



ANCHOR RESOURCES LIMITED

ACN 122 751 419

Suite 404, 25 Lime Street, Sydney, NSW 2000
Telephone: (02) 9279 1231 Facsimile: (02) 9279 2727
Email: info@anchorresources.com.au Website: www.anchorresources.com.au

NOTICE OF 2009 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the third Annual General Meeting of the members of Anchor Resources Limited (the "Company") will be held at The Rugby Club, Rugby Place, off 31a Pitt Street, Circular Quay, Sydney on Friday, 13 November 2009 commencing at 10:00am.

ORDINARY BUSINESS

- 1. To receive the accounts**
To receive the Reports of the Directors and Auditors, and the Financial Report for the period ended 30 June 2009. (The 2009 Annual Report has been posted on the Company's website address: www.anchorresources.com.au).
- 2. To elect a Director**
Mr John Anderson retires as a Director pursuant to the Company's Constitution and, being eligible, offers himself for re-election.
- 3. Adoption of Remuneration Report**
To adopt the Remuneration Report for the financial period ended 30 June 2009.

SPECIAL BUSINESS

- 4. Approve Issue of Shares to a Director**
Subject to shareholder approval, as a Non-executive Director of the Company, Mr Gary Fallon will receive Director's Fees of \$15,000 for services for the period of 12 months, payable in 214,286 shares in the Company, the number of shares received determined by the value of the shares as set out in the attached Explanatory Notes.
- 5. Approve Issue of Options to Directors**
That pursuant to ASX Listing Rules 10.11, 10.13 and for all other purposes, the Company approves the issue of the following options to Directors:

Resolution 5 (a) Approval of Options for Mr John Anderson

To consider and, if thought fit, to pass the following ordinary resolution:

"That the meeting approves the issue to Mr John Anderson of 75,000 options on the terms summarised in the Explanatory Statement accompanying the notice of the meeting at which this resolution is passed."

Resolution 5 (b) Approval of Options for Mr Grant Craighead

To consider and, if thought fit, to pass the following ordinary resolution:

"That the meeting approves the issue to Mr Grant Craighead of 150,000 options on the terms summarised in the Explanatory Statement accompanying the notice of the meeting at which this resolution is passed."

Resolution 5 (c) Approval of Options for Mr Gary Fallon

To consider and, if thought fit, to pass the following ordinary resolution:

“That the meeting approves the issue to Mr Gary Fallon of 150,000 options on the terms summarised in the Explanatory Statement accompanying the notice of the meeting at which this resolution is passed.”

Resolution 5 (d) Approval of Options for Mr Trevor Woolfe

To consider and, if thought fit, to pass the following ordinary resolution:

“That the meeting approves the issue to Mr Trevor Woolfe of 300,000 options on the terms summarised in the Explanatory Statement accompanying the notice of the meeting at which this resolution is passed.”

If approved by the meeting, options will be issued no later than 12 months after the date of this Annual General Meeting.

6. To transact any other business brought forward in accordance with the Company's Constitution.

Further information in relation to these resolutions is set out in the Explanatory Notes below.

Voting Exclusion Statements

Resolution 4

The Company will disregard any votes cast on Ordinary Resolution 4 (Approve Issue of Shares to a Director) by any Director and by an associate of any Director as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard a vote if:

- it is cast by them, as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the Chairman decides.

Resolutions 5(a) to 5(d)

The Company will disregard any votes cast on Ordinary Resolutions 5(a) to 5(d) (Issue of Options to Directors) by any Director and by an associate of any Director as provided for in Australian Securities Exchange Listing Rule 14.11.

However, the Company need not disregard any vote by such person if:

- it is cast by them, as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the Chairman of the meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the Chairman decides.

PROXIES

To be effective, proxy forms must be received by the Company at its registered office at least 48 hours before the time for holding the meeting.

Hand Delivery:

Suite 404, 25 Lime Street
Sydney, NSW, 2000

By Mail:

Suite 404, 25 Lime Street
Sydney, NSW, 2000

By Facsimile:

(02) 9279 2727

A member entitled to attend and vote is entitled to appoint not more than two persons as his/her proxy to attend and vote instead of the member. A proxy need not be a member of the Company. If more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights. Unless under Power of Attorney (which should have been noted by the Company) a proxy form by a corporation should be executed under its common seal or in accordance with the Corporations Act.

Dated at Sydney this 9th day of October 2009.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'Ross Moller', written over a horizontal line.

Ross Moller
Company Secretary

EXPLANATORY NOTES

These explanatory notes set out information in connection with the business to be considered at the Anchor Resources Limited 2009 Annual General Meeting.

ORDINARY BUSINESS

The following items of ordinary business will be considered at the meeting.

Resolution 1

Financial Report

This item of business relates to the receipt and adoption of the Company's Financial Report for the period ended 30 June 2009.

Resolution 2

Election of Director - Mr John Anderson

Mr Anderson was originally appointed a Director of the Company on 29 January 2007. Under the Company's constitution, Mr Anderson retires by rotation, and being eligible, wishes to stand for re-election.

John has 30 years experience in the finance sector in banking, investment banking and general consulting. He has held positions of Managing Director or Chairman with a number of public and private companies in Australia. John has specialised in general financing and capital raisings, developing and implementing business plans for new and existing entities. John is Executive Director of Admiralty Resources NL and is a member of its audit, remuneration and finance committees. Among previous positions, John was Managing Director of an Australian publicly listed mining company and was responsible for turning around its unprofitable operations and implementation of mining and operating plans.

Resolution 3

Adoption of Remuneration Report

The *Corporations Act 2001 (Cth)* requires that a resolution be put to the members to adopt the remuneration report as disclosed in the Directors' Report. The vote on this resolution is advisory only and non-binding. The resolution gives the members the opportunity to ask questions or make comments concerning the remuneration report during the meeting.

SPECIAL BUSINESS

Resolution 4

Approve the Issue of Shares to a Director – Mr. Gary Fallon

The Anchor Board has resolved that, as in previous years, Non-executive Directors' Fees for Gary Fallon for the year ended 30 June 2010 will be payable through the issue of Anchor fully paid ordinary shares. Accordingly, subject to shareholder approval, Mr Gary Fallon, as Non-executive Director of the Company, will receive \$15,000 payable in shares in the Company at a share price of 7 cents per share, equating to 214,286 shares. The share price of 7 cents used for calculation represents a 40% premium over the closing price of Anchor fully paid ordinary shares as at 30 June 2009.

The last trading price of Anchor ordinary shares at the date of this notice is 15.5 cents per share. The Directors' Fees cover the period from 01 July 2009 to 30 June 2010 and amount to the equivalent of \$15,000 (based on the nominated price of 7 cents per share) in respect of Mr. Fallon.

The Shares will be issued to Mr Fallon within one month of the meeting, (i.e prior to 13 December 2009) and no funds will be received from the issue of these shares. These shares will rank equally with other ordinary shares and the Company will apply to have them listed on the ASX.

EXPLANATORY NOTES (continued)

Resolutions 5 (a) to (d) Approval of Options for Directors

Approval of shareholders for the issue of securities to Directors is required under Australian Securities Exchange Listing Rule 10.14. The following information is provided pursuant to Australian Securities Exchange Listing Rules 10.15 and 10.15A.

The Anchor Employee Share Option Plan was adopted by the Board of Anchor on 9 February 2007 in order to grant options to purchase shares in Anchor to its eligible staff, Executive and Non-executive Directors and key consultants (all together defined as 'Employees'). The intention of the Plan is to align as closely as possible the longer term interests of all Employees with those of Anchor's shareholders, by encouraging all Employees to add value to Anchor over time through their demonstrated loyalty and hard work.

Anchor's policy is never to grant options in advance of an Employee's performance, but only on an annual basis in recognition of his or her completed contribution to the Company's progress over the previous financial year. In keeping with statutory approved guidelines, Anchor continues to limit the number of options at any time granted under the Anchor Employee Share Option Plan to not more than 5% of the issued capital of the Company (presently 30,820,000 shares).

On 12 February 2009, Anchor's Remuneration Committee met and approved the granting of 200,000 options to the full range of Employees (excluding Directors) in respect of their performance during fiscal 2009. These five year options are exercisable at any time up until their expiry date at a price of 7 cents, which represents a 16.7% premium over Anchor's closing share price of 6 cents on the date of the meeting. These options were then granted on 13 March 2009 with an expiry date of 13 March 2014.

Additionally, it is proposed to grant 675,000 options to the Company's Directors. The options that are proposed to be granted to Directors are on the same terms as those already granted to the other Employees.

Approval is now sought for the issue of a total of 675,000 options on the above terms pursuant to the Anchor Employee Share Option Plan to those Directors of the Company who held office during the year ended 30 June 2009, as set out below. Assuming that these options are approved, they will be issued immediately and the total number of options granted under the Anchor Employee Share Option Plan will remain at less than 5% of Anchor's issued share capital.

The following Directors are proposed to be issued options in the following respective amounts totalling 675,000 options under the Anchor Employee Share Option Plan in respect of the year ended 30 June 2009, subject to shareholder approval:

- Mr John Anderson (Chairman) – 75,000 options
- Mr Trevor Woolfe (Managing Director) – 300,000 options
- Mr Grant Craighead (Executive Director) – 150,000 options
- Mr Gary Fallon (Non-executive Director) – 150,000 options

These options are proposed to be granted to the above Directors immediately following the meeting at which these resolutions are approved, in consideration of their Executive and Non-executive performances during fiscal 2009. The options expire on 13 March 2014 and may be exercised (and shares will be issued) at a price payable by the relevant Director of 7 cents per share. The exercise price is based on a 16.7% premium to the closing share price of 6 cents per share on 12 February 2009, being the date of Board Committee approval.

No Director shall participate in an issue under the Anchor Employee Share Option Plan unless shareholders in general meeting approve the specific issue.

It is proposed that the options be granted in recognition of the contribution to the Company by Directors during the financial year ended 30 June 2009 and the ongoing responsibility that they assume for the affairs of the Company. All of the Directors mentioned above are entitled to participate in the Anchor Employee Share Option Plan.

EXPLANATORY NOTES (continued)

At the time of writing, the price of the Company's shares is 15.5 cents compared with the range 3.3 cents to 20.0 cents during the previous six months.

Using the Cox Ross Rubenstein (CRR or Binomial) option valuation methodology and assuming a valuation grant date of 9 October 2009, when the closing share price was 15.5 cents, the options have an indicative value of approximately 12.76 cents each.

Therefore, the value of options proposed to be granted to Directors is shown in the table below.

Executive Directors	Number of Options	Value \$
Trevor Woolfe	300,000	38,280
Grant Craighead	150,000	19,140
	450,000	57,420
Non-executive Directors		
John Anderson	75,000	9,570
Gary Fallon	150,000	19,140
	225,000	28,710
Total	675,000	86,130

The assumption used in the calculations include

	2009
(a) Options are granted for non- cash consideration	
(b) Exercise price	7 cents
(c) Grant date	9 October 2009
(d) Expiry date	13 March 2014
(e) Share price at notional grant date	15.5 cents
(f) Expected price volatility of the company's shares	139.05%
(g) Expected dividend yield	0.0%
(h) Risk-free interest rate	5.24%

As of 09 October 2009 the Directors held the following shares and options either directly or indirectly

Executive Directors	Shares	Options
Trevor Woolfe	363,000	810,500
Grant Craighead	2,297,000	1,047,500
Non-executive Directors		
John Anderson	-	550,000
Gary Fallon	2,702,510	1,105,321

The dilution effect from the exercise of these 675,000 options to the Directors will be 1.37% of the expanded shares and options on issue. Currently there are 30,820,000 ordinary shares on issue, and 17,604,688 options. At the date of this notice of meeting there are a total of 800,000 options on issue under the Anchor Employee Share Option Plan. There are 600,000 options with an exercise price of \$0.18, and expiry dates of 14 March 2013, and 200,000 options with an exercise price of \$0.07, and expiry dates of 13 March 2014.

Details of any securities issued under the Anchor Employee Share Option Plan will be published in each Annual Report of Anchor relating to a period in which securities have been issued, together with confirmation that approval for the issue of securities was obtained under Australian Securities Exchange Listing Rule 10.14.

EXPLANATORY NOTES (continued)

The Directors do not make any recommendation to members on the resolution because of their personal interest in the subject matter of the resolution.

Copy of Anchor Employee Share Option Plan Rules

Copies of the Rules of the Anchor Employee Share Option Plan are available to shareholders free of charge on request.



FOR ALL ENQUIRIES CALL:
+61 2 9279 1231

FACSIMILE
+61 2 9279 2727

ALL CORRESPONDENCE TO:
Suite 404 ,25 Lime Street
Sydney NSW 2000

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 10.00AM
WEDNESDAY 11th NOVEMBER 2009

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- (a) complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed

In the spaces provided you must sign this form as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **10.00am on Friday 13th November 2009**. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Proxies may be lodged:

BY MAIL - Suite 404 ,25 Lime Street, Sydney NSW 2001 Australia

BY FAX - + 61 2 9279 2727

IN PERSON - Suite 404 ,25 Lime Street, Sydney NSW 2001 Australia

<Co Name>
 <Address 1>
 <Address 2>
 <Address 3>
 <Address 4>
 <Address 5>

STEP 1 - Appointment of Proxy

I/We being a member/s of **Anchor Resources Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Anchor Resources Limited to be held at The Rugby Club, Rugby Place off 31a Pitt Street, Sydney NSW 2000 on Friday the 13th of November 2009 at 10.00am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business		For	Against	Abstain*
Item 1	To receive accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	To re-elect Mr J Anderson as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	To adopt the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	Issue of shares to Director Mr G Fallon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	(a) Approval issue of options shares to Mr J Anderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	(b) Approval issue of options shares to Mr G Craighead	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	(c) Approval issue of options shares to Mr G Fallon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	(d) Approval issue of options shares to Mr T Woolfe	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 250px; height: 40px;" type="text"/>	<input style="width: 250px; height: 40px;" type="text"/>	<input style="width: 250px; height: 40px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name Contact Daytime Telephone Date / /2009