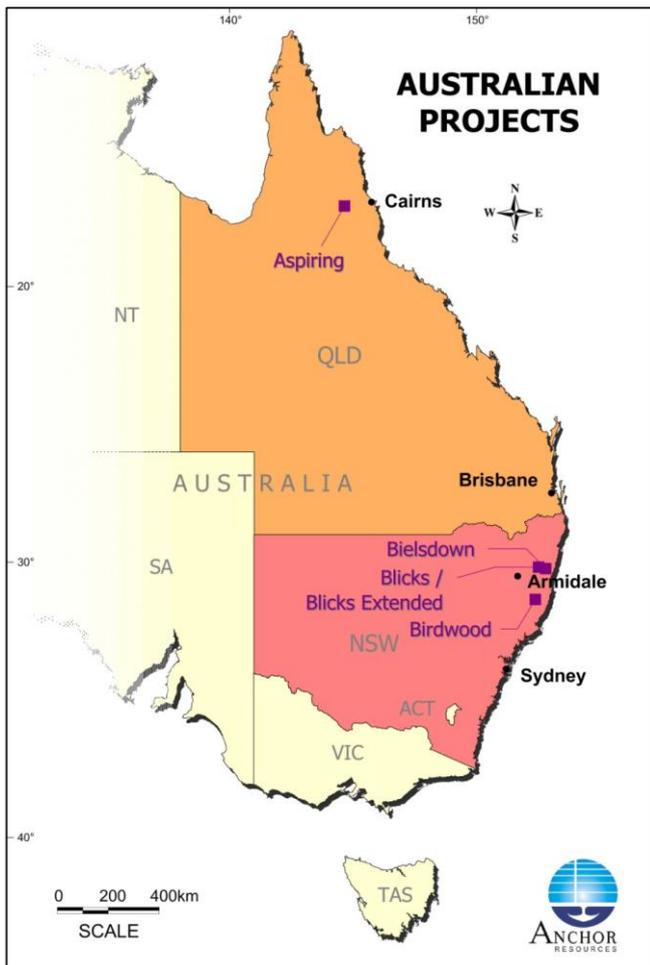


Exploration Update – March 2014

Anchor’s Exploration Program

Anchor is an Australian company listed on the Australian Securities Exchange. Its business is mineral exploration and it has exploration licences in NSW and Queensland.



Anchor is exploring for gold, copper, molybdenum and antimony in the New England Fold Belt of NSW. There are many historic occurrences of these metals in this important geological province but few mines of significance in NSW.

NSW Projects:

- Blicks (EL6465 & EL8100) - gold, molybdenum & copper
- Birdwood (EL6459) - copper & molybdenum
- Bielsdown (EL6388) - antimony

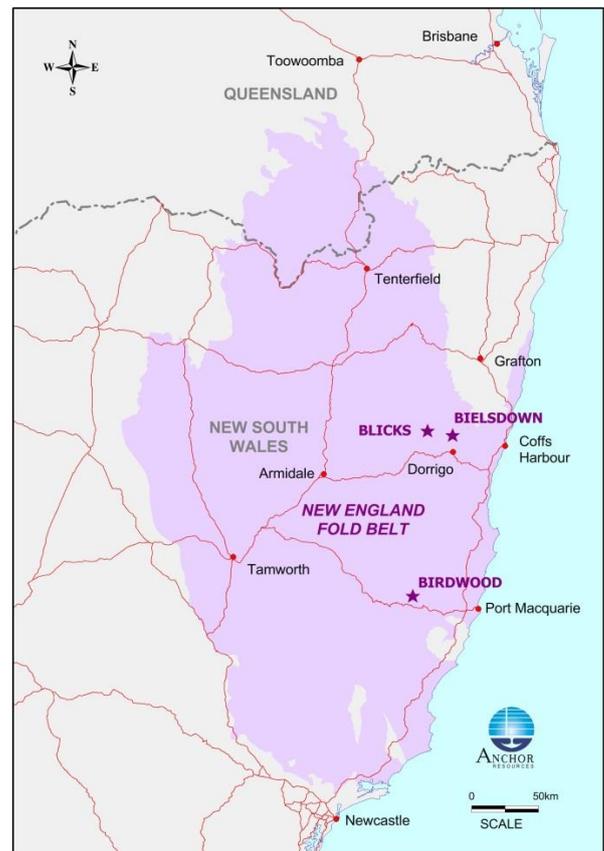
Far North Queensland Project:

- Aspiring (EPM19447) - copper, gold & uranium

New England Fold Belt

The New England Fold Belt extends from Newcastle in NSW to Townsville in north Queensland. The rocks in the belt formed from 370 to 220 million years ago in a basin next to the weakly consolidated continental mass which was part of the Gondwana Supercontinent. At this time the east coast of Australia was much further inland than it is today. Sedimentary rocks formed in this basin have been folded and faulted at least 4 times due to tectonic events and intruded many times by volcanic rocks.

Anchor’s NSW projects are located centrally in the Fold Belt and all lie close to the coast.



Exploration team

Anchor has established its Australian exploration base at Dorrigo and currently employs 7 full time staff in its exploration team.

Five of these staff live locally and Anchor spends around \$500,000 each year on salaries and goods and services in the local area.

In addition to its own staff Anchor has assembled a team of highly experienced consultants who provide specialist input to its exploration programs.

In November 2013 Anchor held the second of its six monthly internal workshops at Coffs Harbour where its exploration team and consultants met over 2 days to review and discuss its exploration progress.

Recent Exploration Activities

Anchor's main focus in recent months has been at the **Blicks project** where there have been three core activities.

Firstly a very experienced geologist has been carrying out mapping of the rock types exposed at the surface to create for the first time a detailed map of the rocks found in the central exploration area. Previous mapping lacked detail and Anchor's geologists now have a far greater understanding of the geology and the geological history of the area. By age dating rocks we have now established for example that the mineralising event at Blicks took place around 220 million years ago; about the same time that the dinosaurs were starting their long reign as the dominant creatures on earth.

Secondly a soil sampling program has been underway and this involves a two person field crew taking a 1 kg sample of soil every 40 metres on lines spaced 160 metres apart. These samples are analysed for 40 different elements and the results usually amount to a few parts per million and can indicate the presence of a mineralised body buried

deep below the earth's surface. At last count we had taken about 1,500 samples and the results are plotted onto maps to produce contours of higher values that our geologists can then use to target further exploration. Those areas where values are low might be considered to have lower potential for mineral discovery.

Thirdly we have been carrying out a diamond drilling program between October 2013 to January 2014 using a specialist drilling contractor from Parkes, NSW. We drilled 5 holes up to 400 metres deep (at a diameter of 110mm) and collected core samples of the rock for logging by a geologist and assaying for its metals content. Results are being progressively released as ASX announcements when they become available.

It is pleasing that throughout these programs there have been no Occupational Health and Safety or Environmental incidents.

At the **Birdwood project** we have just completed a field reconnaissance program of geological mapping to compare with results obtained by exploration over 40 years ago.

The **Aspiring project** is located in a well-known Queensland mining area near Chillagoe which is renowned for gold and copper. Anchor drilled 4 targets there in late 2012. We plan to carry out field mapping later this year as soon as access is possible after the northern wet season.

All of our exploration is carried out by our Dorrigo based exploration team and supported as required by specialist contractors.

For further information and regular updates you can use any one of the following:

Our ASX Code: AHR
www.asx.com.au

Our Local Address:

Our Phone Number:

Our Website:

Our People:



The first place to look for current announcements that are made in accordance with the ASX listing rules to keep the market fully informed

4 Muldiva Road, Bostobrick NSW 2453
(PO Box 134, Dorrigo NSW 2453)

(02) 6657 5211 (Bostobrick Office)

www.anchorresources.com

Kerry Mears – Field Supervisor
Phone: (02) 6657 5211 – Mobile: 0409 160 918
Email: kerry.mears@anchorresources.com.au