

29 October 2009

Companies Officer
Australian Stock Exchange
2 The Esplanade
PERTH WA 6000

Dear Sir

**ANGLO AUSTRALIAN RESOURCES NL
REPORT ON ACTIVITIES FOR THE QUARTER
ENDED
30 September 2009**

HIGHLIGHTS

FEYSVILLE GOLD PROJECT

- **2,198m reconnaissance AC drilling program completed south of Rogan Josh gold prospect. Rogan Josh supergene anomaly extended and an additional 900m supergene gold anomaly defined.**
- **RC drilling program planned for November.**

KOONGIE COPPER-ZINC PROJECT

- **Koongie feasibility studies continued with Sandiego.**
- **Metallurgical testwork on copper mineralisation from the Sandiego Transition Zone nears completion with positive results.**
- **Sandiego Resource estimates updated.**

VICTORIA RIVER DOWNS ZINC PROJECT

- **Helicopter assisted gravity survey completed. Gravity anomalies generated to be evaluated.**

EXPLORATION

- **Exploration expenditure totalled \$461,669.**



FEYSVILLE PROJECT –WA

Mining Leases 26/290, 26/291

100 % interest

The **Feysville Project** consists of all mineral rights attached to two mining leases located 16km SSE of Kalgoorlie. The project is situated in the geological / structural corridor, bounded by the Boulder Lefroy Fault that hosts the world class deposits of Kalgoorlie and St Ives, as well as other substantial deposits in the New Celebration, Kambalda and Hannans South areas. It has been subjected to extensive exploration for gold and nickel by Anglo Australian Resources NL since 2003.

The Rogan Josh prospect is an attractive target with significant supergene and bedrock gold mineralisation already located. Previous drilling by Western Mining returned intersections such as **8m @ 3.3g/t Au; 2m @ 8.8g/t Au and 2m @ 4.28g/t Au** from a sub-horizontal zone of supergene mineralisation. The zone, as defined by the 1g/t Au limit, is more than 700m long and 2-8m thick. The mineralisation occurs about 30m below the surface. In June 2009 Anglo Australian Resources NL completed 13 reverse circulation drill holes (total 1,180m) primarily to test the supergene-mineralised zone. Encouraging intersections, including **2m @ 5.43g/t Au, 2m @ 14.34g/t Au, 1m @ 12.09g/t Au, 4m @ 5.42g/t Au and 6m @ 8.24g/t Au**, confirmed the supergene-mineralised zone and also discovered high-grade bedrock gold mineralisation within carbonate-sericite altered quartz feldspar porphyry on the three southernmost sections tested. The sheared porphyry is interpreted to occur within the Hannans South Shear Zone. The combination of gold mineralisation, associated hydrothermal alteration, porphyry intrusives and shearing represents a compelling target for testing. A 1,000m RC drilling program is planned to follow up these targets next month. Drilling will specifically target below high grade intersections as well as potential northern and southern bedrock strike extensions.

A reconnaissance air core drilling program, testing the Rogan Josh strike extensions, consisting of 57 vertical holes totalling 2,198m was completed in September. The drilling tested the projected southern strike extensions of the Hannans South Shear Zone. Assays for 4m composite samples have been received and data compiled. 1m follow-up samples of anomalous zones were collected and submitted to the laboratory for assay and results are awaited.

The September 2009 air core drilling has extended the previously defined supergene zone of gold anomalism at Rogan Josh an additional 300m immediately south of previous drilling. An additional a zone of supergene/bedrock mineralisation has been located over 900m of strike with the best composite value of 4m @ 1g/t Au (see Figure 1).

OTHER PROJECTS

KOONGIE COPPER – ZINC PROJECT – WA

Mining Leases 80/276, 80/277, Prospecting Licences 80/1597 - 1611, Exploration Licences 80/3494, 80/3495, Exploration Licence Application 80/ 4257

100% interest

SANDIEGO DEPOSIT – SEPTEMBER 2009 MINERAL RESOURCE ESTIMATION

Preliminary work associated with re-assessment the financial model for development of the project has resulted in reassessment and upgrade of the Sandiego wire frame model. Subsequently CSA Global re-estimated the resource using Ordinary Kriging. Tonnage estimates of the new resource are lower than previous estimates, however grade of both the Copper and Zinc lodes have improved. Total Copper and Zinc metal content are of the same order of the previous estimate.

Copper mineralisation was constrained within wireframe surfaces based on a nominal lower cut-off grade of 0.5% copper over 2m. Zinc mineralisation was constrained within wireframe surfaces based on a nominal lower cut-off grade and 1% zinc over 2m. Zinc above the weathering transition boundary has been excluded from the September 2009 Mineral Resource estimate. Most of the 2009 Mineral Resource estimate for Sandiego is classified as Indicated, as per the JORC Code, and is summarised in the table below. The resource estimate below is based on a zinc grade of 3% or greater and a copper grade of 0.8% or greater. Anticipation of continuity of the resource at depth, supported by down hole EM data has resulted in an additional Inferred category.

Table 1. Sandiego September 2009 Resource Estimate

SANDIEGO INDICATED and INFERRED MINERAL RESOURCE September 2009							
Category	Lode	TONNES	Zn %	Cu %	Pb %	Ag g/t	Au g/t
Indicated	Zn	1,830,000	7.3	0.4	0.4	22.9	0.3
	Cu	1,650,000	0.5	2.6	0.1	14.6	0.4
	Sub Total	3,480,000	4	1.4	0.3	19	0.4
Inferred	Zn	170,000	4	0.2	0	2	0.2
	Cu	300,000	0.5	2.8	0	2.9	0.2
	Sub Total	470,000	1.8	1.9	0	2.6	0.2
Total	Grand Total	3,950,000	3.8	1.5	0.2	17	0.4

Note: The Mineral Resource was reported using cut-offs of > 3.0% Zn and > 0.8% Cu within designated wireframes. Where an overlap exists between zinc and copper wireframes, the zinc resource is preferentially reported. Difference may occur due to rounding.



SANDIEGO DEPOSIT – FEASIBILITY ACTIVITIES

Metallurgical testwork on the Sandiego Copper Transition ore is nearing completion. Recoveries of 90-93% Cu are expected and concentrate grades of 26% are indicated.

A review of the metallurgical testwork on the Koongie Project was conducted by process engineer Noel O'Brien of Trinol Pty Ltd. Over 300 metallurgical tests have now been completed on various ore-types from the Onedin and Sandiego deposits. O'Brien concluded that copper provides greater value as flotation recoveries are generally higher for copper than for zinc and the deposits contain a greater percentage of copper by value. He also concluded that, whilst the metallurgy of the Sandiego transition and primary zones is complex, the mineralisation is amenable to established flotation technology. The Onedin Sulphide zone is also amenable to the same flotation technology and can be processed through the same plant with minor modifications. The Onedin Transition zone contains most of its value in the form of zinc oxide minerals. O'Brien concludes that it is unlikely there is sufficient zinc to justify extraction by hydrometallurgy, however recent advances in the flotation of zinc oxide ores should be tested as a means of treating this ore.

Engineering stope design work on the Sandiego deposit has been updated to enable realistic estimations of scheduling and cost parameters. A financial model which will incorporate mining of zinc and copper transition ores as well copper and zinc primary ores is currently being updated. Completion of this work is expected in November.

VICTORIA RIVER DOWNS PROJECT – NT

Exploration Licences, 25422-3, 25728 Exploration Licence Applications 25420, 25424, 25540, 25729, 25730

100% interest

The Company is targeting sedex-style zinc-lead deposits in the Victoria River Basin. The Basin has strong similarities to the Macarthur and Nicholson Basins which host the giant Macarthur River and Century sedex-style zinc deposits. The project, located 200 km east of Kununurra (WA) and 250 km southwest of Katherine (NT), covers a sequence of Proterozoic sediments dominated by dolomitic carbonates and other fine-grained sediments. The sediments are generally flat lying with an overall very shallow north-easterly dip. Several stratigraphic horizons have been identified as having potential to host sedex-style deposits. The project area also contains several galena (lead sulphide) occurrences. Lead isotope dating of the galena indicates the Basin rocks are the same age as all the Proterozoic basins elsewhere which host some of Australia's largest zinc-lead resources.

The Company recognizes major regional structures transecting the Basin and interprets these as possible growth structures that could potentially be feeder structures which may have focused the flow of base metal rich fluids.

A helicopter-supported gravity survey, consisting of 1,589 gravity readings, has been completed in two areas on granted Victoria River Downs tenure. The survey was co-funded by the Northern Territory Government under the government's Geophysics and Drilling Collaboration Program ("GDGP"). The GDGP will make reimbursement to a maximum of \$50,000 to assist with the costs of exploration geophysics or drilling in remote areas.

The northern part of the survey (based on readings spaced 1 km x 1 km) was designed to target a major north south fault and associated splay faults and domes over a strike length of 50 km. This area contains extensive stream sediment geochemistry zinc-lead anomalies (see Figure 2). Preliminary examination of the data indicates a broad gravity high was located 30 km south of the Victoria Downs Homestead, flanked by lower frequency gravity anomalies. Of particular interest are anomalies located adjacent to the major north south fault. Gravity anomalies adjacent interpreted feeder structures represent very localized areas of rocks denser than the surrounding sedimentary rocks. These denser rocks could be buried sulphides and may represent future drill targets.

The southern half of the survey in the Mt Sanford area (100 km south west of Victoria River Downs Homestead) was also conducted initially on a 1 km x 1 km basis and then infilled to 500m x 500m. Preliminary examination of the data shows a broad gravity low corresponding to a major north west trending fault, flanked to the south by linear gravity anomalies which have a strike lengths of over 3 km. One of the gravity anomalies is coincident with a magnetic anomaly. Field examination shows that outcrop, east of the gravity anomaly trend, adjacent to the fault consists of steeply dipping quartzite. There is little outcrop in the vicinity of the gravity anomalies where stratigraphy is sub horizontal. The gravity anomalies adjacent to the fault could be targets under our current exploration model.

Modelling and interpretation of the data, from both areas, is currently being undertaken by Southern Geoscience.

MANDILLA PROJECT-WA

Mining Leases 15/96, 15/633, E15/789

100% gold rights interest

Earth works were completed this period to assist fulfilment of environmental and rehabilitation obligations. Revegetation of waste dumps has proceeded well with recent rains assisting regrowth.

For further information:

Angus C. Pilmer – Executive Director

Telephone: (08) 9382 8822

Peter Komysan – General Manager Exploration

Telephone: (08) 9382 8822



Attribution

Information in this Report relating to geological data has been compiled by the Anglo Australian Resources NL General Manager Exploration, Peter Komysan, who:

- is a full-time employee of Anglo Australian Resources NL;
- has relevant experience in relation to the mineralisation being reported on as to qualify as a Competent Person as defined by the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition)*;
- is a Member of the Australasian Institute of Mining and Metallurgy and is a Member of the Australian Institute of Geoscientists and has had more than twenty years experience in the field of activity reported herein;
- has consented in writing to the inclusion of this data.

The information in this Report that relates to Mineral Resources at Koongie was completed under the overall supervision and direction of Gerry Fahey, MAusIMM and MAIG, of CSA Global who is a Competent Person as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004 Edition) and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears. The information in this report that relates to in-situ Mineral Resources is based on information provided by Anglo Australian Resources NL. Peter Komysan (Anglo Australian Resources NL) was responsible for the geological interpretation, with the Mineral Resource estimate compiled by Steven Hodgson, MAIG, of CSA Global. David Williams, MAusIMM, of CSA Global was responsible for the technical review of the Mineral Resource estimate. Steve Hodgson, Gerry Fahey and David Williams consent to the inclusion of such information in this “ASX Announcement” in the form and context in which they appear.



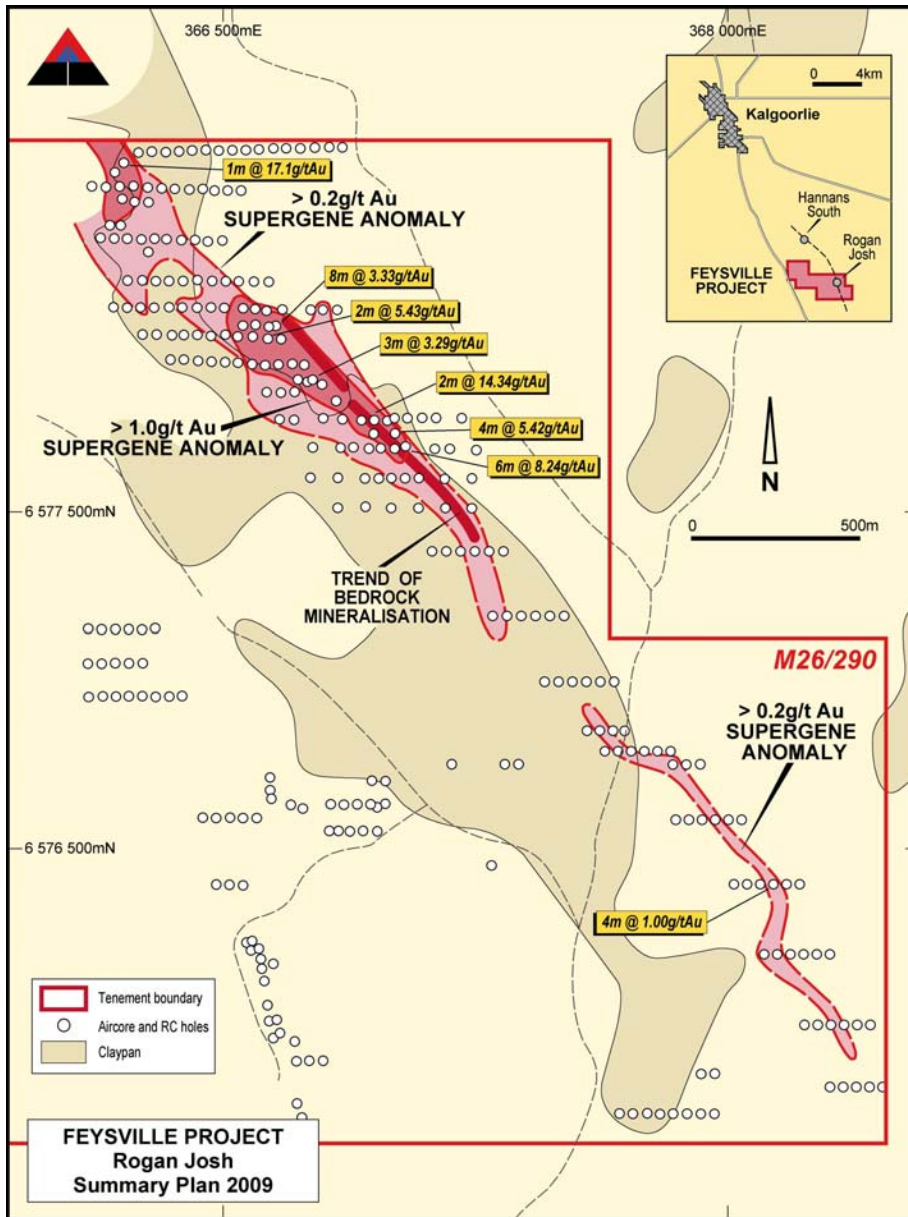


Figure 1. Rogan Josh Summary Plan

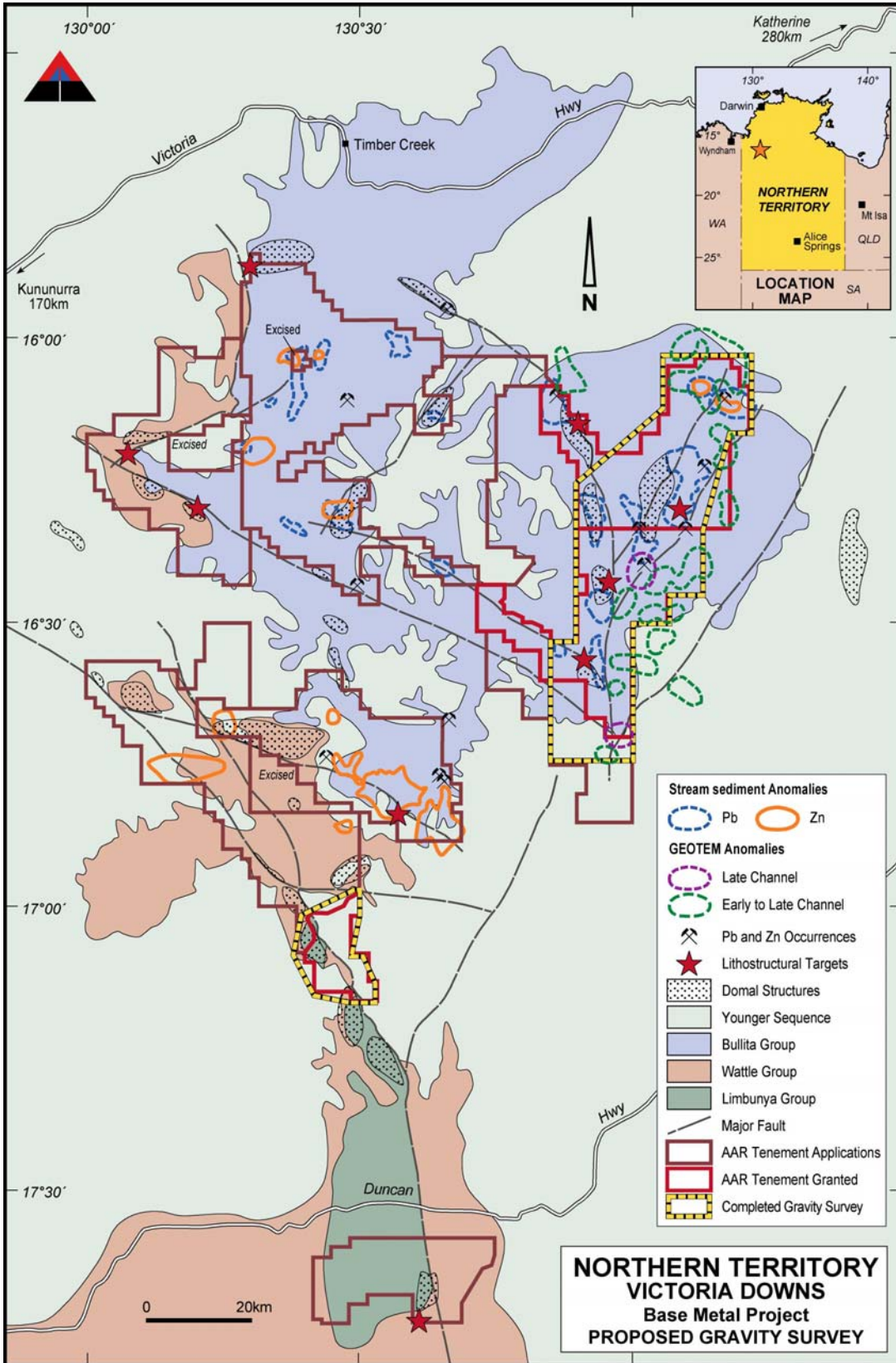


Figure 2. Victoria River Downs Summary Plan