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ANGLO AUSTRALIAN RESOURCES NL

ASX ANNOUNCEMENT

DISCOVERY OF SIGNIFIGANT BEDROCK CONDUCTOR CREATES COMPELLING DRILLING TRARGET FOR MASSIVE COPPER-ZINC MINERALISATION AT THE LEONORA PROJECT WESTERN AUSTRALIA

A Moving Loop Electromagnetic (MLEM) survey completed in May 2011 at the Leonora Project targeting potential massive copper-zinc mineralisation has discovered a strong 800m long bedrock conductor. The conductor, which defines the Artful Prospect, represents an exciting and compelling drilling target

The Leonora Project is located 25 kilometres south of the Jaguar mine of Jabiru Metals Limited (Reserves: 3.23 Mt @ 1.8% Cu, 7.91%Zn, 99 g/t Ag, 0.4 g/t Au) and Jabiru's Bentley deposit (3.0 Mt @ 2.0% Cu, 9.8% Zn, 138 g/t Ag, 0.7 g/t Au) (see Figure 1& 2). Both these deposits were discovered by drill testing bedrock electromagnetic conductors. These two volcanogenic massive sulphide (VMS) style deposits occur near the boundary between mafic and felsic units. The Leonora Project consists of two Exploration Licenses, located 10 km north of Leonora, which cover a 10 km long zone of felsic volcanics and sediments (see Figures 1 & 2) broadly analogous to the geology at Jaguar and Bentley.. Based on interpretation of previous aircore drilling and of aeromagnetic data, Anglo Australian Resources considers 7km of this zone is highly prospective for VMS-style mineralisation. As bedrock in the zone is mostly covered by younger transported sediments, the Company has used a MLEM survey as its primary exploration tool to search for VMS deposits that are generally highly conductive and amenable to location by such geophysical methods.

Preliminary interpretation of the newly discovered MLEM anomaly by geophysical consultants, Southern Geoscience, suggests the source of the conductor, (potentially massive or disseminated sulphide), commences at the base of weathering approximately 100m below surface and dips steeply south west

Most previous exploration of the Leonora Project has focused on the gold potential and aircore drilling defined two gold-anomalous zones. Holes in only two of the multiple traverses of aircore drilling were assayed for copper, zinc and lead. The hole nearest to and on the strike trend of the conductor (see Figure 3) is highly anomalous in copper, as it contains a 9m interval assaying 600ppm Cu within weathered basalt compared to background values of 40 – 60 ppm Cu.

The discovery of the large MLEM anomaly is an exciting development that has greatly enhanced the potential of the Leonora Project to host VMS-style massive copper-zinc deposits similar to the Jaguar and Bentley deposits.

The anomaly will be drill tested as soon as possible following completion of detailed modelling of the conductor by Southern Geoscience.

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Attribution

Information in this Report relating to geological data has been compiled by the Anglo Australian Resources NL Exploration Manager, Peter Komyshan, 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 Identified Mineral Resources and Ore Reserves.*
- 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.

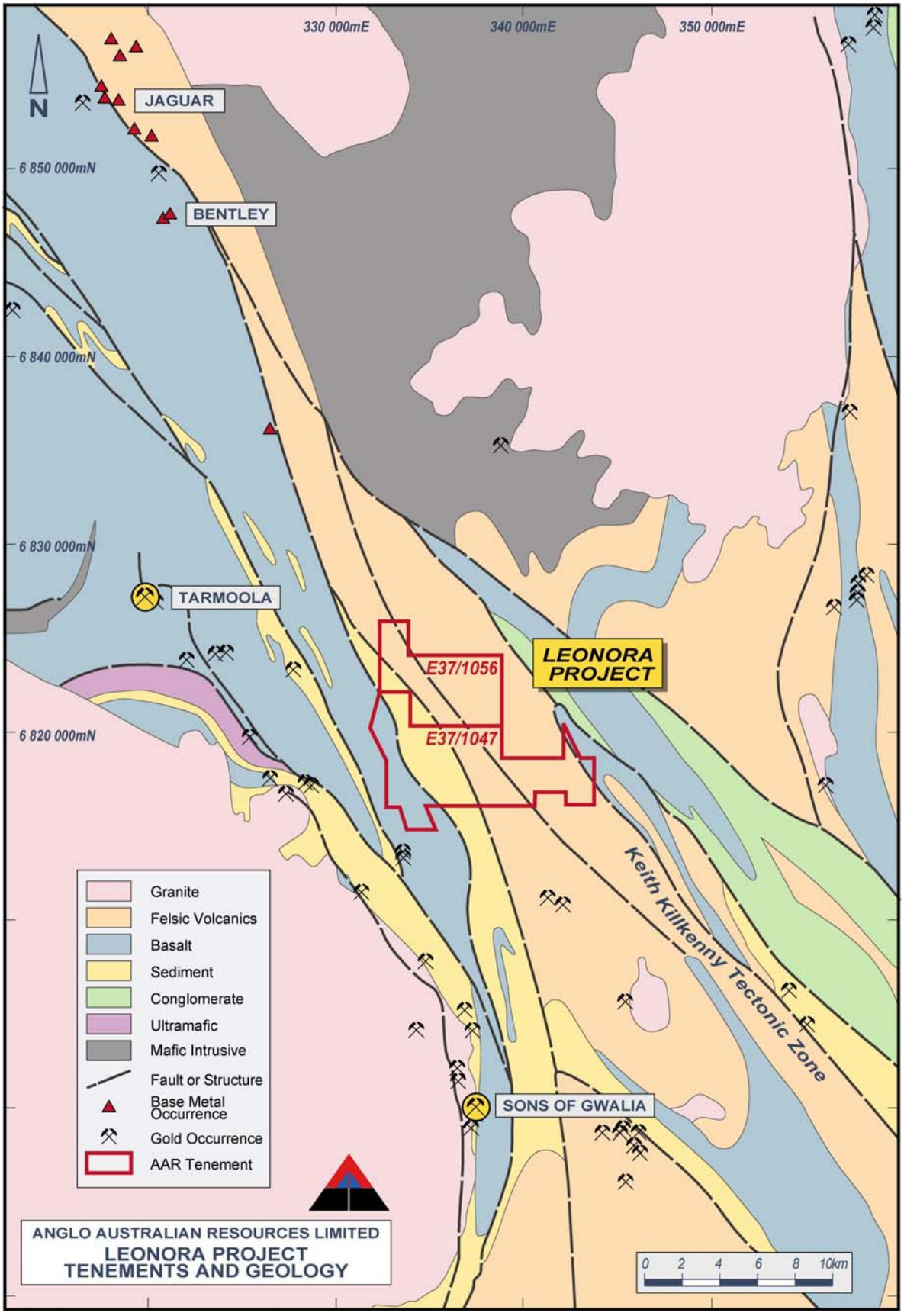

Figure 1. Leonora Project Location and Interpretive geology

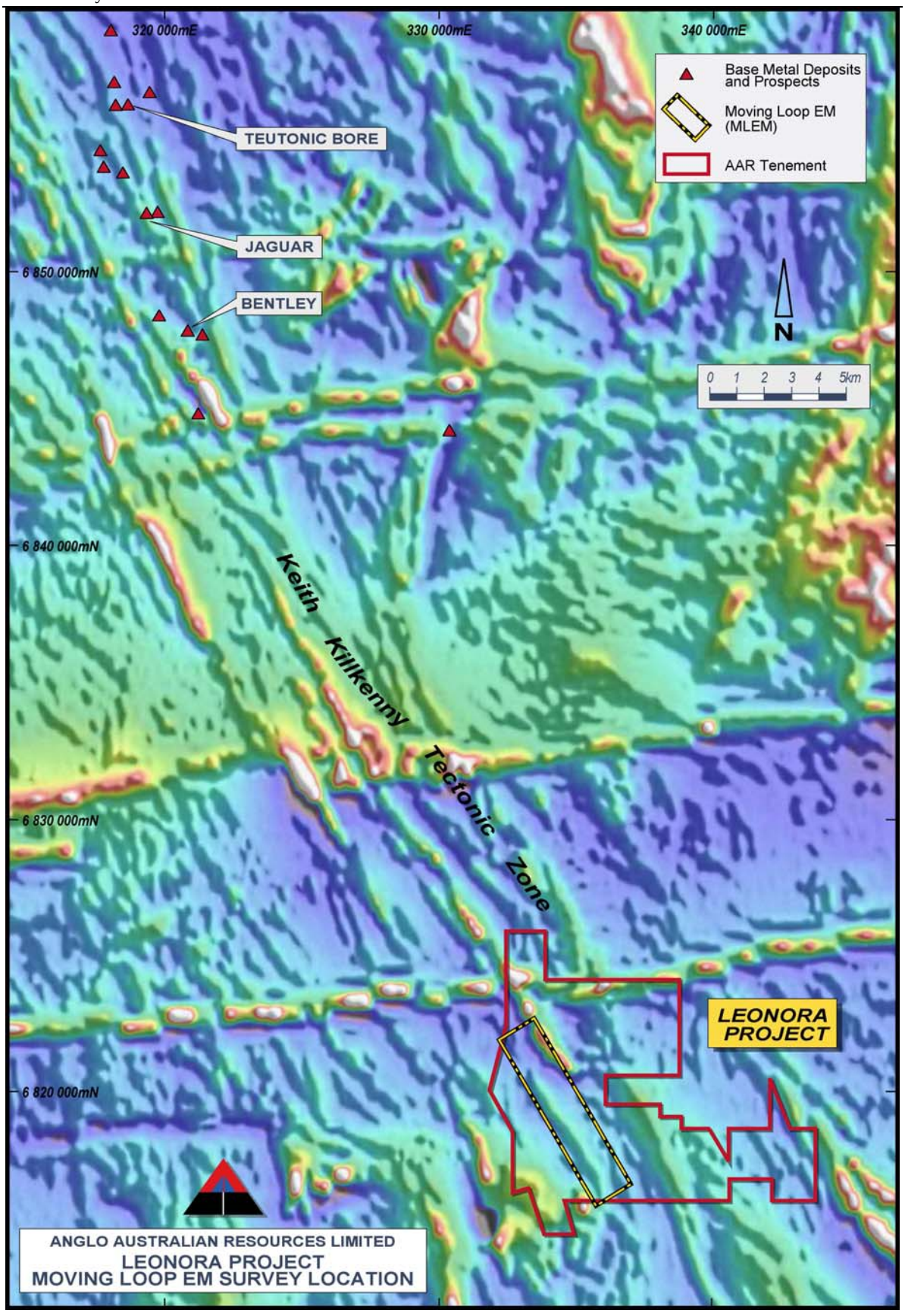

Figure 2 Leonora Project – Location of MLEM Survey

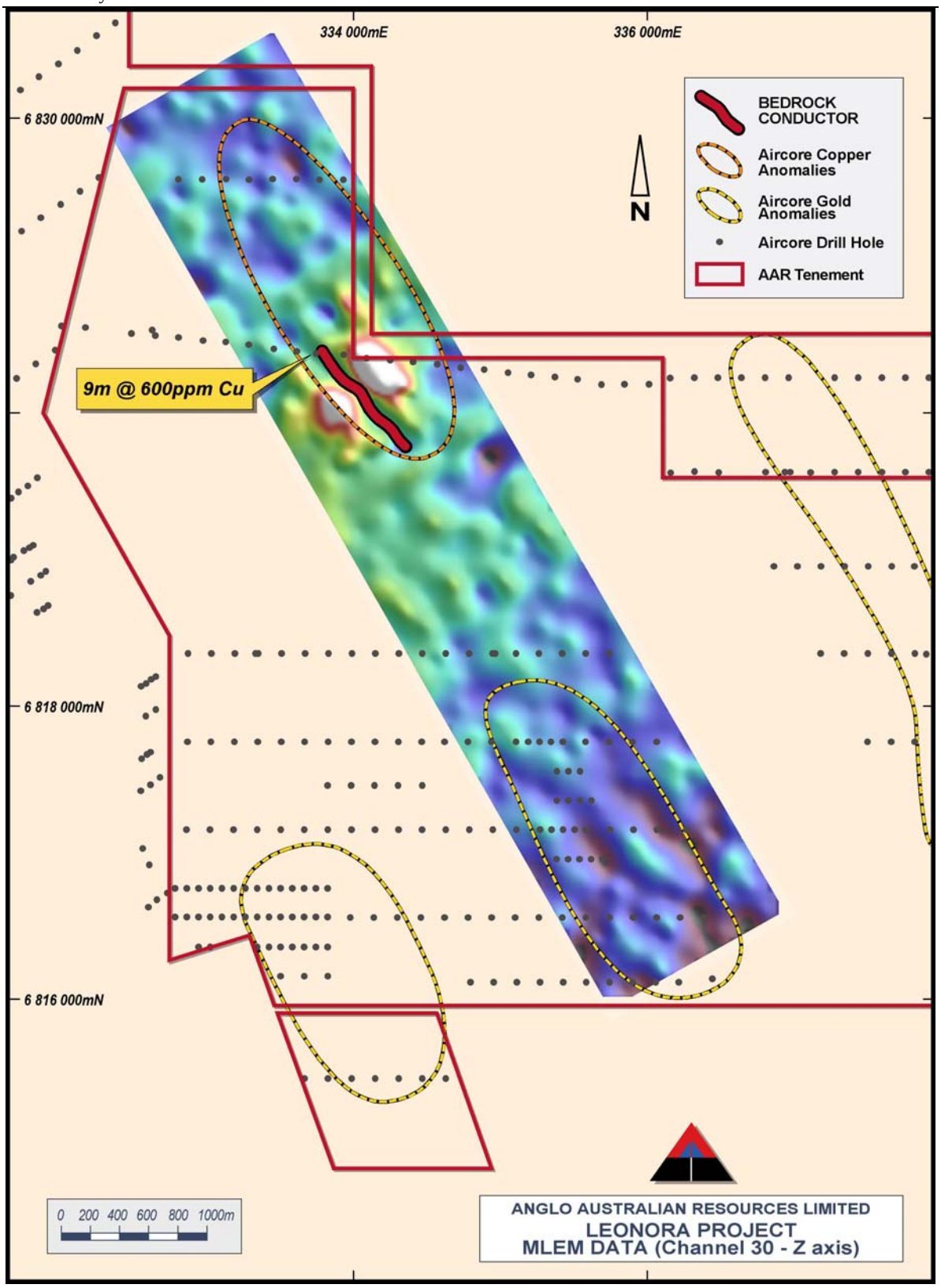

Figure 3 Leonora Project – MLEM Data (Channel 30 – Z axis)