

29 April 2003

Companies Officer
Australian Stock Exchange
2 The Esplanade
PERTH WA 6000

Dear Sir

The Directors of Anglo Australian Resources N.L. have pleasure in submitting the Quarterly Report for the period ended 31ST March 2003.

□ **EXPLORATION EXPENDITURE**

Exploration expenditure for the quarter amounted to \$77,362.

□ **HIGHLIGHTS**

- A capital raising of \$596,250 for working capital was completed in February 2003.
- Six additional mineral tenements at Dalgaranga in the Murchison District of Western Australia were acquired by successful application.
- Two key gold exploration projects, Feysville and Carnilya, situated in the Eastern Goldfields District of Western Australia, were acquired from a subsidiary of Gold Fields Limited. A 2000m RC drilling programme commenced in April.

□ **CORPORATE**

The company issued a prospectus on 5 February 2003, which closed on 25 February 2003 with 23,850,000 fully paid ordinary shares issued at 2.5 cents each, raising a total of \$596,250 for working capital needed by the company.

□ **NEW PROJECTS**

DALGARANGA

Anglo Australian Resources NL (“**AAR**”) continues to build its 100% owned portfolio of gold projects in the Murchison district by application for a full size exploration licence and 5 prospecting licences totalling 220 sq km in the Dalgaranga and Warda Warda greenstone belts located 45km west northwest of Mt Magnet (see map attached).

The new acquisition increases AAR’s tenement area in the Murchison to 811 sq km within four separate projects. Data compilation for the Dalgaranga area is still in progress. Initial evaluation highlights a number of gold targets. Secondary tungsten, PGE and graphite targets are also present in the project area.

The majority of the new tenements are contiguous with other AAR Dalgaranga Project tenements while others are located on strike of and south of the Western Queen gold mine.

AAR will pursue other grassroots and advanced opportunities within the Murchison district as it believes the district which hosts six greater than one million ounce deposits is underexplored.

FEYSVILLE – CARNYLIA WA

In January 2003 Anglo Australian Resources NL (“**AAR**”) announced the acquisition of the high quality Feysville and Carnylia gold projects in the Yilgarn Province of Western Australia. Legal documentation is in the process of finalisation.

AAR has completed an agreement with St Ives Gold Mining Company Pty Ltd a wholly owned subsidiary of Gold Fields Australia Pty Ltd, the Australian mining arm of Gold Fields Limited of South Africa to acquire two key gold exploration projects - **Feysville** and **Carnilya** - located south east of Kalgoorlie (refer attached map).

Consideration for the acquisition is 15,000,000 fully paid ordinary AAR shares at a price of 2.6c each and 7,500,000 options exercisable at 5c each.

As a consequence of a prior transaction between St Ives Gold Mining Company Pty Ltd and WMC Resources Limited the **Feysville** project is subject to a 1% gross royalty on gold and nickel as well as a 4% gross royalty on gold production in excess of 250,000oz and a price opportunity royalty of 10% of every dollar the gold price exceeds A\$600 and the acquisition of the gold mining rights at **Carnilya** is subject to approval by WMC Resources Limited.

□ **EXPLORATION – GOLD PROJECTS**

FEYSVILLE –WA

(Anglo Australian Resources N.L. 100%)
Mining Leases 26/290, 26/291

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.

Previous exploration by WMC Resources Ltd targeted gold and nickel with initial focus on the ultramafic unit for nickel sulphides, with best results of 2m @ 1%Ni and 1m @ 2.2%Ni. Exploration has consisted of a comprehensive soil survey, 264 RAB / Aircore holes, 444 RC holes and 5 diamond holes and ground magnetic and TEM surveys. The soil survey defined an area of extensive gold anomalism clustered in the SE corner of the tenement package. Follow-up drilling confirmed the gold potential of the area with intersections such as 7m @ 2.47g/t Au at Empire Rose, 10m @ 9.1g/t Au at Ethereal, 8m @ 2.08g/t at Kamperman and 8m @ 3.26g/t Au at Rogan Josh.

At Ethereal gold mineralisation has been defined over at least a 200m strike length to a depth of 120m below surface and remains open in a number of directions. There is potential to define a small resource at this prospect. The other nine prospects containing significant intersections are at early stages with mineralisation open along strike and at depth. Much of the drilling elsewhere has been to shallow depths. However the substantial secondary gold mineralisation defined by these shallower holes provide targets for deeper drilling. Undrilled geochemical anomalies and conceptual targets defined from interpretation of detailed ground magnetic data provide additional exploration targets. A review of the TEM data currently underway by geophysical consultants is also expected to generate drill targets.

A 2000m RC drilling program at Feysville testing the Ethereal, Hyperno, Kamperman, Empire Rose, Subzero and Piping Lane gold prospects commenced at the beginning of the June Quarter. Assay results are expected midway through the Quarter.

CARNILYA –WA

(Anglo Australian Resources N.L. 100%)
Mining Leases 26/453, 26/47, 26/48, 26/49

The **Carnilya** project consists of the gold mining rights only attached to four mining leases located 45km south east of Kalgoorlie. The gold potential of the project has been poorly tested as a result of past exploration focusing on the nickel potential. Only 10% of all holes drilled on the project were assayed for gold. Gold exploration targets include two partially tested gold in soil anomalies (values up to 4m @ 2.14g/t Au).

AUSTIN - WA

(Anglo Australian Resources N.L. 100%)
Exploration Licence 21/102, 20/452
Exploration Licence Applications 20/510, 21/114
Prospecting Licence P20/1862

Examination of gold in soil anomalous area delineated during the September 2002 quarter noted sheared and highly altered mafic volcanics with sericite pyrite altered porphyry intrusive units. Drilling of the anomaly is planned for later this year.

EAST DENISON – TASMANIA

(Anglo Australian Resources N.L. 90%
Silverthorn Resources Pty. Ltd. 10%)
Exploration Licence 38/94

A small drilling program of approximately 1000m is proposed for the Denison project on Nabowla tenement E38/94. Exploration will target the southern plunge extension of mineralisation previously discovered by AAR, following up intersections of 20m @ 1.0g/t, including 7m @ 2.4g/t Au (EDRC12); 6m @ 6.38g/t Au (EDRC15); 5m @ 2.17 g/t Au (EDRC28) and 9m @ 1.81g/t Au (EDRC27). In addition three historical production lodes the Wiangatta, Alcatricity and Sir William Denison and the Western East Denison soil anomaly will be drill tested. Commencement of this program has been delayed to the June 2003 Quarter.

BULGA DOWNS JOINT VENTURE - WA

(Anglo Australian Resources N.L. 40.7%
Sipa Exploration N.L. 59.3%)
Exploration Licences 29/117 & 29/279
Mining Lease Application 29/258

Joint Venture partner and project manager, Sipa Exploration NL reported no fieldwork undertaken during this quarter.

□ **EXPLORATION – BASE METAL PROJECTS**

KOONGIE PARK JOINT VENTURE - WA
(Anglo Australian Resources N.L. acquires 100%)
Mining Leases 80/276, 80/277, 80/278, 80/371, 80/372, 80/373,

The Koongie Park Project, an advanced base metals project, is located 25km southwest of Halls Creek in the Kimberley region of Western Australia. The project area covers several base metal prospects that occur along a 15km contact of a volcano-sedimentary sequence. The area has been explored since 1972, with the discovery of several zinc-copper-lead-silver deposits, the main prospects being Sandiego and Onedin. Other known identified prospects include Atlantis, Gosford and Rockhole.

AAR is seeking a joint venture partner for the project.

CUTTY SARK - TASMANIA
(Anglo Australian Resources N.L. 100%)
Exploration Licence Application 37/2002

The project application (submitted September 2002) is located on the West Coast of Tasmania, straddling the central part of the Mt. Read Volcanic Belt between the world class Rosebery and Hellyer base metal deposits. Exploration on this project will target volcanic hosted massive sulphide base metal deposits (VHMS) and structurally controlled gold mineralisation. A review of airborne geophysical and previous exploration data is in progress. A field visit is expected next quarter.

Signed on behalf of the Board of Anglo Australian Resources N.L.

John L. C. Jones
CHAIRMAN

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 and has had more than five years' experience in the field of activity reported herein;
- has consented in writing to the inclusion of this data.



