

Letter from the Chairman



9 May 2011

Dear Shareholder,

Your Board now unanimously recommends you ACCEPT the Jinshunda Offer.

On the 4th of May 2011, your Board advised shareholders that it had revised its recommendation with respect to the China Shandong Jinshunda Group Co Ltd's (**Jinshunda**) offer for Anchor shares.

Since then Jinshunda has achieved an interest in Anchor of greater than 35.46% prior to its offer closing on 5 May 2011. Jinshunda then issued a notice of variation confirming that the offer price for Anchor Shares is \$0.305 per Anchor Share and that the offer was extended for a further 14 days.

Your Board now unanimously recommends that shareholders ACCEPT the offer as set out in the replacement bidder's statement dated 14 February 2011 (as amended and supplemented by supplementary bidder's statements dated 24 February 2011, 18 March 2011, 19 April 2011 and 28 April 2011, and as varied by the notice of variation dated 5 May 2011) (**Jinshunda Offer**), in the absence of a superior offer. Each of the Anchor directors intends to accept the Jinshunda Offer for all of their own shareholdings in Anchor.

The Anchor Board revised its recommendation on 4 May 2011 and continues to recommend the Jinshunda Offer for the following reasons:

▶ **Jinshunda is now offering \$0.305 per share unconditionally**

Jinshunda has increased its offer price to \$0.305 per share. The Jinshunda Offer is now unconditional and shareholders will be paid within 21 days of Jinshunda receiving your acceptance.

▶ **No higher offer for your shares has emerged**

Your Board believes that the Jinshunda Offer represents the best option available to you to realise the value of your shares in Anchor.

Since the Jinshunda Offer was announced on 20 December 2010, Anchor along with its advisors, have sought out alternate transactions which could provide superior value to the Jinshunda Offer. Whilst those discussions have been encouraging, a superior offer to the Jinshunda Offer has yet to be received. As such, the Board believes that the increased consideration of \$0.305 per share represents the most attractive and certain offer able to be realised by shareholders at this time.

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▶ **The Anchor share price may fall when the Jinshunda Offer closes**

In the absence of the Jinshunda Offer or a superior emerging, the share price of Anchor may fall below the Jinshunda Offer price when the Jinshunda Offer closes. The Jinshunda Offer is scheduled to close on 19 May 2011, unless further extended.

▶ **Your shares may become less liquid**

As at 5 May 2011, Jinshunda (including its associates) held 74.32% of Anchor's issued share capital. Your Board considers that Anchor shares may become significantly less liquid following the close of the Jinshunda Offer.

Following the close of the Jinshunda Offer, Anchor may not satisfy the ASX admission requirements. If this were to occur, there is a risk that Anchor may be delisted and shareholders will lose the ability to trade their shares on the ASX.

For the reasons outlined above, your Board strongly encourages you to **ACCEPT** the Jinshunda Offer for all of your Anchor shares (in the absence of a superior proposal) as soon as possible.

In order to **ACCEPT** the Jinshunda Offer, you must lodge your acceptance form by **no later than 7:00pm (Sydney time) on Thursday 19 May 2011**. The directions on how to **ACCEPT** the Jinshunda Offer are set out in the replacement bidder's statement dated 14 February 2011 (as varied by Jinshunda's supplementary bidder's statements and notices of variation).

Should you require a replacement acceptance form, these can be obtained through Link Market Services Limited, who can be contacted on **1300 794 682 (toll free within Australia)** or **+61 2 8280 7751 (outside Australia)**. Alternatively, you can email Link Market Services at gerald.deleon@linkmarketservices.com.au.

If you have any queries about the Jinshunda Offer, please call the Shareholder information line on 1300 373 847 between 8.30am and 5.30pm (Sydney time) Monday to Friday.

Yours faithfully



John Anderson
Chairman



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9 May 2011

Company Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Anchor Resources Limited – First Supplementary Target's Statement

We enclose, by way of service pursuant to section 647(3) of the *Corporations Act 2001*(Cth) a copy of the first supplementary target's statement of Anchor Resources Limited, ACN 122 751 419 (**Anchor**) in response to the off-market takeover bid by Sunstar Capital Pty Ltd, ACN 147 934 852 (a wholly owned subsidiary of China Shandong Jinshunda Group Co. Ltd (**Jinshunda**) for all the issued capital in Anchor Resources Limited (**First Supplementary Target's Statement**).

The First Supplementary Target's Statement supplements and should be read together with the Target's Statement dated 9 March 2011.

The First Supplementary Target's Statement has been lodged with the Australian Securities & Investments Commission and served on Jinshunda today.

Yours faithfully

Ross Moller
Company Secretary

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Anchor Resources Limited ACN 122751 419

First Supplementary Target's Statement

1. Important Notices

1.1 Nature of this document

This document is a supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth). It is the first supplementary target's statement (**First Supplementary Target's Statement**) to the target's statement of Anchor Resources Limited, ACN 122 751 419 (**Anchor**) dated 9 March 2011 (**Original Target's Statement**) in relation to the off-market takeover bid of Sunstar Capital Pty Ltd, ACN 147 934 852 (a wholly owned subsidiary of China Shandong Jinshunda Group Co. Ltd) (**Jinshunda**) for all the issued capital in Anchor.

This First Supplementary Target's Statement supplements, and should be read together with, the Original Target's Statement. This Supplementary Target's Statement will prevail to the extent of any inconsistency with the Original Target's Statement. Unless the context requires otherwise, terms defined in the Original Target's Statement have the same meaning where used in this Supplementary Target's Statement.

1.2 ASIC lodgement

This First Supplementary Target's Statement is dated, and was lodged with ASIC and ASX on 9 May 2011. Neither ASIC or ASX, nor any of their respective officers, take any responsibility for the contents of this First Supplementary Target's Statement.

1.3 No account of personal circumstances

This First Supplementary Target's Statement should not be taken as personal financial advice, as it does not take in to account your individual objectives, financial and tax situation, and particular needs. You should obtain independent financial and tax advice before making a decision about the offer.

1.4 Shareholder information

To make a fully informed decision, you should read this First Supplementary Target's Statement in full. If you have any questions, please call the shareholder information line on 1300 373 847 between 8.30am to 5.30pm (Sydney time) Monday to Friday. Alternatively, please email admin@anchorresources.com.au or visit www.anchorresources.com.au.

2. Letter to Shareholders

Attached is a letter to Shareholders from the Chairman of the Board, which forms part of this First Supplementary Target's Statement.

The attached letter was mailed to all Shareholders on 9 May 2011.

3. Directors' authorisation

This First Supplementary Target's Statement has been approved by a resolution passed by the directors of Anchor.