

ANGLO AUSTRALIAN RESOURCES NL DIRECTORS' REPORT

The directors present their report for the half-year ended 31 December 2001 and the auditors' review report thereon.

DIRECTORS

The directors of the Company during or since the end of the half-year are:

Name	Period of Directorship
Jones, John Load Cecil	Director and Chairman since 1990
Clarke, Denis Edmund	Director since 1999
Fyson, Christopher Hugh	Director since 1985
Pilmer, Angus Claymore	Director since 1985
Wynd, Robert Scott	Director since 1990

REVIEW OF OPERATIONS

The Company is engaged in gold and base metal exploration projects in Western Australia and in Tasmania.

Western Australia

West Musgrave Joint Venture

During the half year ended 31 December 2001, the Company successfully completed negotiations with the Ngaanyatjarra Land Council with the signing of an Access Agreement and continued the necessary compilation of base geological data to define and prioritise targets.

Bulga Downs Joint Venture

Koongie Park Joint Venture

No field work during the half year ended 31 December 2001 was undertaken by the Company or the Joint Venture Partners.

Tasmania

East Denison

The Company has completed plans to investigate the extent of shallow gold mineralisation discovered by previous drilling programmes.

New Projects

The Company continued to focus on new project acquisition during the half year ended 31 December 2001 with negotiations continuing and with emphasis on securing gold projects with an early production potential.

Signed at Perth, Western Australia, this 10th day of April 2002 in accordance with a resolution of Directors.

J L C JONES
Chairman

A C PILMER
Director

ANGLO AUSTRALIAN RESOURCES NL DIRECTORS' DECLARATION

In the opinion of the directors of Anglo Australian Resources NL

1. the financial statements and notes set out on pages 3 to 7 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the financial position of the company as at 31 December 2001 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

J L C JONES
Chairman

A C PILMER
Director

Dated at Perth, Western Australia this 10th day of April 2002

ANGLO AUSTRALIAN RESOURCES NL
STATEMENT OF FINANCIAL PERFORMANCE
For the Half-Year Ended 31 December 2001

	Note	2001	2000
		\$	\$
Other revenues from ordinary activities		<u>101</u>	<u>1,012</u>
Total revenue		<u>101</u>	<u>1,012</u>
Expenses from ordinary activities			
Exploration and development expenditure written off			
- current year		5,509	27,854
- previously capitalised		-	98,649
Administration expenses		37,310	51,311
Other expenses from ordinary activities		91,766	52,566
Borrowing costs		<u>2,050</u>	<u>3,042</u>
Total expenses		<u>136,635</u>	<u>233,422</u>
Loss from ordinary activities before related income tax		(136,534)	(232,410)
Income tax benefit relating to ordinary activities		-	-
Net Loss from ordinary activities after related income tax	3	\$ <u>(136,534)</u>	\$ <u>(232,410)</u>
Earnings (Loss) per share		(0.08) cents	(0.15) cents

The above Statement of Financial Performance is to be read in conjunction with the accompanying notes.

ANGLO AUSTRALIAN RESOURCES NL
STATEMENT OF FINANCIAL POSITION
As at 31 December 2001

	Note	31 December 2001 \$	30 June 2001 \$
Current Assets			
Cash assets		24,976	12,965
Receivables		<u>31,276</u>	<u>24,983</u>
Total Current Assets		<u>56,252</u>	<u>37,948</u>
Non-Current Assets			
Property, plant & equipment		34,775	39,440
Exploration expenditure		<u>857,763</u>	<u>811,322</u>
Total Non-Current Assets		<u>892,538</u>	<u>850,762</u>
Total Assets		<u>948,790</u>	<u>888,710</u>
Current Liabilities			
Payables		242,922	111,393
Interest-bearing liabilities		7,565	34,637
Provisions		<u>8,500</u>	<u>7,260</u>
Total Current Liabilities		<u>258,987</u>	<u>153,290</u>
Non-Current Liabilities			
Payables			127,500
Interest-bearing liabilities		<u>15,613</u>	<u>19,595</u>
Total Non-Current Liabilities		<u>15,613</u>	<u>147,095</u>
Total Liabilities		<u>274,600</u>	<u>300,385</u>
Net Assets		\$ <u>674,190</u>	\$ <u>588,325</u>
Equity			
Contributed Equity	2	14,677,562	14,445,162
Accumulated Losses	3	<u>(13,993,372)</u>	<u>(13,856,837)</u>
Total Equity		\$ <u>674,190</u>	\$ <u>588,325</u>

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

ANGLO AUSTRALIAN RESOURCES NL
STATEMENT OF CASH FLOWS
for the half year ended 31 December 2001

	Half-Year ended 31 Dec 2001	Half-Year ended 31 Dec 2000
	\$	\$
CASHFLOWS FROM OPERATING ACTIVITIES		
Payments in the course of operations	(37,335)	(63,576)
Interest Received	101	1,012
Interest and Other Costs of Finance Paid	<u>(2,050)</u>	<u>(1,627)</u>
NET CASH (USED IN) OPERATING ACTIVITIES	<u>(39,284)</u>	<u>(64,191)</u>
CASHFLOWS FROM INVESTING ACTIVITIES		
Payments to Suppliers and Employees – Exploration	<u>(64,699)</u>	<u>(105,396)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(64,699)</u>	<u>(105,396)</u>
CASHFLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	76,000	-
Repayment of External Borrowings	(3,984)	(2,834)
Other Share Issue Costs	(1,800)	(1,800)
Proceeds from Share Issue	<u>73,500</u>	<u>234,550</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>143,716</u>	<u>229,916</u>
Net increase/(decrease) in Cash Held	39,733	60,329
Cash at Beginning of half-year	<u>(14,757)</u>	<u>139,884</u>
Cash at end of half-year	<u><u>24,976</u></u>	<u><u>200,213</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

ANGLO AUSTRALIAN RESOURCES NL
NOTES TO THE FINANCIAL STATEMENTS
for the half-year ended 31 December 2001

1 Statement of significant accounting policies

(a) Basis of preparation of half-year financial report

The half-year financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB 1029 *Interim Financial Reporting*, the recognition and measurement requirements of applicable AASB standards other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group consensus views. This half-year financial report is to be read in conjunction with the 30 June 2001 Annual Financial Report and any public announcements by Anglo Australian Resources NL during the half-year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or current valuations of non-current assets.

(b) Reclassification of financial information

Some line items and sub totals reported in the previous reporting periods have been reclassified and repositioned in the financial statements as a result of the first time application on 1 July 2001 of the revised standard AASB 1029 *Interim Financial Reporting* and the first time application on 30 June 2001 of AASB 1018 *Statement of Financial Performance* and AASB 1040 *Statement of Financial Position*.

Adoption of these standards has resulted in the transfer of the reconciliation of opening to closing retained profits from the face of the statement of financial performance to Note 3.

(c) Going Concern

The financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Company does not have a source of income but is reliant on equity capital for its ongoing funding requirements. The Directors consider that there are reasonable grounds to believe that the Company will continue to obtain investors' support to meet its funding requirements for the foreseeable future.

It is the intention of the directors to lodge a prospectus to support a placement to be made pursuant to section 7.1 of the Australian Stock Exchange Listing Rules for the issue of 15,000,000 shares at not less than 80% of market value in order to raise sufficient funds to meet ongoing operational expenditure and to satisfy creditors.

The directors have made initial contact with stockbrokers and other parties to facilitate this capital raising and are confident sufficient funds will be raised to enable the Company to continue to operate.

Should the company be unsuccessful in its capital raising the company may not be able to continue as a going concern and may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

ANGLO AUSTRALIAN RESOURCES NL
NOTES TO THE FINANCIAL STATEMENTS (Cont.)
for the half-year ended 31 December 2001

2 Contributed Equity

	31 Dec 2001	30 June 2001
Contributed equity		
Issued and paid-up capital		
173,239,700 (June 2001: 162,114,700)	14,677,562	14,445,162

On 28 December 2001 the Company made a placement of 3,500,000 shares at an issue price of 2.1 cents a share to raise a total of \$73,500. Transaction costs of \$3,600 were recognised as a reduction of the proceeds of the issue.

On 28 December the Company issued 7,625,000 shares at a price of 2.0 cents a share to the directors and director related entities in accordance with resolutions passed at the Annual General meeting of the Company held on 30 November 2001 and in order to satisfy outstanding loan accounts of \$152,500 owed to the directors and director related entities.

3 Accumulated Losses

	Half-year ended 31 Dec 2001	Half-year ended 31 Dec 2000
Loss for the half-year	136,534	232,410
Accumulated losses at beginning of half-year	<u>13,856,838</u>	<u>13,490,084</u>
Accumulated losses	<u>13,993,372</u>	<u>13,722,494</u>

4 Segment Reporting

The Company operates predominately in one segment, being gold and base metal exploration in Australia.