



## ASX ANNOUNCEMENT

DATE: 28 October 2011

Anchor Resources Limited

ASX Code: AHR

ABN 49 122 751 419

Anchor Resources Limited is an Australian company listed on the Australian Securities Exchange. It is exploring for copper, gold, antimony and other metals in eastern Australia. The Company's most advanced project is on the Dorrigo Plateau in north eastern NSW where it has established resources of antimony, gold and tungsten at the Bielsdown Project

### Key Projects

Bielsdown	Antimony, gold & tungsten
Blicks	Gold & copper
Birdwood	Copper & molybdenum

### Directors

Mr Ian Price	Managing Director
Mr Jianguang Wang	Chairman
Mr Steven Yu	Executive Director
Mr Haolin Wang	Director
Mr Vaughan Webber	Director

### Address

Suite 2114, Tower 2  
201 Sussex St  
Sydney 2000  
NSW

### Investor & Media Enquiries

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Managing Director  
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# Quarterly Report - September 2011

Report to shareholders for the three months

ended 30 September 2011

## HIGHLIGHTS

### CORPORATE

China Shandong Jinshunda Group Co., Ltd. announced on 20<sup>th</sup> June 2011 it would not proceed to compulsorily acquire all outstanding ordinary shares and offered remaining Anchor shareholders their right to give Jinshunda notice to acquire their remaining shares. On 26<sup>th</sup> July 2011 Jinshunda advised that the offer had expired and that a further 510,837 Anchor shares were acquired by Jinshunda to bring its total holding to 97.6%.

Anchor secured a \$A3.5 million finance facility from its major shareholder to fund its exploration and ancillary operations.

Mr Vaughan Webber was appointed a director of the Company.

### EXPLORATION

The first of two planned deep diamond drill holes commenced in September at Anchor's wholly owned Blicks Gold/Copper Project, 25 km northwest of Dorrigo on the New England Tablelands, NSW.

## CORPORATE

On 20<sup>th</sup> June 2011 China Shandong Jinshunda Group Co., Ltd. (Jinshunda), through its wholly owned subsidiary Sunstar Capital Pty Ltd (ACN 147 934 852) (Sunstar Capital), announced that it had decided not to proceed to compulsorily acquire all outstanding ordinary shares in Anchor Resources Limited (Anchor) that it did not acquire under its Offer.

Jinshunda, in accordance with section 662B(1)(d) of the Corporations Act 2001 (cth), advised remaining Anchor shareholders of their right to give Jinshunda notice requiring it to acquire the remaining securities within 1 month. On 26<sup>th</sup> July 2011 Jinshunda advised that the one month period of the offer had expired and that during the period 10 Anchor shareholders accepted Jinshunda's offer and that a further 510,837 shares were acquired by Jinshunda bringing its total holding to 97.6% of Anchor.

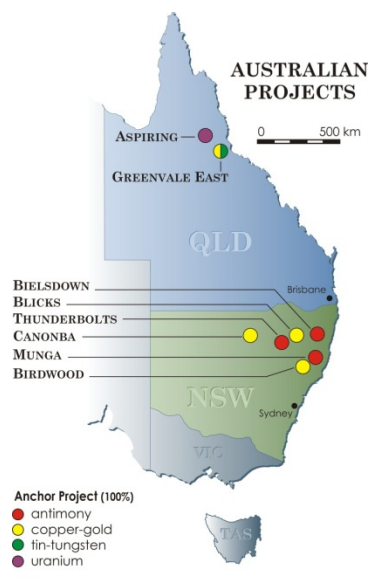
A Finance Facility was entered into with the Company's major shareholder, China Shandong Jinshunda Group. The facility is for a total of \$3.5 million at an interest rate of Libor +250 bps per annum with an expiry date of 1 February 2014. The purpose of the facility is to provide funding to the Company to carry out exploration and ancillary activities. The Company has an exploration and administration budget of \$3.5 million for the coming 12 months with approximately 75% of this to be spent on exploration.

The Company received a R&D tax rebate of \$513,000 during the Quarter.

Mr Vaughan Webber was appointed a Director of the Company on 18<sup>th</sup> August 2011. Vaughan has extensive business experience initially in accounting but more recently has spent most of the last 10 years in corporate finance at a leading Australian stockbroker focussing on creating, funding and executing strategies for mid to small cap ASX listed companies. Recently Vaughan gained significant mining experience holding a senior executive position in a listed gold and iron ore focused mining company.

## EXPLORATION

The Company has a suite of projects in north eastern New South Wales and northern Queensland where it is exploring for gold, copper, antimony and other metals.



### ***Bielsdown Project – NSW, EL 6388 (Anchor 100%)***

Anchor plans to undertake a diamond drilling program consisting of 8 to 10 deep holes spaced on 60m sections to progressively step out and test for mineralization down plunge. The program will involve approximately 4,000m of drilling and will commence when a land access agreement and regulatory approvals are obtained.

### ***Blicks Project – NSW, EL 6465 (Anchor 100%)***

The drilling contractor, Drillit Consulting from Parkes, NSW, mobilized to site in early September. The Tyringham West gold geochemical anomaly was the first target to be tested for intrusion-related gold deposits during this program. TDD001 was drilled at -60° to the west on a bearing of 259°MN to a total depth of 465.0m. The hole intersected siliceous metasilstone cut by silicified, but unmineralised, shear zones. The core displays a complex network of thin veins and narrow brittle fractures, including different generations of quartz, quartz-sulphide and sulphide-only veins. Fracture planes commonly have sulphide in-fill. Sulphides are also disseminated throughout the host rock. Various core logging investigations have commenced. Sulphides identified include pyrrhotite, pyrite, arsenopyrite, chalcopyrite and sphalerite.

The second diamond core hole, TDD002, commenced at the Tyringham East soil gold anomaly on 14 October 2011. The hole is planned to twin an old RC percussion hole, TRC05, which intersected 119m averaging 0.23g/t Au. TDD002 was collared at -60° towards 079°MN and is planned to be drilled to a depth of approximately 450-500m. The hole was collared in metasilstone and passed into granodiorite at about 9m and contains abundant fine grained disseminated sulphide, mainly pyrite and pyrrhotite with traces of chalcopyrite. This hole is continuing and assay results for both holes will be reported when available.

### ***Birdwood Project – NSW, EL 6459 (Anchor 100%)***

Between 1968 and 1971 Pickands Mather International (PMI) explored part of EL 6459 (Birdwood) and identified an extensive soil copper geochemical anomaly in the headwaters of Maugham's Creek at Birdwood. PMI carried out a program of soil sampling and the copper geochemical anomaly identified by that work is defined by the +100ppm Cu contour and extended over the full 5.5km long NW-SE trending PMI grid, and was not closed off at either end. The copper anomaly was essentially constrained on NE-SW cross lines up to 3km long. This soil anomaly at +100ppm Cu covers an area of around 15km<sup>2</sup>. There is a stronger copper anomaly nested within the +100ppm Cu contour that is defined by the +800ppm Cu contour with peak values up to 2,200ppm Cu in an area referred to as Birdwood North. Spotty anomalous Mo values ranging up to 120ppm Mo are coincident with the peak copper anomaly.

PMI drilled 2 vertical diamond core holes at Birdwood North. Copper values in both holes consistently assayed 100-500ppm over the full length of the holes with hole B-101 intersecting 30.48m (100 foot) averaging 0.11% Cu, including 10m at 0.30% Cu and 2.5g/t Ag. The best molybdenum intersection in hole B-101 was 1.52m averaging 0.10% Mo. In the second hole, B-102, a similar intersection of 30.38m (100 foot) averaged 0.12% Cu, including 10m at 0.20% Cu and 3.3g/t Ag. In addition, two 3.05m intersections of +100ppm Mo is reported from hole B-102. Pyrrhotite, chalcopyrite and molybdenite were logged in both drill holes.

PMI drilled a total of nine diamond core holes (total 2,339m) partially testing the extensive Birdwood soil copper geochemical anomaly. All holes, except the last hole, were vertical. Most holes intersected

anomalous copper values, with a best intersection of 16m @ 0.60% Cu and 3.6g/t Ag from hole B-103, including 12.8m averaging 0.79% Cu, 9ppm Mo and 4.9g/t Ag.

The Birdwood copper-molybdenum mineralised system is considered to be under explored and prospective for porphyry copper-molybdenum style mineralisation. A diamond core drilling program is being planned by Anchor to further test this extensive mineralised system.

**Canonba Project – NSW, EL 6928 (Anchor 100%)**

Following a comprehensive review of the exploration potential of the Canonba Project, located in central-western NSW, it was decided to relinquish the licence. The project was considered to be a “grass roots”, geophysically driven project with concealed geophysical anomalies which will require some form of drilling to identify the source of the anomaly. This could be expensive and will require a considerable amount of preparatory work (data re-interpretation, ground geophysics and RAB geochemistry) to define targets prior to RC drilling. It was considered that the Bielsdown, Blinks and Birdwood Projects are all at a more advanced state and rank higher.

**Other Projects (Anchor 100%)**

Reviews of Anchor’s other projects; EL 7184 (Thunderbolts) – NSW, EL 7185 (Munga) – NSW, EPM 14646 (Greenvale East) – Qld, and EPM 14752 (Aspiring) – Qld, will be completed during the next Quarter.



**Ian L Price**  
**Managing Director**  
**Anchor Resources Limited**

**Declaration and JORC Compliance:**

The information in this report relating to Exploration Results is based on information compiled by Graeme Rabone MAppSc, FAIG. Mr Rabone is Exploration Manager and a fulltime employee of Anchor Resources Limited. He has sufficient experience relevant to the assessment of the relevant styles of mineralization to qualify as a Competent Person as defined by in the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – the JORC Code”. Mr Rabone consents to the inclusion of the information in the report in the form and context in which it appears.

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Rule 5.3

**Appendix 5B****Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ANCHOR RESOURCES LIMITED

ABN

Quarter ended ("current quarter")

49 122 751 419

30 September 2011

**Consolidated statement of cash flows**

Cash flows related to operating activities		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration & evaluation	(145)	(145)
	(b) development		
	(c) production		
	(d) administration	(318)	(318)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	12	12
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid - rec'd - R&D Tax Offset Rebate	513	513
1.7	Other		
	<b>Net Operating Cash Flows</b>	<b>62</b>	<b>62</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(52)	(52)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.1	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (security deposit)	11	11
	<b>Net investing cash flows</b>	<b>(41)</b>	<b>(41)</b>
1.13	Total operating and investing cash flows (carried forward)	21	21

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1.13	Total operating and investing cash flows (brought forward)	21	21
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	650	650
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	<b>Net financing cash flows</b>	650	650
<b>Net increase (decrease) in cash held</b>			
		671	671
1.2	Cash at beginning of quarter/year to date	534	534
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	1,205	1,205

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter
		\$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	140
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

**Financing facilities available***Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1		
Loan facilities		
Loan facility with China Shandong Jinshunda Group	3,500	650
3.2		
Credit standby arrangements	Nil	Nil

**Estimated cash outflows for next quarter**

	\$A'000
4.1	
Exploration and evaluation	800
4.2	
Development	Nil
4.3	
Production	Nil
4.4	
Administration	250
<b>Total</b>	<b>1,050</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of financial position)		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	10	19
5.2	Deposits at call	345	215
5.3	Bank overdraft	-	-
5.4	Other (bills receivable and bank accepted bills)	850	300
	<b>Total: cash at end of quarter (item 1.22)</b>	<b>1,205</b>	<b>534</b>

**Changes in interests in mining tenements**

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil	
6.2	Interests in mining tenements acquired or increased	Nil	

**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price	Amount paid up per security (see note 3)
7.1 <b>Preference securities</b> (description)	Nil			
7.2 Changes during quarter	Nil			
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>Ordinary securities</b>	52,535,296	52,535,296		
7.4 Changes during quarter	Nil			
(a) Increases through issues - exercise of options				
(b) Decreases through returns of capital, buy-backs				
7.5 <b>Convertible debt securities</b> (description)	Nil			
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 <b>Options</b> (description and conversion factor)			Exercise price	Expiry date
- Unquoted Options (ESOP)	20,000	Nil	\$0.25	27 Sep 2014
7.8 Issued during quarter				
- Unquoted Options (ESOP)	Nil	Nil		
7.9 Exercised during quarter				
- Unquoted Options (ESOP)	Nil	Nil		
7.10 Expired during quarter				
- Unquoted Options (ESOP)	60,000	Nil	\$0.25	27 Sep 2014
7.11 <b>Debentures</b> (totals only)	Nil			
7.12 <b>Unsecured notes</b> (totals only)	Nil			

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 28 October 2011

(Director/Company Secretary)

Print name: Grahame Clegg

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of international Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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