



ANCHOR RESOURCES LIMITED

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ASX/MEDIA RELEASE

Monday, 21 FEBRUARY 2011

Unsolicited Takeover Offer from China Shandong Jinshunda Group Co Ltd

REJECT

On 20 December 2010, **Anchor Resources Ltd (ASX code: AHR)** received an unsolicited conditional takeover offer ('Offer') from China Shandong Jinshunda Group Co Ltd ('Jinshunda') through its wholly owned Australian subsidiary Sunstar Capital Pty Ltd.

The Offer of \$0.28 per Anchor share is subject to a number of conditions including, but not limited to, a minimum acceptance level of 50% and three separate approvals from three different PRC regulatory authorities. Without these approvals, Jinshunda cannot transfer funds to Australia to pay the consideration under the Offer to shareholders.

More relevantly, your Board considers that the Offer undervalues the strategic importance and attractiveness of Anchor's assets and comes at an exciting time in Anchor's development.

After careful consideration of the Offer by your Board, the directors unanimously recommend that shareholders **REJECT** Jinshunda's Offer.

Your Board has had regard to the following key reasons in arriving at its recommendation:

- The Offer is opportunistically timed
- The Offer does not recognise the strategic value of an antimony project
- Accepting the Offer will prevent shareholders from sharing in Anchor's potential
- The Offer is highly conditional and uncertain
- Your Directors do not intend to accept the Offer in respect of their own shares which account for ~18% (or 21% if all options are exercised)
- Accepting the Offer now will lock up your shareholding pending the outcome of the Offer

The Board's recommendation is based on the Offer as it currently stands. It may reconsider its recommendation should circumstances change.

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A Target's Statement containing our recommendation and further details on the reasons to reject the Offer will be sent to you no later than 15 days after the Jinshunda Bidder's Statement is dispatched to shareholders, which dispatch is expected to occur on **Tuesday, 22 February 2011**.

After careful consideration of the Bidder's Statements, the Board recommends that you **REJECT** the Offer by **TAKING NO ACTION**.

For more information, please contact: **Anchor Resources Limited:**

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Email: admin@anchorresources.com.au

Trevor Woolfe – Managing Director

Grant Craighead – Executive Director

Detailed information on the Company can be found at www.anchorresources.com.au

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