

**ANGLO AUSTRALIAN RESOURCES NL  
(AAR)**

**ASX ANNOUNCEMENT**

3 July 2006

Company Announcement Office  
Australian Stock Exchange Limited  
2 The Esplanade  
PERTH WA 6000

Dear Sir

**MANDILLA GOLD MINE – COMMENCEMENT OF MINING OPERATIONS**

The directors are pleased to announce that mining operations have commenced at the West Mandilla Gold project site following the receipt of all the necessary statutory approvals.

Preliminary site works and clearing were completed prior to 30 June 2006.

Mr Greg Robinson has been appointed the full time, on site, manager of the mine and major contracts have been awarded to:

Carna Earthmoving Contractors	- Mining Contract
Mineral Exploration Technical Services Pty Ltd	- Consulting Metallurgists
B M Geological Services Pty Ltd	- Consulting Geologists
Higginsville Mining Pty Ltd	- Toll Milling Contract

The mine life of seven to nine months is expected to yield approximately 17,000 oz which, at \$A800 per ounce (current price \$US616 or \$A826) will gross \$13.6 million.

The mining operations will deliver approximately 70,000 tons of ore at 7.55g/t for 17,000 oz at a 100 g/t gold cut.

**Signed on behalf of the Board of Anglo Australian Resources NL**

**John L C Jones  
CHAIRMAN**

