



# ANCHOR RESOURCES LIMITED

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## ASX/MEDIA RELEASE

FRIDAY, 26 MARCH 2010

### Encouraging results continue at Wild Cattle Creek

**Anchor Resources Ltd (ASX code: AHR) is pleased to announce that the drill program at its 100% owned Wild Cattle Creek antimony (Sb) deposit, in northeastern NSW, has confirmed further exciting results.**

- Hole 10WDD12 intersected **14.1m at 2.3%** antimony
  - with a high grade core of **4.7m at 4.7%** antimony
  - the full interval corresponds to **6m true width** of antimony mineralisation
- Four diamond holes completed; fifth hole underway
- 2 RC holes at **Jezebel**, confirm existence of host structure
- Antimony price leapt 12% to as high as US\$7,300/t, in past fortnight

Managing Director, Trevor Woolfe, commented **"Our second drill campaign at Wild Cattle Creek continues to extend our understanding of the mineralised structure and has once again been supported by excellent antimony widths and grade."**

#### **1. Wild Cattle Creek drill program**

Resource estimation and 3D modelling of the Wild Cattle Creek antimony deposit in November 2009 identified drill targets to test for potential resource expansion, both down dip and along strike. In addition, some areas previously drilled in the 1960s and 1990s have been targeted to provide greater confidence in historic drill analyses, as well as quantifying gold and tungsten, which was discovered in the 2009 Anchor campaign.

Following on from the first reported core hole drilled (10WDD11), the second hole completed (10WDD12) also intersected a significant width of stibnite (antimony) mineralisation, before cutting through 1.6 metres of old underground workings. The best results from this second hole are as follows (see also Table 2):

- **10WDD12 – 14.1m at 2.31% antimony (Sb)  
including 4.7m at 4.73% Sb and 0.51g/t gold**



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The high grade core to this mineralised zone ended in an underground exploration adit (circa 1970), from 50.4 to 52.0m downhole, which would have been expected to also contain mineralisation according to historical reports.

Four diamond core holes have so far been completed in the current program at the Wild Cattle Creek deposit with the fifth hole underway (Table 1 and Figure 1). Assays from holes 10WRD13 and 10WDD14 are awaited, while the RC pre-collar for hole 10WRD15 is now complete and diamond drilling towards the mineralised zone is underway. To date around 900m of the full 2,000m program have been completed.

## **2. Jezebel prospect drilling**

The Wild Cattle Creek resource is situated within a linear regional structure that is interpreted to extend for some kilometres both east and west of the deposit.

Anchor recently reported (see December quarterly report) field reconnaissance results along this structure, 400m east of the Wild Cattle Creek resource, on the Jezebel prospect. Sampling of outcrops at Jezebel by Anchor returned assay results up to 6.0% antimony, 1.63g/t gold and 0.37% tungsten. A small number of scout drillholes were drilled along this structure in the 1960s, including DDH36 at the Jezebel prospect which intersected 1.3m at 11.8% antimony.

Two reverse circulation (RC) holes (Table 1 and Figure 2) have been drilled targeting mineralisation at Jezebel as part of the current Wild Cattle Creek drill program. Anchor is assessing the potential for extensions or repetitions of the Wild Cattle Creek antimony-gold-tungsten mineralisation at Jezebel.

Both holes successfully intersected the regional structure that hosts the Wild Cattle Creek deposit some 400m away along strike. Encouraging sulphide mineralisation including pyrite, arsenopyrite and stibnite were observed in the Jezebel RC chips. While the stibnite concentration was relatively low (up to 542ppm), some elevated intervals of gold (up to 0.55g/t) and tungsten (up to 0.36% WO<sub>3</sub>) were intersected in the structure (Table 2).

We have seen that these elements, along with arsenopyrite, are good indicators of proximity to antimony mineralisation at the Wild Cattle Creek deposit. These initial Jezebel results are similar to Wild Cattle Creek hole 09WRD09 which was located on the edge of the main mineralised zone. If a similar model of plunging stibnite mineralisation is imposed on the Jezebel prospect, the results support proximity to a significant zone of mineralisation. Further work is planned to better define the geometry and nature of mineralisation already evident at Jezebel and its potential to add to the Wild Cattle Creek resource.



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Hole	Prospect	MGA (WGS84)		Dip	Azimuth	Depth (m)
		Easting	Northing			
10WDD11	WCC	473,021	6,656,194	-55	180	75 EOH
10WDD12	WCC	472,916	6,656,165	-60	0	68.8 EOH
10WRD13	WCC	472,895	6,656,272	-75	180	182.6 EOH
10WDD14	WCC	472,900	6,656,272	-75	174	234.3 EOH
10WRD15	WCC	472,783	6,656,303	-60	190	125*
10JRC01	Jezebel	473,590	6,656,085	-60	180	100 EOH
10JRC02	Jezebel	473,550	6,656,085	-60	180	109 EOH
					<b>Total to date</b>	<b>894.6m</b>

\* Drilling underway towards 220m depth

**Table 1 Wild Cattle Creek and Jezebel drillhole details**

Drillhole	From (m)	To (m)	Interval	Antimony (Sb %)	Tungsten (WO <sub>3</sub> %)	Gold (Au g/t)	Comments
10WDD11	39.5	58.2	18.7m	4.46	0.10	0.10	Previously announced
(incl.)	44.6	48.5	3.9m	3.88	0.24	-	“ “
	51.4	56.6	5.2m	9.83	-	0.21	“ “
and	58.2	64.5	6.3m	0.31	0.18	-	“ “
<b>10WDD12</b>	<b>36.3</b>	<b>50.4</b>	<b>14.1m</b>	<b>2.31</b>	-	<b>0.22</b>	<b>New result</b>
<b>(incl.)</b>	<b>44.2</b>	<b>48.9</b>	<b>4.7m</b>	<b>4.73</b>	-	<b>0.52</b>	<b>New result</b>
10WRD13							Assays awaited
10WDD14							Assays awaited
10WRD15							Drilling in progress
<b>10JRC01</b>	<b>78.0</b>	<b>81.0</b>	<b>3.0m</b>	-	-	<b>0.29</b>	<b>New result</b>
<b>10JRC02</b>	<b>67.0</b>	<b>71.0</b>	<b>4.0m</b>	-	<b>0.12</b>	-	<b>New result</b>
	<b>91.0</b>	<b>94.0</b>	<b>3.0m</b>	-	-	<b>0.33</b>	<b>New result</b>

**Table 2 Results received from current Wild Cattle Creek drill program**

Half core sampling was on a metre by metre basis, or to geological boundaries as applicable. RC sampling was on a metre by metre basis and split via a three tier splitter on site. Samples were analysed at the ALS Chemex laboratory in Brisbane for a suite of multi-elements including Sb, Au and W. Au was analysed by fire assay/AAS (Au-AA24) while multi-element analyses were done by aqua regia digest (ME-ICP), with subsequent XRF (ME-XRF15b) analysis of higher grade antimony and tungsten results.



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## **Background**

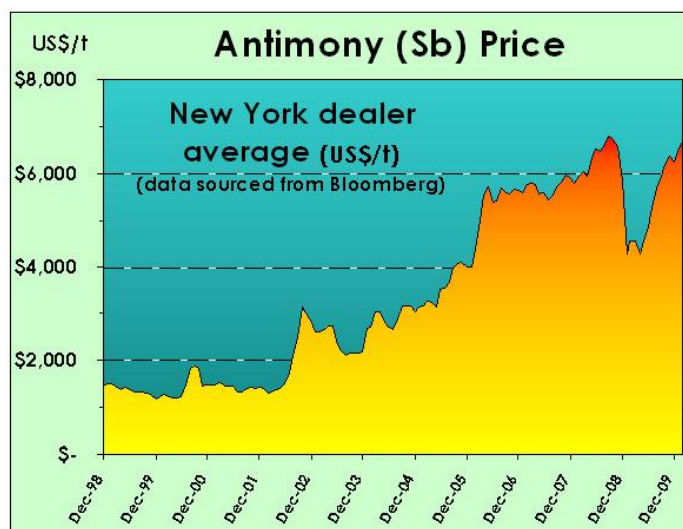
Anchor holds 100% of the Bielsdown Project (EL 6388), located 40km west of Coffs Harbour, which includes the old Wild Cattle Creek antimony mine and Jezebel prospect. First production from the mine was in the late 1800s, with mining and exploration undertaken intermittently since that time. Historically, drilling has been carried out in three phases, during the 1960s and mid 1990s, followed by Anchor's first campaign in 2009.

Following its 2009 drill campaign, Anchor upgraded the JORC compliant resource estimate for the Wild Cattle Creek antimony deposit (refer to ASX announcement dated 23 November 2009).

## **Antimony Price**

Although antimony prices weakened in the beginning of 2008 (in keeping with the broader base metal complex), prices have strengthened to well above longer term averages. The graph below illustrates antimony prices over the past decade pushing up to record levels. According to Asian Metal website, antimony metal pricing this week leapt as high as US\$7,300/t or US\$3.31/lb. This compares with latest LME spot copper prices of US\$3.30/lb.

China Daily reported this week that the Chinese government has suspended antimony exploration and mining applications until mid 2011. This action is reportedly designed to prevent over-exploitation and protect existing resources, while providing Chinese producers with increased bargaining power in price negotiations. These measures are in addition to the government's stated objective of putting a cap on antimony production for 2010. China produced around 91% of global antimony output in 2008.





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## **What is antimony?**

*Stibnite ( $Sb_2S_3$ ) is the main ore mineral of the element antimony (Sb). Antimony ores are beneficiated and processed into antimony metal or oxide. Antimony mine production is concentrated very heavily in China (91% of world output in 2008). Antimony is primarily used as an enhancer of flame retardants or a hardening and strengthening agent for lead and zinc alloys. These alloys are used in lead storage batteries, solder, sheet and pipe metal, bearings, castings, ammunition and pewter, particularly for use in wet-cell batteries.*

For further information, contact Trevor Woolfe (Managing Director) at Anchor Resources Limited in Sydney on **02 9279 1231**.

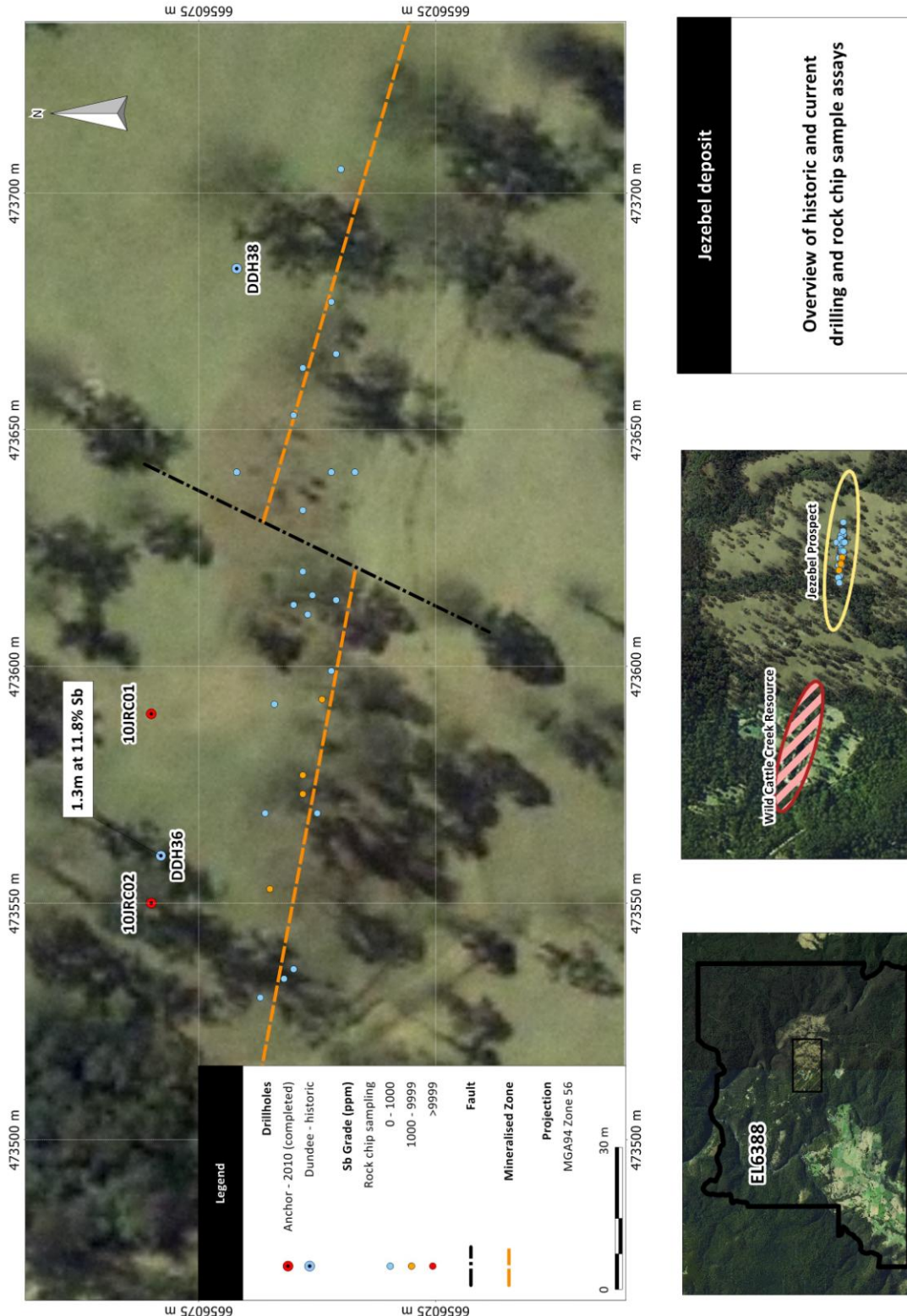
Yours sincerely

**ANCHOR RESOURCES LIMITED**

Trevor Woolfe - Managing Director

**Declaration and JORC Compliance:** *The information in this report relating to Exploration Results is based on information compiled by Trevor Woolfe BSc(Hons), MAusIMM. Mr Woolfe is Managing Director and consultant to Anchor Resources Limited. Mr Woolfe has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code". Mr Woolfe consents to the inclusion of the information in the report in the form and context in which it appears.*





**Figure 2**