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Quarterly Report - March 2010

Report to shareholders for the three months ended 31 March 2010
ASX code: AHR

HIGHLIGHTS

Exploration

- * Resource expansion drilling at Wild Cattle Creek well advanced
- * Excellent antimony widths and grades from initial holes:
 - 10WDD11 – 18.7m at 4.5% Sb
 - 10WDD12 – 14.1m at 2.3% Sb
- * Antimony price surges to record levels – up 47% in 2010

Corporate

- * Approximately \$440,000 raised from exercise of listed options
- * As at 31 March, Anchor held \$1.33 million in cash and equivalents

Managing Director, Trevor Woolfe, commented that *“The current drilling program has confirmed some excellent antimony widths and grades. Further expansion of the resource is expected when assays are returned from holes drilled down dip and along strike. This is a great time to be involved with antimony, as the price has hit all-time highs.”*



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.

Background

The project includes the old Wild Cattle Creek antimony mine which was first drilled in the 1960s and then later in the mid 1990s. A compilation of historical data by Anchor in 2007 led to the first round of resource drilling by Anchor Resources in 2009.

The mineralisation consists of a quartz-stibnite rich **high grade breccia core**, and is surrounded by an envelope of stringer stibnite-wolframite (a tungsten mineral) vein type mineralisation. This **stringer zone** also contains encouraging 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 2009 quarterly report. Tungsten had not previously been recorded in the historic drilling of this deposit.

Following Anchor's initial ten-hole drilling campaign at Wild Cattle Creek (WCC), SRK Consulting completed a 3D model and antimony (Sb) resource estimate focused only on the main antimony-bearing breccia zone, as detailed 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)

During the **March quarter**, activities included:

- Approvals received for 2010 drill program
- Seven RC/diamond holes at Wild Cattle Creek completed (3 holes remaining)

- Two RC holes drilled at the Jezebel prospect
- Geological logging
- Multi-element geochemical analysis
- Environmental water testing
- Surface mapping project commenced

2010 drilling – Wild Cattle Creek

Drillholes in Anchor's 2009 program targeted down plunge extensions to the main breccia mineralisation (Figure 1) and demonstrated a robust and continuous system. The mineralisation remained open at depth and along strike.

In addition to testing the down dip and along strike positions, in 2010, selected areas previously drilled in the 1960s and 1990s have been targeted to provide greater confidence in historical drill analyses, as well as quantifying gold and tungsten levels, which was discovered in the 2009 Anchor campaign.

The current program consists of approximately 2,000 metres of reverse circulation pre-collar and diamond tail drilling and commenced mid-February.

Seven drillholes have so far been completed (Table 1) with three holes remaining to be drilled. A "wedge" hole was also drilled from one of the first seven holes.

The first core hole drilled (**10WDD11**) intersected a significant width of high grade antimony mineralisation, with peripheral lower grade stibnite and wolframite (tungsten) as shown in Table 2. Individual tungsten results were up to 0.84% WO₃, while gold grades were up to 0.56g/t. The best result from this hole was **18.7m at 4.5% Sb and 0.1% tungsten (WO₃)**.

The second hole completed (**10WDD12**) also intersected a significant width of stibnite mineralisation before ending in old underground workings (adit). The best result from this second hole (Table 2) was **14.1m at 2.3% Sb** including 4.7m at 4.7% Sb and 0.52g/t gold (Au).

The third hole in the current program (**10WRD13**) was affected by adverse directional issues and hence did not test the proposed target area.

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Despite this, it still intersected the main breccia zone and resulted in an interval of **3.0m at 2.38% Sb and 0.94g/t Au**.

10WDD14 was the fourth hole completed and tested an area where the deposit is interpreted to “pinch” at depth. Not surprisingly, the result from this hole was narrow, but returned an excellent antimony grade, while confirming the continuity of the mineralisation below the previous resource envelope: **1.0m at 8.22% Sb**.

Holes **10WRD15**, **10WRD16** and **10WRD17** have been completed and have intersected the desired mineralised breccia and peripheral stringer mineralisation at the western extension (down plunge) of the deposit (Figure 1).

As 10WRD16 is the deepest hole drilled by Anchor to date, an attempt was made to drill a wedge off this hole, however **10WRD16W** was unable to maintain the required direction and was terminated early. Despite this, a coarse grained stibnite rich zone of approximately 1.2m was intersected in the upper portion of this hole, away from the main zone.

Results for this and the other completed holes are eagerly awaited.

2010 drilling – Jezebel Prospect

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

Anchor reported (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 returned results up to 6.0% Sb, 1.63g/t Au and 0.47% WO₃. 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 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 mineralisation at Jezebel.

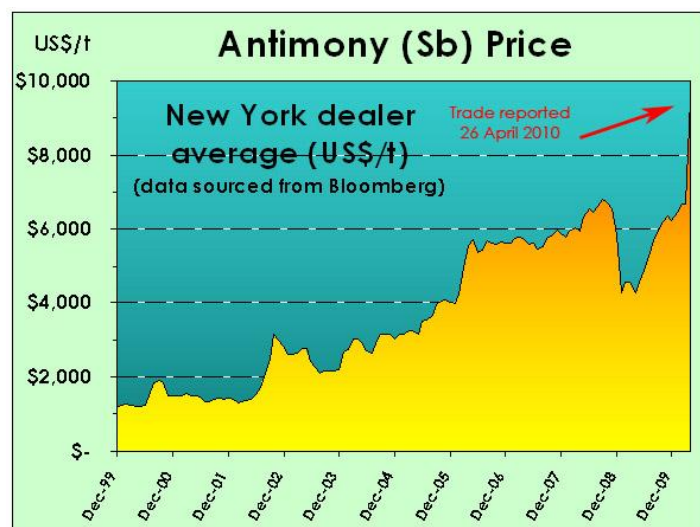
Both holes successfully intersected the regional structure hosting the Wild Cattle Creek deposit. Encouraging sulphide mineralisation including pyrite, arsenopyrite and stibnite were observed in the Jezebel RC chips. While the stibnite levels were anomalous (up to 542ppm), elevated gold (up to 0.55g/t) and tungsten (up to 0.36% WO₃) were intersected in the structure (Table 2).

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 (drilled 2009) 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.

Antimony price surge

The antimony price has surged to record levels over recent weeks as traders report a shortage of available material from the largest producing country - China. Since early April prices have leapt from around US\$7,000/t with some recent reported trades **around \$9,500/t**, equivalent to ~US\$4.30/lb. This is up a staggering 47% since the start of the year.

The situation is thought to be due to a combination of drought related hydropower cuts to smelters in Hunan province, as well as a hard line environmental approach by local government designed to rationalise the number of producers in the province.



Hole	Prospect	MGA (WGS84)		Dip	Azimuth	Depth (m)
		Easting	Northing			
10WDD11	WCC	473,021	6,656,194	-55	180	75.0 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	240.0 EOH
10WRD16	WCC	472,783	6,656,307	-70	190	377.1 EOH
10WRD16W	WCC	472,783	6,656,307	-66.4	192.6	148.7 EOH [#]
10WRD17	WCC	472,831	6,656,283	-53	172	144.0 EOH
10WRD18	WCC	472,966	6,656,101	-60	0	126*
10JRC01	Jezebel	473,590	6,656,085	-60	180	100 EOH
10JRC02	Jezebel	473,550	6,656,085	-60	180	109 EOH
					Total to date	1717m

* Drilling underway towards 165m depth

10WRD16W – wedge hole commenced at 88.5m

Table 1 Wild Cattle Creek and Jezebel drillhole details

Drillhole	From (m)	To (m)	Interval	Antimony (Sb %)	Tungsten (WO ₃ %)	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	-	“ “
10WDD12	36.3	50.4	14.1m	2.31	-	0.22	“ “
(incl.)	44.2	48.9	4.7m	4.73	-	0.52	“ “
10WRD13	105.0	106.0	1.0m	1.03	-	0.20	New results
	165.0	168.0	3.0m	2.38	-	0.94	New results
10WDD14	202.4	203.4	1.0m	8.22	-	0.19	New results
10WRD15							Assays awaited
10WRD16							Assays awaited
10WRD16W							Assays awaited
10WRD17							Assays awaited
10JRC01	78.0	81.0	3.0m	-	-	0.29	Previously announced
10JRC02	67.0	71.0	4.0m	-	0.12	-	“ “
	91.0	94.0	3.0m	-	-	0.33	“ “

Note: Hole 10WRD16W is a wedge off the 10WRD16 parent hole

Table 2 Results received from current Wild Cattle Creek and Jezebel drill program

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 **March quarter**:

- No field work was undertaken on these projects.

A surface mapping and soil sampling program is expected to commence later 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 Project (copper-gold) (ELs 6928) 100% Anchor

The Canonba licence is 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 **March quarter**:

- 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 **March 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) (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 **March quarter**:

- Re-sampling of previous drilling was undertaken for multi-element analysis

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 may re-commence in 2010 to follow up on potential large tonnage gold mineralisation.

Re-sampling of historic drill material (RC chips) was undertaken to assess the potential for widespread tungsten mineralisation, first identified in Anchor's 2008 drill program, as an association with gold mineralisation. Assays are pending.

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.

During the **March quarter**, activities included:

- No field work was undertaken during the period.
- Review of potential drill targets

Results from rockchip and soil sampling in the previous quarter identified high grade zones of gold, antimony and tungsten on four separate prospect areas.

The project continues to produce encouragement. During the quarter a number of **drill targets** were identified and are expected to be programmed for testing later in the current year.

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

The Chillagoe Uranium Project comprises the Aspiring (EPM 14752) licence, located in far north Queensland.

During the **March quarter**:

- No field work was undertaken during the period.

The Featherbeds 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

During the past half year, Anchor has focused its exploration on the expansion of resources at its Wild Cattle Creek antimony deposit, particularly as the antimony price continues to surge beyond previous record highs. Anchor has rationalised its portfolio to free up exploration funds for its highest priority projects.

In addition, the company continues the search for quality joint venture partners to unlock the value of lower priority projects in the portfolio. Discussions are continuing with a number of groups on this front.

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's **New Caledonia** subsidiary is currently assessing advanced project opportunities in that region, which has a long mining history and proven potential for exploration success. New Caledonia is renowned as one of the world's top nickel producing nations.

Anchor's listed options (ASX code: AHRO) expired on 31 March 2010. Exercise of the options, successfully **raised over \$440,000** for the Company with a number of key shareholders underlining their support. As a result, long term Anchor shareholder Jindalee Resources (ASX code: JRL) has now become a substantial holder with over 5% of the Company, through its 100% owned subsidiary, Eastmin Pty Ltd.

As at 31 March, Anchor Resources held **\$1.33 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
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Website:	www.registries.com.au

Stock Exchange Listing

Ordinary shares ASX code: AHR

Issued Share Capital

At 31 March 2010, issued capital was:

39,259,237	ordinary shares
2,300,000	unlisted options

Major Shareholders (at 31 March 2010)

Fallon Nominees Pty Ltd	9.57%
N K Watson	7.76%
Gage Resources Pty Ltd	6.99%
Eastmin Pty Ltd	5.20%
St Jude Exploration Pty Ltd	4.74%

Quarterly Price Activity

AHR - Ordinary shares

High:	28.0 cents (record high)
Low:	16.5 cents
Last (29/4/10):	20.0 cents

AHRO – Listed options expiring 31/3/10

High:	1.1 cents
Low:	0.1 cents
Last:	Expired 31/3/10

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: 30 April 2010

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

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

www.anchorresources.com.au

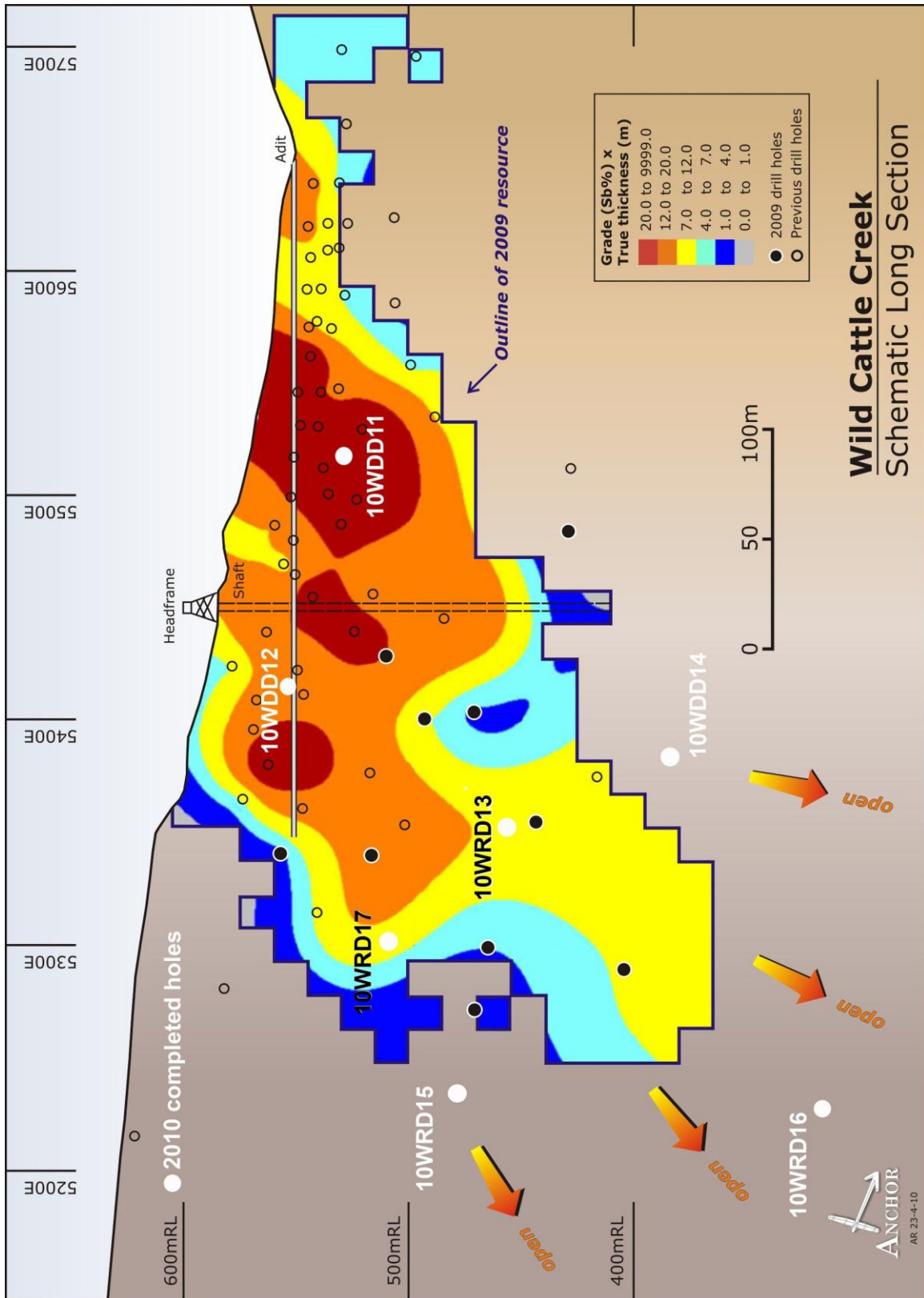
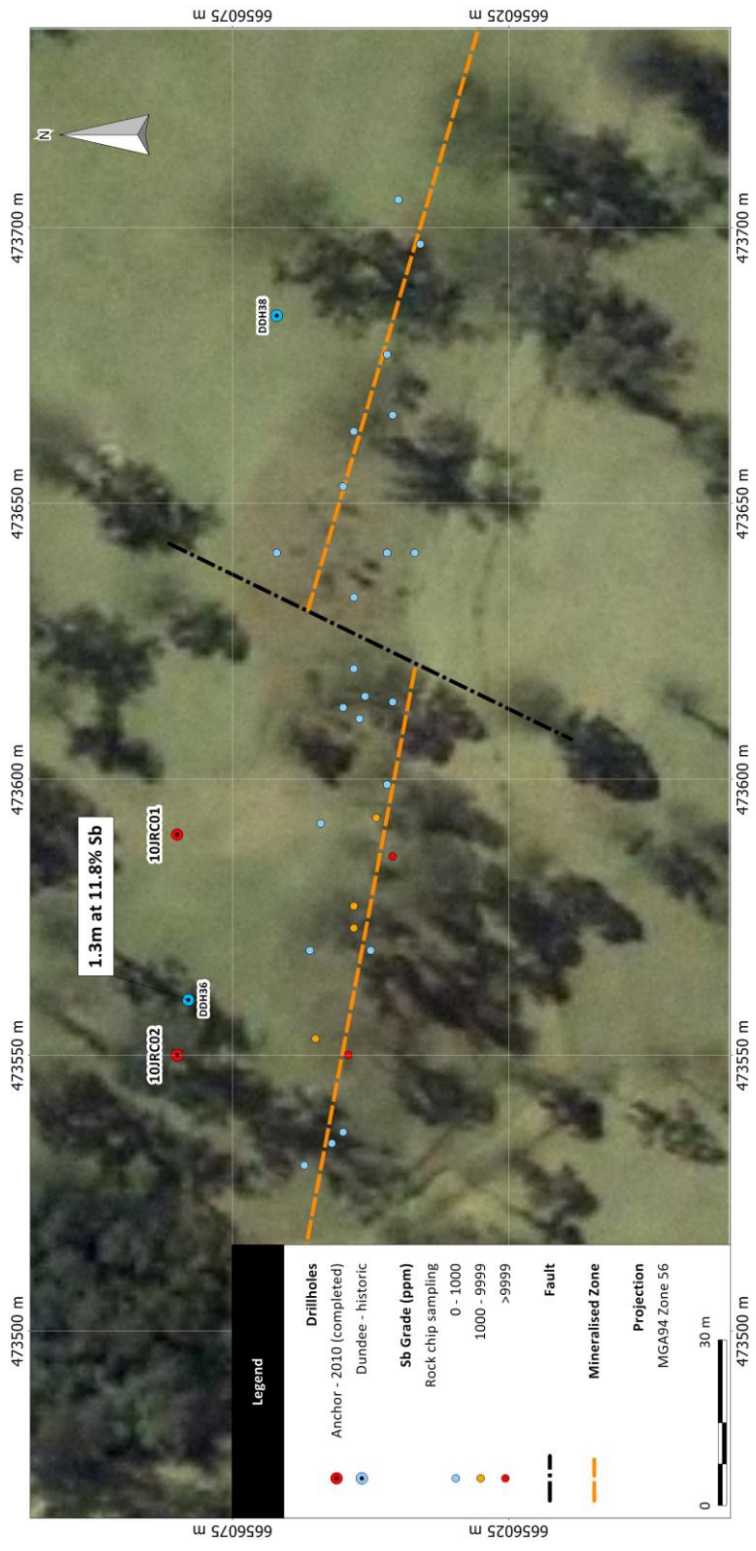


Figure 1 Wild Cattle Creek deposit long section – Sb grade x thickness contours and 2010 drilling



Jezebel deposit

Overview of historic and current drilling and rock chip sample assays

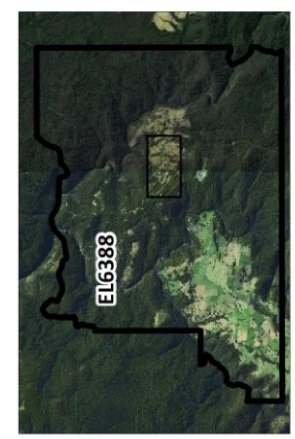
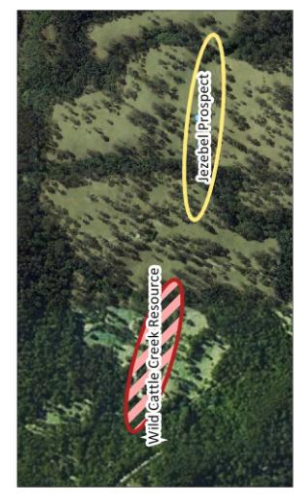


Figure 2 Jezebel prospect (east of the Wild Cattle Creek deposit)