



ANCHOR RESOURCES LIMITED

ABN 49 122 751 419 AON 122 751 419
Suite 404, 25 Lime St, Sydney NSW 2000
Phone: +61 2 9279 1231 Fax: +61 2 9279 2727
www.anchorresources.com.au

Quarterly Report - December 2009

Report to shareholders for the three months ended 31 December 2009
ASX code: AHR

HIGHLIGHTS

Exploration

- * Resource update at **Wild Cattle Creek antimony project** (NSW)
- * 880,000t at 2.0% Sb containing 17,500t of Sb metal (0.5% cutoff)
- * Resource expansion drilling to commence February
- * High grade rockchip results obtained from along strike reconnaissance
- * High grade rockchips also at **Greenvale East project** (Qld)

Corporate

- * Non-renounceable rights offer closed oversubscribed
- * Over \$1 million raised
- * As at 31 December, Anchor held \$1.34 million in cash and equivalents

Managing Director, Trevor Woolfe, commented that "We were delighted with the strong response to our recent 1 for 5 rights issue. Funds raised will be directed to drilling at the Wild Cattle Creek antimony project, which is set to re-commence in late February with a drill contractor now confirmed. Rockchip sampling has highlighted the potential for further antimony-gold-tungsten rich target zones to the east of the defined resource."



NEW SOUTH WALES

Bielsdown Project (antimony)

(EL 6388)

100% Anchor

The Bielsdown project is located 12kms north of Dorrigo in NE New South Wales. It is the key to Anchor's antimony focus in that region, in close proximity to the Hillgrove antimony-gold mine, recently developed by Straits Resources.

A compilation of historical data by Anchor in 2007 highlighted the scope for resource expansion by drilling of the existing Wild Cattle Creek resource, both along strike and down dip. Previous resource estimates were constrained to ~120m below surface. Historic holes indicated the existence of depth extensions.

Anchor's maiden drilling program at Wild Cattle Creek, consisting of ten diamond/RC holes, was completed during 2009.

During the *December quarter*, activities included:

- New resource estimate completed by SRK Consulting
- Modelling identified scope for further resource upgrades
- Second drilling campaign imminent
- High grade reconnaissance results obtained from along strike extensions

Resource modelling and estimation

Resource estimation for the Wild Cattle Creek antimony deposit, following Anchor's maiden drilling program in 2009, was completed during the quarter.

Geological logging of the drill core identified significant widths of quartz-stibnite breccia hosting the main zone of mineralisation.

In addition to the *high grade breccia core*, an envelope of stringer stibnite-wolframite (a tungsten mineral) vein type mineralisation was defined in a halo either side of the high grade core. This *stringer zone* contains encouraging, although less consistent, antimony values (>1%). Importantly, the stringer zone recorded significant tungsten assay results up to 16.6m at 0.26% W as detailed in the September quarterly report. Tungsten had not previously been recorded in the historic drilling of this deposit.

Following Anchor's ten-hole drilling campaign at Wild Cattle Creek, SRK Consulting completed a 3D model and antimony (Sb) resource estimate focused only on the main antimony-bearing breccia zone, as reported in detail in an ASX announcement dated 23 November 2009. The main zone resource is reported in accordance with the JORC Code (2004) and is outlined in the following table at various cut-off grades.

Cutoff grade (%Sb)	Tonnes (t)	Grade (%Sb)	Contained Sb (t)
0.5	880,000	1.99	17,500
1.0	718,000	2.27	16,300
1.5	546,000	2.59	14,100

Wild Cattle Creek Inferred Resource (SRK, 2009)

SRK Consulting has taken a conservative approach to the resource estimation to reflect the limited number of holes drilled by Anchor to date, and the dependence on incomplete historical drill data. Consequently, the resource is categorised as Inferred in accordance with the JORC Code (2004).

Drillholes in Anchor's recent program targeted down plunge extensions to the main breccia zone mineralisation and have demonstrated a robust and continuous system.

Further resource potential at Wild Cattle Creek is highlighted by Anchor's discovery of significant stibnite and wolframite within the stringer zone adjacent to the main breccia zone. While highly encouraging antimony and tungsten results have been intersected by Anchor, a lack of assays from historical drill programs prevents inclusion of this mineralisation in the current resource estimate.

Follow-up drilling

Anchor is well advanced with plans to commence its second round of drilling at the Wild Cattle Creek antimony deposit.

Three dimensional modelling of the resource identified drill targets to test for potential resource expansion, both down dip and along strike. In addition, the proposed program will test some areas previously drilled in the 1960s and 1990s to confirm antimony results as well as quantifying

Quarterly Report December 2009

gold and tungsten, as identified in the latest Anchor drill campaign.

The proposed program will consist of approximately 2,000 metres of reverse circulation pre-collar and diamond tail drilling. While Anchor is currently awaiting regulatory approval for the program, the preferred **drill contractor has now been selected**. Following receipt of necessary approvals, drilling is expected to commence before the end of February.

Reconnaissance sampling

The Wild Cattle Creek deposit is situated within a linear regional structure reported to extend for some kilometres both east and west of the deposit. Anchor has recently undertaken its initial field reconnaissance along parts of this structure, particularly in an easterly direction, where evidence of old workings (pits, shafts, trenches) have been identified both in historical reports and on the ground. Anchor is testing the

potential for extensions or repetitions of the Wild Cattle Creek antimony-gold-tungsten mineralisation along this trend.

This recent reconnaissance to the east of the main Wild Cattle Creek resource has identified surface outcrops representing the extension of the host structure (see Figure 2). Silicified breccia material within a meta-argillite host rock has been recorded displaying evidence of alteration and sulphide mineralisation, including the antimony-bearing mineral stibnite. Sampling of outcrops to the **east of the Wild Cattle Creek resource** returned assay results up to 7.55% antimony, 1.63g/t gold and 0.37% tungsten (Table 1).

At the old **Fletchers** workings, 2.9km west of Wild Cattle Creek (see Figure 3), stibnite rich samples returned antimony values up to 8.22% Sb (Table 1). Further detailed reconnaissance of these prospects has commenced to determine the nature and extent of exposed mineralisation.

Sample Number	Easting MGA	Northing MGA	Prospect	Sb ppm	Au g/t	W ppm
15313	473,345	6,656,103	WCC East	4470	0.26	580
15314	473,345	6,656,103	WCC East	7.55%	0.19	10
15315	473,374	6,656,089	WCC East	1125	0.23	150
15316	473,550	6,656,054	WCC East	6.00%	0.76	0.37%
15317	473,586	6,656,046	WCC East	2.74%	0.17	10
15318	473,697	6,656,041	WCC East	479	1.63	<10
15319	473,925	6,655,958	WCC East	51	0.05	10
15320	473,957	6,655,945	WCC East	195	0.01	10
15321	474,018	6,655,926	WCC East	171	0.01	<10
15322	474,275	6,655,885	WCC East	41	0.06	<10
15323	474,293	6,655,910	WCC East	32	0.01	10
15324	474,293	6,655,910	WCC East	45	0.04	10
15325	469,931	6,656,476	Fletchers	8.22%	0.06	<10
15326	469,931	6,656,476	Fletchers	4.40%	0.09	<10
15327	469,882	6,656,474	Fletchers	277	<0.005	<10
15328	469,656	6,656,137	Fletchers	70	<0.005	<10

Note: Sb and W in ppm unless stated

Table 1 Wild Cattle Creek – Reconnaissance rockchip sampling December 2009

Thunderbolts & Munga (antimony) (ELs 7184 & 7185) 100% Anchor

The Thunderbolts and Munga projects are held 100% by Anchor and cover old antimony producing areas of northeastern NSW and, as such, are highly prospective for antimony.

During the *December quarter*:

- No field work was undertaken on these projects during the period.

A surface mapping and soil sampling program is expected to commence in 2010 to delineate the lateral extent of the structures hosting the mineralisation and any potential along strike extensions to the antimony-rich zones.

Canonba & Collaroy Projects (copper-gold) (ELs 6928 & 6929) 100% Anchor

The Canonba and Collaroy leases are situated in a corridor of copper-gold mineralisation to the north and west of Nyngan in northwestern New South Wales that also includes Straits Resources' Tritton and Girilambone copper operations.

During the *December quarter* activities included:

- Relinquishment of the Collaroy licence (EL 6929).

- No field work was carried out on the projects during the period.

Anchor has identified numerous geophysical targets on the Canonba tenement. These are being prioritised for follow-up during the current year in order to refine drill targets.

Birdwood Project (copper-gold-molybdenum) (EL 6459) 100% Anchor

The Birdwood copper-gold-molybdenum project is located in the New England Fold Belt region of northeastern New South Wales. Anchor Resources interprets the mineralisation to be related to a complex of intrusions.

During the *December quarter*:

- No field work was undertaken during the period.

A large mineralising system has been interpreted to be related to a multi-phase acid intrusive system, forming a mineralised breccia pipe with sheeted veins in the Birdwood North prospect area. Prospective drill sites have been identified to test this reinterpretation.

Potential joint venture partners are being sought to advance the drilling phase of this large scale target.

Blicks Project (copper-gold-molybdenum) (EL 6465) 100% Anchor

The Blicks copper-gold project is located in the New England Fold Belt region of northeastern New South Wales.

During the *December quarter*:

- No field work was undertaken during the period

Reverse circulation (RC) drilling at the **Tyringham gold prospect** was undertaken midway through 2008, with the program ultimately being shortened due to persistent inclement weather conditions. The Tyringham gold prospect drilling program is likely to be re-commenced in 2010 to follow up on potential large tonnage gold mineralisation

QUEENSLAND

Greenvale East Project (gold-tin-tungsten) (EPM 14646) 100% Anchor

The Greenvale East gold-tin-tungsten project is located 170km west-northwest of Townsville. The licence contains numerous old workings that have produced modest volumes of tin, tungsten and gold. The main prospects are shown on Figure 1.

During the *December quarter*, activities included:

- Further field reconnaissance at Clayholes Dam, Perry Creek, Jacks Creek and Wolfram Hill
- Soil/rockchip sampling and mapping

Multi-element geochemical assays identified **high grade rockchip results** in gold-antimony-tungsten-tin (refer to ASX announcement dated 22 January 2010).

In December, a field campaign was undertaken to follow up on the previous field program which identified various areas of interest through multi-element soil grids. The latest campaign built on the existing geological knowledge of four main prospects through more targeted mapping, rockchip sampling and minor infill soil sampling.

Results from rockchip sampling identified high grade zones of gold, antimony and tungsten on separate prospects. The project continues to produce encouragement that is expected to lead to **the identification of drill targets** for testing in the current year. Follow-up is scheduled for after the current wet season.

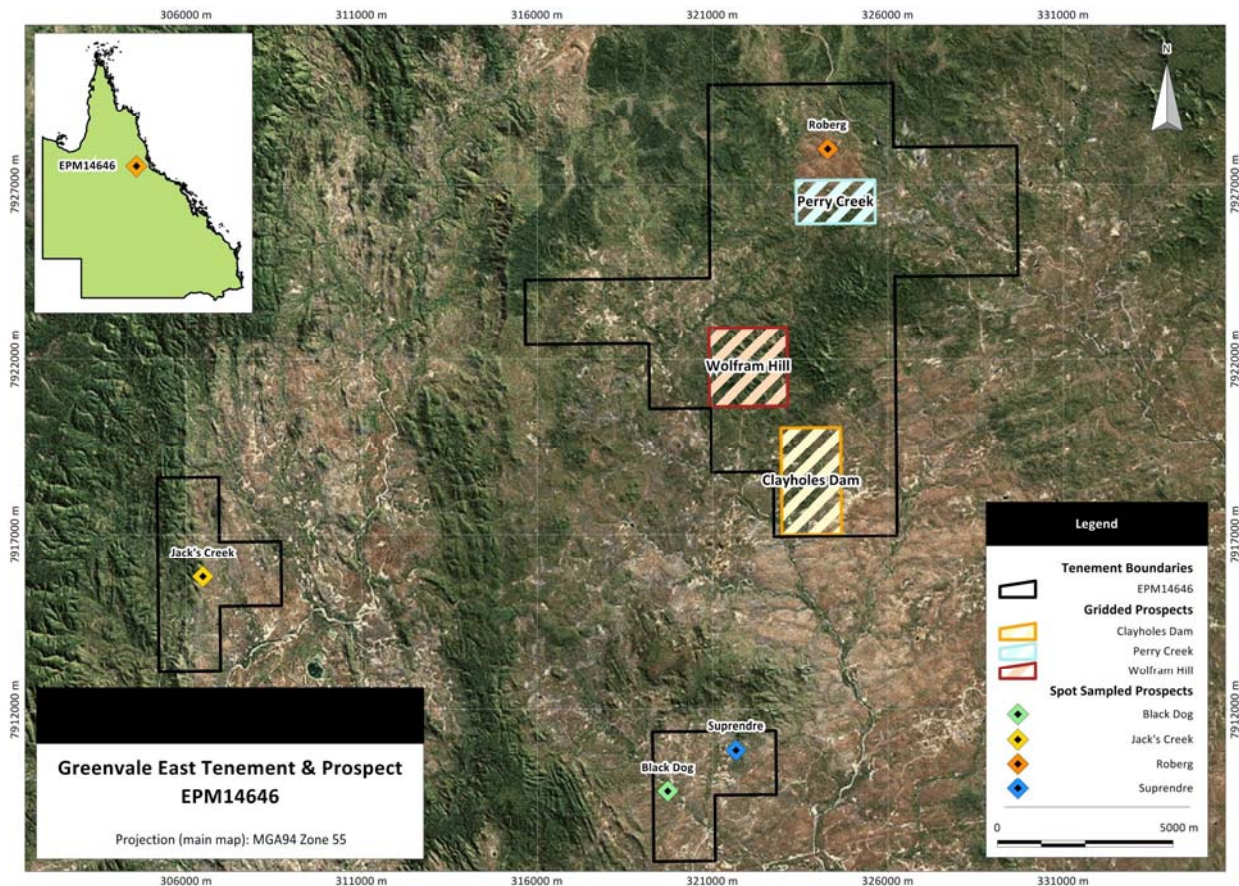


Figure 1 Greenvale East – Locations and prospects

Quarterly Report December 2009

A total of 30 soil samples and 77 rockchip samples were collected across the four prospects. Significant assays from the campaign are shown in the table below.

- **Clayholes Dam (copper-gold):** sampling to the north of Anchor's gold-copper drilling discovery (2008) has identified further anomalous zones with rockchip sampling results up to 1.17g/t gold, 25.5g/t silver, 0.17% tungsten and 834ppm copper;
- **Perry Creek (tin-tungsten):** this is a greisen style tin-tungsten prospect. The latest round of sampling has confirmed the existence of high grade eluvial tin with results up to 6.73% Sn. In addition, cassiterite-bearing primary quartz veins with tin values up to 2.21% Sn were identified. Tungsten values in the greisen zone reached as high as 460ppm;
- **Wolfram Hill (tungsten):** sampling continues to reveal high grade tungsten results associated with old workings. Results received from the latest round of sampling were up to 1.9% tungsten, 0.56g/t gold, 1.88% antimony, 0.12% zinc and 438ppm tin;
- **Jacks Creek (gold-antimony):** a partly concealed structural zone has returned values including 10.95g/t, 5.63g/t and 3.48g/t gold with corresponding high grade antimony values of 44.6%, 41.95% and 50.0%, respectively.

Sample Number	Easting MGA	Northing MGA	Prospect	Au g/t	Ag g/t	Cu ppm	Sn %	Sb %	W %	Zn ppm
337399	306,612	7,915,838	Jacks Creek	10.95	20.1	34	-	44.6	-	28
337400	306,528	7,915,805	Jacks Creek	3.48	6.4	23	-	>50.0	-	18
337500	306,585	7,915,795	Jacks Creek	5.63	4	67	-	41.9	-	54
337428	321,719	7,921,860	Wolfram Hill	0.56	1	28	-	1.88	-	11
337430	321,909	7,921,700	Wolfram Hill	0.02	-	36	-	-	1.9	104
337434	323,046	7,922,972	Wolfram Hill	0.01	2.2	203	0.044	-	0.01	1180
337462	323,316	7,919,737	Clayholes Dam	0.26	25.5	65	-	-	-	197
337468	323,880	7,918,440	Clayholes Dam	1.17	0.6	39	-	-	-	160
337472	323,623	7,918,345	Clayholes Dam	0.58	18.3	834	-	-	0.07	202
337482	324,684	7,926,634	Perry Creek	-	0.3	10	6.73	-	0.01	29
337491	324,261	7,926,665	Perry Creek	0.01	3.8	46	2.21	-	-	148

Table 2 Greenvale East – Rockchip sampling December 2009

Chillagoe Uranium Project (uranium) (EPM 14752) 100% Anchor

The Chillagoe Uranium Project comprises the Aspiring (EPM 14752) licence, located in far north Queensland, following the surrender of the Featherbeds (EPM 15631) and Hot Springs (EPM 15987) tenements.

During the *December quarter*:

- No field work was undertaken during the period.

The Featherbeds Volcanic Cauldron Complex is highly prospective for uranium (U) of the U-molybdenum-fluorite deposit type. This deposit type is well known globally with significant local examples including Ben Lomond and Maureen, also in Queensland.

Potential **joint venture partners are being sought** to advance this project with drilling of the various identified uranium targets.

CORPORATE REVIEW

Anchor continues to advance exploration on its highest priority projects, particularly the Bielsdown project, as antimony prices are testing record levels.

In addition, the company continues the search for quality joint venture partners to unlock the value of lower priority projects in the portfolio. This continues to be a difficult task in the wake of the Global Financial Crisis.

Anchor has further reduced its expenditure commitments by relinquishing one of its licences near Nyngan (NSW), in addition to the surrender of two Queensland licences flagged in the previous quarterly report.

The Anchor team continues to **evaluate project opportunities**, both within Australia and offshore, with the potential to move the company closer to producer status. Anchor has identified **New Caledonia** as a region with proven potential for exploration success and has created a local subsidiary company to research advanced opportunities. New Caledonia is renowned as one of the world's top nickel producing nations.

Capital raising

During the December quarter, Anchor undertook a **non-renounceable 1 for 5 rights and shortfall offer** to existing shareholders. The offer was extremely well supported and closed oversubscribed, raising around \$1 million in funds to be allocated to working capital and exploration activities, particularly further drilling of the advanced Bielsdown antimony project.

A total of 402,500 listed and unlisted options were exercised and converted to ordinary shares in November, thus gaining entitlement to participate in the rights offer, raising \$77,375.

The non-renounceable rights and shortfall offer resulted in the issue of 6,287,351 new ordinary shares, raising \$943,103.

Listed options expiring

Anchor currently has over 15 million listed options outstanding (ASX code: AHRO) with an expiry date of 31 March 2010 and an exercise price of 25c. Additionally, there are 500,000 unlisted Anchor options with the same conditions. Options exercise forms are available directly from the company and will also be mailed out to all optionholders in coming weeks.

As at 31 December, Anchor Resources held **\$1.34 million in cash** and equivalents.

Corporate Information

Board Members

John Anderson	Chairman
Trevor Woolfe	Managing Director
Grant Craighead	Executive Director
Gary Fallon	Non-executive Director
Ross Moller	Company Secretary

Registered and Principal Office

ABN 49 122 751 419

Suite 404, 25 Lime Street
Sydney, NSW, Australia 2000

Telephone: +61 (0)2 9279 1231
Fax: +61 (0)2 9279 2727
Email: info@anchorresources.com.au
Website: www.anchorresources.com.au

Share Registry

Registries Limited
Level 7, 207 Kent St
Sydney, NSW, Australia 2000

Telephone: +61 (0)2 9290 9600
Fax: +61 (0)2 9279 0664
Website: www.registries.com.au

Stock Exchange Listing

Ordinary shares ASX code: AHR
Options (expiry 31/3/10) ASX code: AHRO

Issued Share Capital

At 31 December 2009, issued capital was:
37,724,137 ordinary shares
15,077,188 listed options
2,800,000 unlisted options

Major Shareholders (at 30 September 2009)

Fallon Nominees Pty Ltd	8.37%
Gage Resources Pty Ltd	7.01%
Troppo Resources Pty Ltd	5.73%
St Jude Exploration Pty Ltd	4.93%
Eastmin Pty Ltd	3.82%

Quarterly Price Activity

AHR - Ordinary shares
High: 25.5 cents
Low: 13.5 cents
Last (28/1/10): 25.5 cents

AHRO - Listed options expiring 31/3/10
High: 3.0 cents
Low: 0.1 cents
Last (28/1/10): 1.0 cents

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.*

The information in this report that relates to the Mineral Resources estimation approach at Wild Cattle Creek is based on information compiled by Mr Richard Clayton, BSc (Hons), MSc, MAusIMM. Mr Clayton is a Principal Consultant and full time employee of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, 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". He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Date released: 29 January 2010

For further information contact Trevor Woolfe on 02 9279 1231 or by email to:

trevorw@anchorresources.com.au

An electronic version of this report, and further company details, are available at:

www.anchorresources.com.au

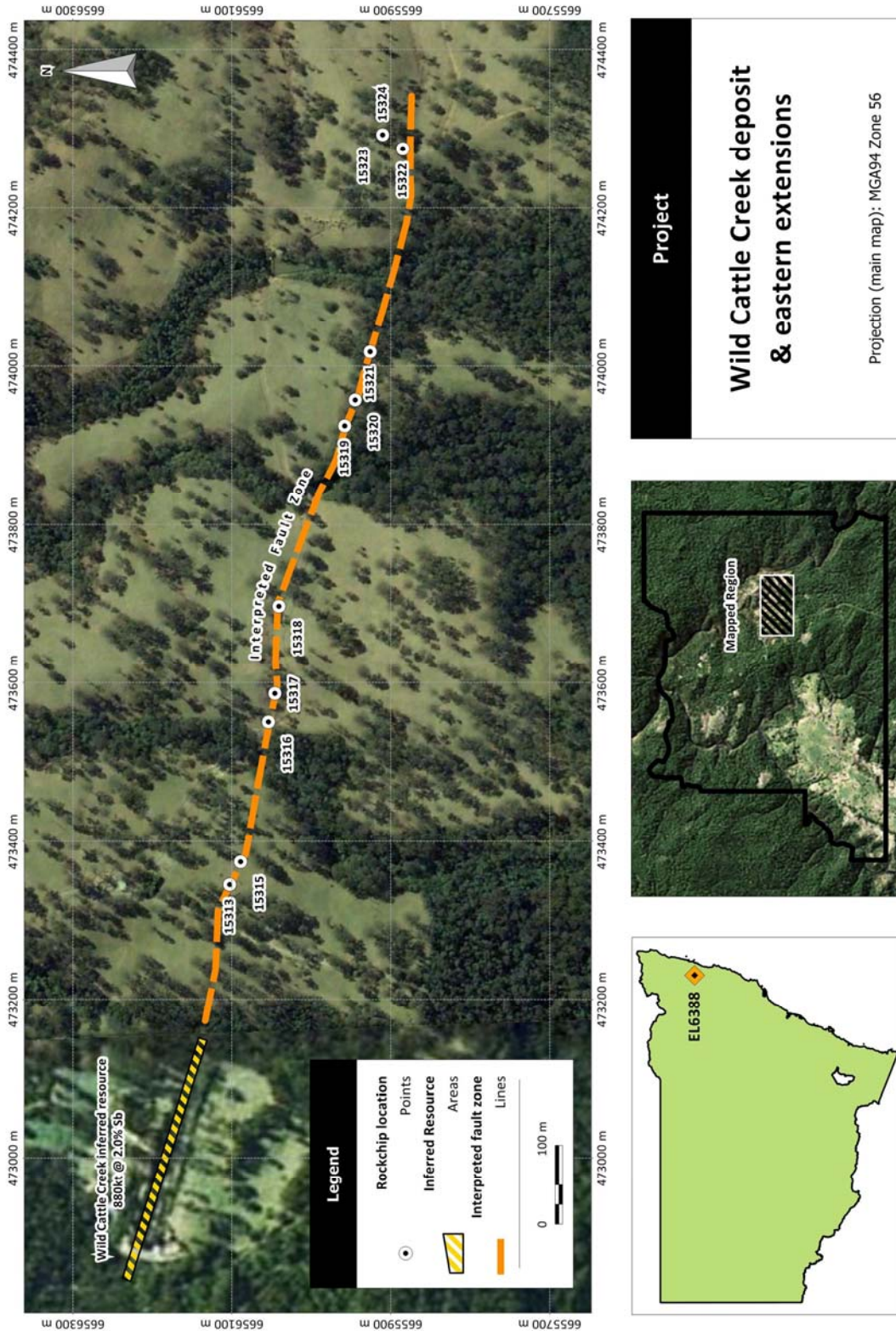


Figure 2 Wild Cattle Creek deposit and eastern extensions

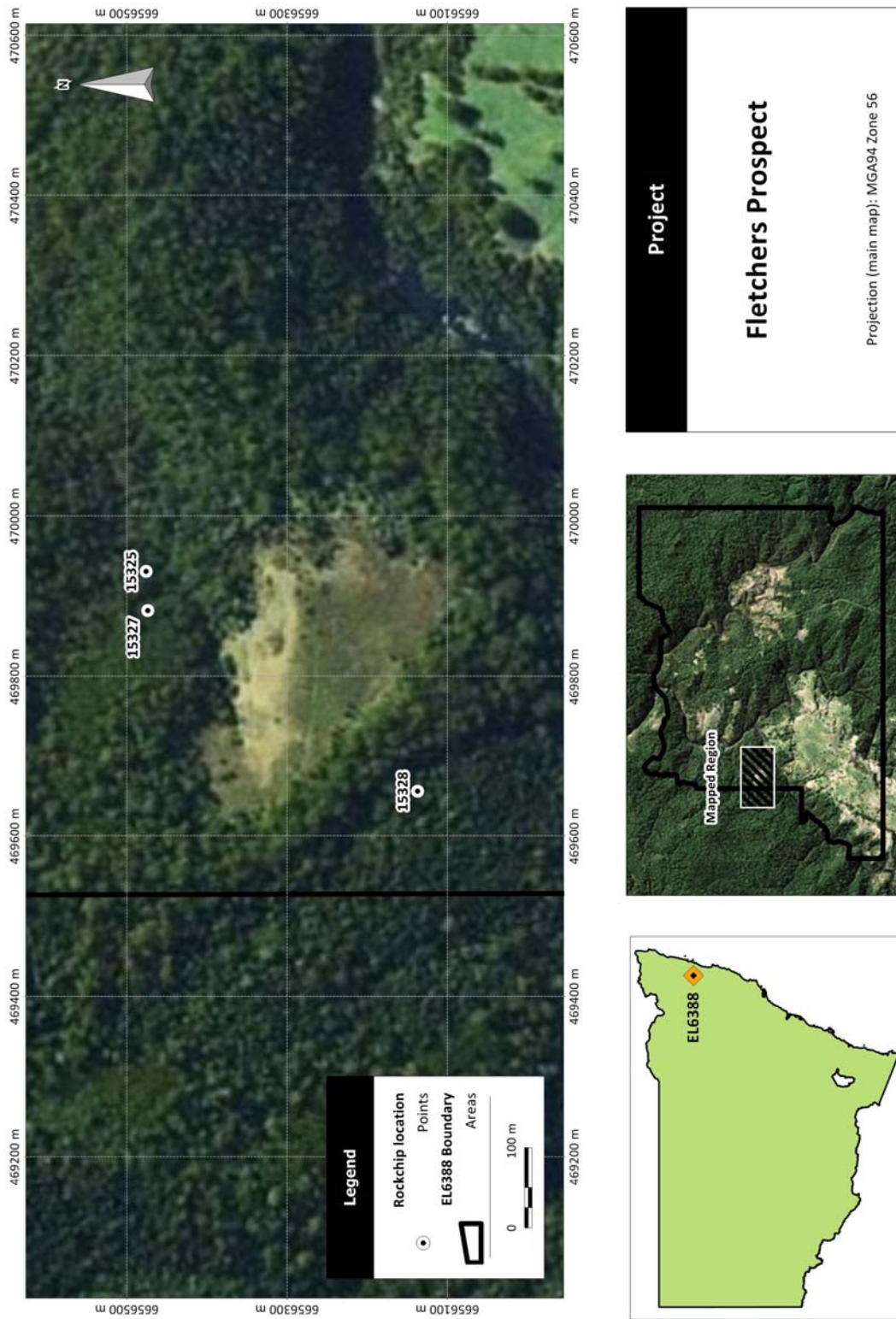


Figure 3 Fletcher's deposit (west of the Wild Cattle Creek deposit)