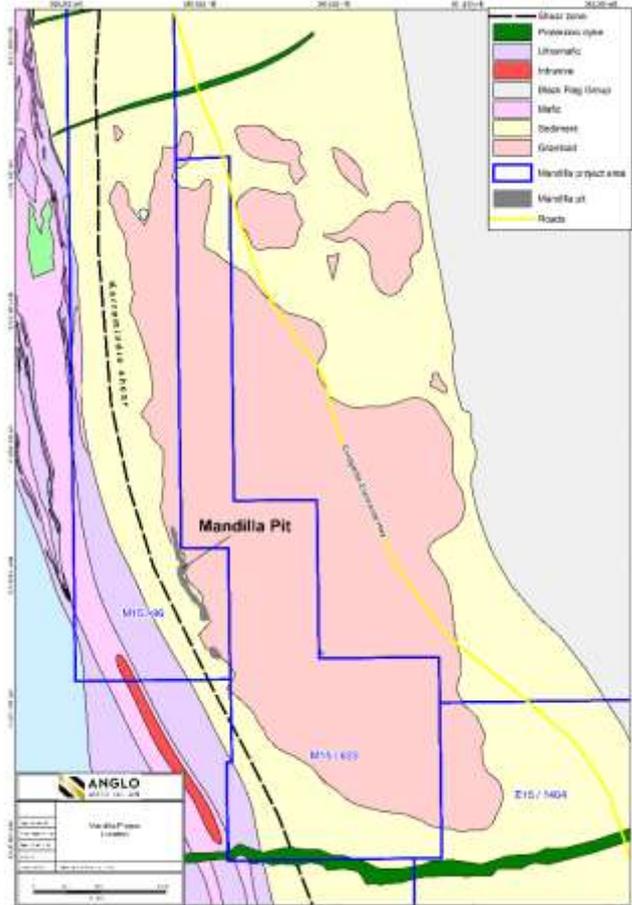


Figure 2 – Mandilla local area geology

Significant NW to WNW-trending structures along the western flank of the project are interpreted from aeromagnetic data to cut through the Mandilla Syenite and may be important in localising mineralisation at Mandilla East. A second sub-parallel structure appears to host Mandilla South.

The Mandilla Gold Project is covered by existing Mining Leases.

The recent focus of exploration activity at the Mandilla Gold Project has been targeting fresh rock within the Mandilla Syenite, where a combination of reverse circulation and diamond drilling continues to delineate a large gold system.



This announcement has been approved for release by the Managing Director. For further information:

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