

## ASX ANNOUNCEMENT

22 JUNE 2010

### CONTINUED HIGH GRADE COPPER-ZINC INTERSECTIONS CONFIRMED AT THE SANDIEGO DEPOSIT

#### HIGHLIGHTS

- **Hole SRC061 at the Sandiego Deposit intersected:**

**71m @ 5.04%Cu, 7.69% Zn, 68 g/t Ag and 0.43 g/t Au**

- **The upper 15m through the sub-horizontal high grade supergene copper zone assayed:**

**15m @ 9.4% Cu, 0.85% Zn, 214 g/t Ag and 0.19 g/t Au**

- **The remainder of the intersection through deeper transitional and primary sulphides assayed:**

**56m @ 3.7% Cu, 9.26% Zn, 33 g/t Ag and 0.49 g/t Au**

#### Background

In April 2010 Anglo Australian Resources N L commenced an extensive drilling program, consisting of approximately 3200m of Reverse Circulation drilling and 1100m of Diamond Core drilling, at the Company's Koongie copper-zinc prospect located 25 km south-west of Halls Creek in the Kimberley region of Western Australia. The program is designed to enhance the potential for economic development of the Koongie Project and to advance the pre-feasibility work that is currently in progress.

A Progress Report on the program was released on 10 May 2010.

The Progress Report noted that Hole SRC061 had returned a wide intersection of strong sulphide mineralisation which on the basis of observation and testing with a hand-held portable Innov-X XRF device was expected to assay high in copper and zinc.



## Assay Results for SRC061

Assays recently returned from the Genalysis laboratory in Perth indicate that Hole SRC061 between 101m and 172m downhole intersected

**71m @ 5.04% Cu, 7.69% Zn, 68 g/t Ag and 0.43 g/t Au**

From 101m to 116m the drillhole intersected a sub-horizontal zone of chalcocite-rich supergene copper mineralisation that caps the deeper sulphide portion of the Sandiego Deposit. The zone, which is 80-100m below surface, is 200m long and up to 40m wide. The 15m interval assayed:-

**15m @ 9.4% Cu, 0.85% Zn, 214 g/t Ag and 0.19 g/t Au**

The 15m downhole length equates to a vertical thickness of approximately 13m for the supergene zone.

From 116m to 172m the hole intersected transitional and primary sulphides that form the bulk of the sub-vertical Sandiego Deposit. The 56m interval assayed:-

**56m @ 3.7% Cu, 9.26% Zn, 33 g/t Ag and 0.49 g/t Au**

The 56m downhole length equates to a true thickness of approximately 28m for this portion of the Deposit.

The location of SRC061 is shown in Figure 1 and further details of the drillhole are shown in Table 1 of the May 10 Progress Report.

The results of Hole SRC061 confirm that the central portion of the Sandiego Deposit is high grade with the existence of particularly high grade copper mineralisation in the supergene cap. The high grade nature of the central portion is further confirmed by Hole SRCD031 which is 42m along strike from Hole SRC061 (Figure 1). As reported in December 2008, it returned 68m @ 6.8% Cu, 9.6% Zn, 98.7 g/t Ag and 0.34 g/t Au. The existence of the high grade core to the deposit should positively impact the economics of development.

## Continuing Drilling Program

Diamond drilling is continuing to test the Sandiego Deposit at depth. Substantial sulphide occurrences have been intersected in several holes, but assays are not yet available.

The most recent hole, SRCD078 has returned a 15m downhole interval of copper-zinc mineralisation at a vertical depth of approximately 480m below surface and a further mineralised interval at approximately 620m below surface (on Section 1120N).

The latter intersection is the deepest yet obtained at Sandiego.

A more comprehensive statement of the results of the on-going drilling program will be released during July.



## **Project Development**

Studies, in particular metallurgical investigations, continue to support a subsequent and revised Pre-feasibility Study (PFS) to determine the commercial viability of the project.

The results of testwork on the Galvanox Process, completed by the University of British Columbia, have been received and initial indications are that the primary ore is amenable to treatment using the process. A decision on whether further investigations are done will be taken after an options analysis, facilitated by Coffey Mining, is completed. The options will be subjected to a risk analysis and ranked according to NPV and shortlisted options will be subjected to more rigorous analysis in the PFS.

**For further information:**

**Angus C. Pilmer – Executive Director**  
**Telephone: (08) 9382 8822**

**Peter Komysan – General Manager Exploration**  
**Telephone: (08) 9382 8822**

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

- Is a full-time employee of Anglo Australian Resources NL;
- Is a Member of the Australasian Institute of Mining and Metallurgy;
- Is a member of the Australian Institute of Geoscientists;
- Has sufficient experience which is relevant to the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves';
- Has consented in writing to the inclusion of this data.



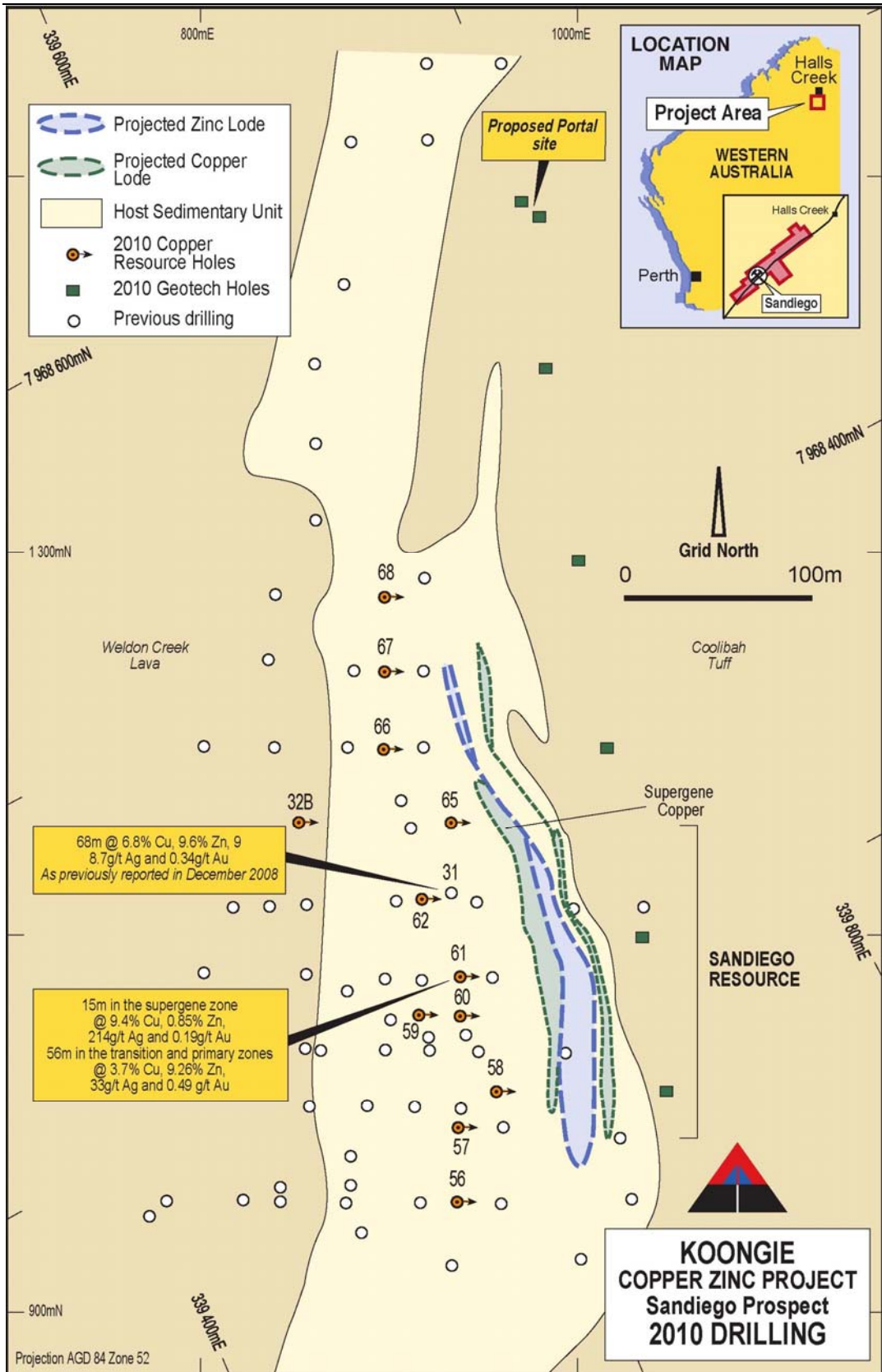


Figure 1