



NOTICE OF ANNUAL GENERAL MEETING
TO BE HELD
AT 11 AM (AEDT) ON 22 NOVEMBER 2012
IN THE MEETING ROOM AT
LEVEL 21, TOWER 2, 201 SUSSEX STREET
SYDNEY, NSW 2000

IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, PLEASE CONSULT YOUR STOCKBROKER, SOLICITOR,
ACCOUNTANT, OR OTHER PROFESSIONAL ADVISER.

TO BE VALID, FORMS OF PROXY FOR USE AT THE MEETING MUST BE COMPLETED AND RETURNED TO THE COMPANY NO LATER
THAN 11AM (AEDT) ON 20 NOVEMBER 2012

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IMPORTANT NOTICE

You should read the Notice of Meeting in its entirety before making a decision as to how to vote at the Meeting. A copy of the Notice of Meeting has been lodged with ASX and ASIC.

KEY DATES

Date and time for lodgement of proxies: 11 am (AEDT) on 20
November 2012

Date and time of Meeting: 11 am (AEDT) on 22
November 2012

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the shareholders of Anchor Resources Limited (ACN 122 751 419) will be held in the Meeting Room at Level 21, Tower 2, 201 Sussex Street, Sydney, New South Wales, Australia on 22 November 2012 at 11am (AEDT).

The "Explanatory Memorandum" provides additional information on matters to be considered at the Annual General Meeting and forms part of this Notice. Terms and abbreviations used in this Notice are defined in Schedule 1.

ORDINARY BUSINESS

1 ANNUAL ACCOUNTS

To receive and consider the reports of the Directors and the Auditors, the Statement of Financial Performance, Statement of Financial Position, and the Cash Flow Statement for the year ended 30 June 2012.

2 RESOLUTION 1- ADOPTION OF REMUNERATION REPORT

To receive and consider the Remuneration Report for the year ended 30 June 2012 in accordance with Section 250R(2) of the *Corporations Act 2001* and if thought fit to pass, with or without amendment, the following **Ordinary Resolution**:

Resolution 1

"That the remuneration report and the sums paid to the Directors and Officers of the Company as set out in the Directors' report be adopted".

3 RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR RONALD NORMAN (SAM) LEES

To consider and, if thought fit, to pass, with or without amendment, the following **Ordinary Resolution**:

"That for the purpose of clause 2 of the Constitution and all other purposes, Ronald Norman (Sam) Lees, who was appointed as a non-executive director on 16 January 2012, be re-elected as a Director of the Company;"

4 RESOLUTION 3 - RE-ELECTION OF DIRECTOR - MR STEVEN YU

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"That, for the purposes of the Constitution and for all other purposes, Mr Steven Yu, a Director, retires by rotation, and being eligible, is re-elected as a Director."

5 RESOLUTION 4 - RE-ELECTION OF DIRECTOR - MR IAN PRICE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an Ordinary Resolution:

"That, for the purposes of the Constitution and for all other purposes, Mr Ian Price, a Director, retires by rotation, and being eligible, is re-elected as a Director."

6 RESOLUTION 5 - ISSUE OF OPTIONS - MR RONALD NORMAN (SAM) LEES

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"That, for the purposes of ASX Listing Rule 10.14 and all other purposes, approval is given for the Company to allot and issue a total of 50,000 Options to Mr Ronald Norman (Sam) Lees, a Director of the Company, on the terms and conditions set out in the Explanatory Memorandum."

VOTING EXCLUSION STATEMENT

Under ASX Listing Rule 14.11, the Company will disregard any votes cast on the Resolutions by the following persons:

RESOLUTION	PERSONS EXCLUDED FROM VOTING
1 Adoption of remuneration report	<ul style="list-style-type: none"> • A member of the key management personnel (KMP), details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2012; or • A closely related party of a KMP¹
2. Mr Sam Lees - Re-election as a Director	<ul style="list-style-type: none"> • Mr Sam Lees; • And his nominee(s); and • Any of their respective Associates.
3. Mr Steven Yu - Re-election as a Director	<ul style="list-style-type: none"> • Mr Steven Yu; • And his nominee(s); and • Any of their respective Associates.
4. Mr Ian Price - Re-election as a Director	<ul style="list-style-type: none"> • Mr Ian Price; • And his nominee(s); and • Any of their respective Associates.
5 Issue of share options to Mr Norman Ronald (Sam) Lees	<ul style="list-style-type: none"> • Any Director of the Company; (except one who is ineligible to participate in any employee incentive scheme in relation to the Company), and • Any of their respective Associates

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

¹A closely related party of a member of the key management personnel means any of the following:

- a spouse, child or dependent of the member;
- a child or dependent of the member's spouse;
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations (as at the date of this notice of meeting, no additional persons have been prescribed by regulation).

7 DETERMINATION OF MEMBERSHIP AND VOTING ENTITLEMENT

For the purpose of determining a person's entitlement to vote at the Meeting, a person will be recognised as a Shareholder and the holder of Shares if that person is registered as a holder of those Shares at 11am (AEDT) on 20 November 2012.

How to Vote

You may vote at the Meeting by attending the Meeting in person or by proxy.

- To vote in person you must attend the Meeting on 22 November 2012 at 11am (AEDT), which is to be held in the Meeting Room, Level 21, Tower 2, 201 Sussex Street, Sydney.
- If you wish to vote by proxy, your proxy form must be received by the Company no later than 11am (AEDT) on 20 November 2012.

Proxies

Please note that:

- (a) A Shareholder entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of the Shareholder;
- (b) Where the Shareholder is entitled to cast two or more votes, the Shareholder may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise;
- (c) If the Shareholder appoints two proxies and the appointment does not specify the proportion or number of the Shareholders votes each proxy may exercise half of the votes. Any fractions of votes brought about by the apportionment of a proxy will be disregarded;
- (d) A proxy need not be a Shareholder;
- (e) If your proxy chooses to vote, he/she must vote in accordance with your directions. If you have directed your proxy to vote, and they fail to attend the meeting or they choose not to vote on a poll, then the Chairman of the meeting will vote your proxies as directed by you;
- (f) If you do not mark a box, your proxy may vote as they choose on that item. However, if you intend to appoint a member of the Key Management Personnel as your proxy, please ensure that you direct them how to vote on resolutions 1 and 5;
- (g) If the Chairman of the meeting is your proxy (or he becomes your proxy by default), you will be taken to have expressly authorised him to exercise your proxy in relation to resolution 1 (Adoption of the Remuneration Report) and resolution 5 (Grant of Options to Mr Sam Lees) even though the Chairman is, and those items are, connected directly or indirectly with the remuneration of a member of the key management personnel of the Company. Shareholders will be informed of the proxy position and the manner in which the Chairman intends to vote undirected proxies at the meeting;
- (h) Any instrument of proxy deposited or received at the registered office of the Company in which the name of the appointee is not filled in, will be deemed to be given in favour of the chairman of the Meeting;

(i) Completed proxy forms (together with any authority under which the proxy was signed or a certified copy of the authority) must be returned before 11am (AEDT) on 20 November 2012 in one of the following 3 ways:

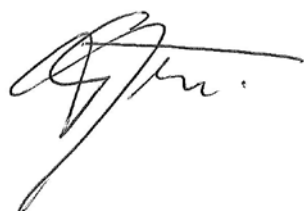
- By mail to : PO Box 6126
Dural DC NSW 2158
- By facsimile: (02) 9283 8803
- By email: admin@anchorresources.com.au

At the meeting, the Chairman will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company and on the Remuneration Report. Shareholders will also be given a reasonable opportunity at the meeting to ask the Company's auditor, BDJ Partners, questions about the content of its report, and the conduct of its audit of the Company, for the year.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

Enquiries

If you have any questions in relation to the Resolutions to be considered at the Meeting, please call the Company Secretary, Mr Guy Robertson on (61) (0) 407 983 270.



By order of the Board
Guy Robertson
Company Secretary
22 October 2012

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business specified to be conducted at the General Meeting to be held in the Meeting Room at Level 21, Tower 2, 201 Sussex Street, Sydney NSW 2000 on 22 November 2012 at 11am (AEDT).

The Directors recommend that Shareholders read this Explanatory Memorandum in full in conjunction with the accompanying Notice of which this Explanatory Memorandum forms a part.

1. **Accounts and Reports**

As required under Section 317 of the Corporations Act, the annual financial report (which includes the financial statements and Directors' declarations) for the year ended 30 June 2012 will be laid before the Annual General Meeting.

Shareholders will be given the opportunity to ask questions and make comments about the reports or the Company generally, but there will be no formal resolution submitted to the Meeting.

2. **Resolution 1 - Adoption of Remuneration Report (non-binding vote)**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at the Annual General Meeting, and then again at the Company's 2013 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2013 annual general meeting. All of the Directors who were in office when the Company's 2013 Directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the Directors of the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2012.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

Proxy Restrictions

Pursuant to the Corporations Act, if you elect to appoint the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or any Closely Related Party of that member as your proxy to vote on this Resolution 1, you must direct the proxy how they are to vote. Where you do not direct the Chair, or another member of Key Management Personnel whose remuneration details are included in the Remuneration Report or Closely Related Party of that member on how to vote on this Resolution 1, the proxy is prevented by the Corporations Act from exercising your vote and your vote will not be counted in relation to this Resolution 1.

Definitions

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001 (Cth)*.

Remuneration Report means the remuneration report set out in the Director's report section of the Company's annual financial report for the year ended 30 June 2012.

3. Resolution 2 - Re-election of Director - Mr Ronald Norman (Sam) Lees

Mr Sam Lees was appointed a Director of the Company on 16 January 2012 being a casual appointment. Pursuant to clause 2 of the Company's Constitution, Mr Lees retires at the 2012 Annual General Meeting but, being eligible, offers himself for re-election.

A brief profile of Mr Sam Lees is set out in the Annual Report of the Company.

4. Resolution 3 - Re-election of Director - Mr Steven Yu

In accordance with the constitution, Mr Steven Yu retires at the 2012 Annual General Meeting, but being eligible, offers himself for re-election.

5. Resolution 4 - Re-election of Director - Mr Ian Price

In accordance with the constitution, Mr Ian Price retires at the 2012 Annual General Meeting, but being eligible, offers himself for re-election.

6. Resolution 5 - approval to issue options - Mr Sam Lees

6.1 Background

Resolution 5 seeks the approval of Shareholders to the issue of Options to Mr Sam Lees, (and/or his nominees), who is a Director.

For the purposes of ASX Listing Rule 10.15 the following information is provided to members:

The Anchor Resources Employee Share Option Plan was adopted by the Board of Anchor on 6 October 2011 in order to grant options to purchase shares in Anchor to its eligible staff, Executive and Non-executive Directors and Key consultants (all together defined as "Employees"). The intention of the Plan is to align as closely as possible the longer term interests of all Employees with those of Anchor's Shareholders, by encouraging all Employees to add value to Anchor over time through their demonstrated loyalty and hard work.

In keeping with statutory approve guidelines, Anchor continues to limit the number of options at any time granted under the Anchor Resources Employee Share Option Plan to not more than 5% of the issued capital of the Company (presently 52,535,296 shares).

On 16 August 2012, Anchor's Remuneration Committee met and approved the issue of 50,000 to Directors and 275,000 to Employees and Consultants. These options are exercisable at any time up until their expiry date of 22 May 2014, at a price of 38 cents, which represents a 100% premium over Anchor's closing share price of 19 cents on the 16 August 2012, being the date the Board approved the issue of the offer. These options will be granted on 22 November 2012 and will vest as to 50% on the date of grant and 50% on the first anniversary of the date of the grant.

The following options have been issued to Directors since the date of the last approval:

Director	Number of Options	Exercise Price	Expiry Date	Date Issued
Jianguang Wang	50,000	38 cents	18 November 2013	5 December 2011
Ian Price	300,000	38 cents	18 November 2013	5 December 2011
Steven Yu	300,000	38 cents	18 November 2013	5 December 2011
Vaughan Webber	50,000	38 cents	18 November 2013	5 December 2011

No options have been exercised by directors since the date of the last approval. No loans are provided to Directors to enable them to exercise their options.

The directors of the company, entitled to participate in the scheme are Mr Jianguang Wang, Mr Steven Yu, Mr Ian Price, Mr Vaughan Webber and Mr Sam Lees. There is no other share based scheme for directors.

Approval is now sought for the issue of 50,000 options on the above terms subject to the Anchor Employee Share Option Plan to a current director of the Company as set out below. Assuming that these options are approved, they will be issued immediately and the total number of options granted under the Anchor Share Option Plan will remain at less than 5% of Anchor's issued share capital.

The related party to whom the financial benefit to be given and the nature of the financial benefit are set out in the table below:

Related Party	Relationship	Number of Options	Exercise Price	Expiry Date
Sam Lees	Director	50,000	38 cents	22/5/2014

These options are proposed to be granted to the above Director immediately following the meeting (such that the issue will not be more than 12 months after the date of the meeting) at which these resolutions are approved. The options will expire on 22 May 2014 and may be exercised (and shares will be issued) at a price paid by the Director of 38 cents per share. The exercise price is a 100% premium to the closing share price of 19 cents on 16 August 2012, being the date the Board approved the issue of the offer.

The intended use of the funds raised on the exercise of these options, is to provide additional working capital to Anchor Resources Limited, and its subsidiaries, and to fund the continuation of exploration activities.

No Director shall participate in an issue under the Anchor Resources Employee Share Option Plan unless Shareholders in general meeting approve the specific issue.

The Director mentioned above is entitled to participate in the Anchor Resources Employee Share Option Plan.

6.2 Valuation

It is a requirement of ASIC that a dollar value be placed on the Options to be issued. A value for the Options has been estimated using an employee option valuation model based on Black and Scholes.

In determining this value, the following assumptions have been made:

- 6.2.1 the Share price at the issue dates is assumed to be \$0.19 per Share, which is based on the last price traded as at the measurement date - 3 October 2012;
- 6.2.2 the Options are to be exercisable at \$0.38;
- 6.2.3 the Options are expected to mature within approximately one and a half years of their date of issue, being at the latest 22 May 2014;
- 6.2.4 the estimate of volatility, based on price volatility of the Shares to the expiry of the options is approximately 63.77%; and
- 6.2.5 the average current risk-free interest rate is 2.55%.

On this basis, the options are valued at approximately \$0.02201 per Option using the Black & Scholes valuation methodology. Therefore, the implied "value" of the Options being granted to the director is as follows:

Related Party	Number of Options	Value
Sam Lees	50,000	\$ 1,100

Other information that is reasonably required by members to make a decision whether it is in the best interest of the Company to pass Resolution 5 and that is known to the Company or any of its Directors is as follows:

- 6.2.6 Resolution 5 would have the effect of giving power to the Directors to grant a total of 50,000 Options. On 3 October 2012, the Company had on issue 52,535,296 Shares and 1,175,000 Options exercisable over various periods and at various exercise prices.
- 6.2.7 If all of the 50,000 Options granted as proposed above are exercised, the effect would be to dilute the shareholding of existing shareholders by approximately 0.09%.
- 6.2.8 The market price of the Shares during the period of the Options will normally determine whether or not Option holders exercise the Options. At the time any Options are exercised and Shares are

issued pursuant to the exercise of the Options, the Shares may be trading at a price which is higher than the exercise price of the Options.

6.2.9 In respect of remuneration and consulting fees payable to the Director:

Mr Lees or his nominee is entitled to be paid directors fees of \$36,000 per annum and fees for additional services of \$14,000 per annum;

As at the date of this notice, the Director has the following interest in the securities of the Company.

Name	Number of Shares	Number of Options
Mr Sam Lees	NIL	NIL

6.3 ASX Listing Rule Requirements

The following information is provided to members for the purpose of Listing Rule 10.15:

- (a) the Options will be granted to Mr Lees who is a Director of the Company, or his respective nominees;
- (b) the maximum number of Options to be issued is 50,000 and the maximum number of Shares to be issued if the Options all become exercisable and are exercised is 50,000;
- (c) the Options will be issued no later than three months after the date of the Meeting;
- (d) the Options will be granted to Mr Lees as part of his remuneration and incentive package with the Company and in consideration of his services to the Company. No cash consideration will be paid by the Director on the grant of the Options;
- (e) no funds will be raised by the grant of the Options. If all of the Options become exercisable and are exercised at the price of 38 cents per Share, \$19,000 of additional funding will be raised for the Company which will be used for working capital purposes;
- (f) a voting exclusion statement forms part of the notice of meeting.

Details of any securities issued under the Anchor Resources Employee Share Option Plan will be published in each Annual Report of Anchor Resources Limited relating to a period in which securities have been issued, together with confirmation that approval for the securities was obtained under ASX Listing Rule 10.14.

A copy of the Rules of the Anchor Resources Employee Share Option Plan are included as Appendix 1.

9.

GLOSSARY

The following is a glossary of various words and their meanings used in the Notice and Additional Information:

"AEDT" means Australian Eastern Daylight Time;

"AEST" means Australian Eastern Standard Time;

"Explanatory Memorandum" means the explanatory notes and additional information to the Resolutions in the Notice;

"Associate" has the meaning given by Sections 10 to 17 of the Corporations Act;

"ASX" means ASX Limited ACN 008 624 691;

"Business Day" has the same meaning as in the Listing Rules;

"Company" means Anchor Resources Limited (ACN 122 751 419) of G02, 59 Goulburn Street, Sydney, NSW 2000;

"Corporations Act" means *Corporations Act 2001 (Cth)*;

"Director" means a director of the Company;

"Fully Paid Share" means a fully paid ordinary share in the issued capital of the Company;

"Listed" means that the Company has applied for listing of the relevant security on the Australian Securities Exchange and has been successful in securing the listing;

"Listing Rules" means the listing rules issued and enforced by the ASX as amended from time to time;

"Market Price" has the same meaning as defined in the Listing Rules;

"Meeting" means the annual general meeting convened by the Notice;

"Notice" means this notice of annual general meeting;

"Officer" has the same meaning as in the Corporations Act;

"Option" means an option to subscribe for a Share on the terms set out in Annexure A;

"Related Parties" means, in respect of an individual, an Associate of that individual or which is a company, trust, person or superannuation scheme for the benefit of any member of the family of that individual;

"Resolution" means the resolutions to be considered at the Meeting;

"Share" means an ordinary share in the issued capital of the Company; and

"Shareholder" means the holder of a Share



ANCHOR RESOURCES LIMITED

ACN 122 751 419

Ground Floor, 59 Goulburn Street, Sydney, NSW 2000
Telephone: (02) 8987 3710 Facsimile: (02) 9283 8803

Email: info@anchorresources.com.au Website: www.anchorresources.com.au

Your Address

This is your address as it appears on the company's share register. If this is incorrect, please mark the box with an "X" and make the correction on the form. Securityholders sponsored by a broker should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

Reference Number:

Please note it is important you keep this Confidential

YOUR VOTE IS IMPORTANT

FOR YOUR VOTE TO BE EFFECTIVE IT MUST BE RECORDED BEFORE 11.00AM
WEDNESDAY 20th NOVEMBER 2012

TO VOTE BY COMPLETING THE PROXY FORM

STEP 1 Appointment of Proxy

Indicate here who you want to appoint as your Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If you wish to appoint someone other than the Chairman of the Meeting as your proxy please write the full name of that individual or body corporate. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a security holder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

Proxy which is a Body Corporate

Where a body corporate is appointed as your proxy, the representative of that body corporate attending the meeting must have provided an "Appointment of Corporate Representative" prior to admission. An Appointment of Corporate Representative form can be obtained from the company's securities registry.

Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's securities registry or you may copy this form.

To appoint a second proxy you must:

- complete two Proxy Forms. On each Proxy Form state the percentage of your voting rights or the number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

STEP 2 Voting Directions to your Proxy

You can tell your Proxy how to vote

To direct your proxy how to vote, place a mark in one of the boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

STEP 3 Sign the Form

The form **must** be signed

In the spaces provided you must sign this form as follows:

Individual: This form is to be signed by the securityholder.

Joint Holding: where the holding is in more than one name, all the securityholders must sign.

Power of Attorney: to sign under a Power of Attorney, you must have already lodged it with the registry. Alternatively, attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: this form must be signed by a Director jointly with either another Director or a Company Secretary. Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. **Please indicate the office held by signing in the appropriate place.**

STEP 4 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below not later than 48 hours before the commencement of the meeting at **11.00am on Friday 18th November 2011**. Any Proxy Form received after that time will not be valid for the scheduled meeting. **Proxies may be lodged:**

BY MAIL - PO Box 6126, Dural DC, NSW, 2158

BY FAX - + 61 2 9283 8803

IN PERSON - Ground Floor 59 Goulburn Street, Sydney, NSW, 2000

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ANCHOR RESOURCES LIMITED
ACN 122 751 419

Ground Floor, 59 Goulburn Street, Sydney, NSW 2000
Telephone: (02) 8987 3710 Facsimile: (02) 9283 8803

Email: info@anchorresources.com.au Website: www.anchorresources.com.au

STEP 1 - Appointment of Proxy

I/We being a member/s of **Anchor Resources Limited** and entitled to attend and vote hereby appoint

the Chairman of the Meeting (mark with an 'X') **OR**

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Anchor Resources Limited to be held at Level 21 Darling Park Tower 2, 201 Sussex Street, Sydney, NSW, 2000 on Thursday the 22th of November 2012 at 11.00am** and at any adjournment of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

If the Chairman of the Meeting is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote in respect of a resolution, please mark this box. By marking this box, you acknowledge that the Chairman of the Meeting may vote as your proxy even if he has an interest in the outcome of the resolution and votes cast by the Chairman of the Meeting for those resolutions, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called. The Chair intends to vote all undirected proxies in favour of the resolution.

STEP 2 - Voting directions to your Proxy – please mark to indicate your directions

Ordinary Business		For	Against	Abstain*
Item 1	To receive accounts			
Item 2	To adopt the remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	To re-elect Mr RN Lees as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 4	To re-elect Mr SJ Yu as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 5	To re-elect Mr Ian Price as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 6	Approval issue of options shares to Mr Lees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intentions advised above. The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

*If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

STEP 3 - PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input style="width: 250px; height: 25px;" type="text"/>	<input style="width: 250px; height: 25px;" type="text"/>	<input style="width: 250px; height: 25px;" type="text"/>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

Contact Name Contact Daytime Telephone Date / /2011

For personal use only

Appendix 1

Anchor Resources Limited

Employee Share Option Plan

Rules of the Anchor Resources Limited Employee Share Option Plan

1. Defined meanings

Words used in this document and rules of interpretation that apply are set out and explained in the definitions and interpretation Rule 19.

2. Purpose

The Purpose of this Plan is to provide incentives to senior staff to achieve the Company's long term objectives and improve the long term performance of the Company.

The Plan is a key part of the longer term retention and incentive strategy of the Company.

The Plan recognises that the growth and profitability of the Company is heavily dependent on the retention of key senior staff.

3. Rules

This document set out the Rules of the Company's Employee Share Plan.

4. Commencement of the Plan

The Plan commences on the day that approval for introduction of the Plan is first given the Board, such date being 6 October 2011.

5. The Plan

5.1 Options

- a) Subject to Rule 7, the Company may issue such number of Options as the Board determines and on such terms as Board considers appropriate, until such time as the Plan is terminated.
- b) The Options are issued for nil consideration, unless the Board resolves otherwise.

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- c) The Options are non-transferable.
 - d) There is no obligation on the Company to apply for quotation of the Options on the ASX.
 - e) Holders have no rights or entitlements to participate in dividends declared by the Company or rights to vote at meetings of the Company until that Option is exercised.
 - f) Shares allotted upon exercise of the Options will rank equally with Shares previously issued by the Company.
 - g) If shares of the same class as those allotted pursuant to the exercise of the Options granted under the Plan are listed on the ASX, the Company must apply for Official Quotation of those Shares allotted pursuant to the exercise of the Options within the time required by the Listing Rules.

5.2 Exercise Price

- a) The Board will specify the proposed Exercise Price of each Option at the time of making an Offer to an Eligible Employee.
- b) Without limiting the ways in which the Exercise Price may be specified in paragraph (a) above, the Exercise Price may include:
 - i. a fixed amount;
 - ii. the Market Price of a Share on the date the Offer is made under Rule 6.1;
 - iii. the Market Price of a Share on the date the Options are granted;
 - iv. the Market Price of a Share on a specified date which is after the date the Options are granted; or
 - v. a percentage above the amount in sub paragraphs ii, iii or iv

5.3 Eligibility

- a) The Company may only make an Offer to an Eligible Employee.
- b) Eligibility to participate in the Plan under Rule 5.3(a) does not confer a right to participate in the Plan.

5.4 Determination of Offers

The Board may in its absolute discretion make Offers of Options to Eligible Employees of the Group to which the Board has resolved that the Plan shall for the time being apply. In determining which Eligible Employees will receive Offers, and which Eligible Employees will not, the Board may have regard to any matters which it considers relevant, including, without limitation:

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- a) the Eligible Employee's length of service with the Group;
 - b) the seniority of the Eligible Employee within the Group;
 - c) the contribution to the Group which has been made by the Eligible Employee;
 - d) the potential contribution of the Eligible Employee to the Group;
 - e) any misconduct or wilful default by an Eligible Employee;
 - f) whether the Eligible Employee will continue to be an employee of the Group at or soon after the time of issue of the Options;
 - g) taxation implications for the Group, the Eligible Employee and/or other Eligible Employees participating in the Plan; and
 - h) securities and/or employment laws.

5.5 Deemed Eligible Employees

The Board may authorise a casual employee or consultant of the Company or of an Associated Body Corporate to participate in the Plan and such person is deemed to be an Eligible Employee for the purposes for the Plan.

5.6 Casual Employees

To qualify as a casual employee and be eligible to be deemed an Eligible Employee under Rule 5.5, a person must:

- a) have been in employment with the Company for more than 1 year; and
- b) be an employee whom the Company regards as equivalent to either a full-time or a part-time employee.

5.7 Consultant

To qualify as a consultant and be eligible to be deemed an Eligible Employee under Rule 5.5, a person must:

- a) have worked for the Company for more than 1 year; and
- b) have received 15% or more of their income in the preceding year from the Company.

5.8 Number of Options offered

The number of Options offered to an Eligible Employee is the number determined from time to time by the Board in its absolute discretion.

5.9 Liability of Eligible Employee

- a) An Eligible Employee is not liable to make any payment to the Company in respect of Options issued to the Eligible Employee under the Plan.
- b) No brokerage, commission, stamp duty or other transaction costs will be payable by the Eligible Employee in respect of any allotment or transfer of options under the Plan.

5.10 Terms of issue

Options must be issued on the terms of these Rules, the Corporations Act and the Listing Rules, and any additional terms as the Board considers appropriate (not being inconsistent with these Rules) and each Eligible Employee will be taken to have agreed to be bound by:

- a) these Rules;
- b) any additional terms imposed under this Rule; and
- c) the constitution of the Company from time to time,
on acceptance of any Offer of Options under this Plan.

6. Offer and Acceptance

6.1 Offers

- a) The Board may from time to time make Offers in writing to Eligible Employees inviting them to take up Options under the Plan.
- b) Each Offer made by the Board must;
 - i. specify the number of Options offered;
 - ii. state the terms and conditions of the issue of the Options the subject of the Offer;
 - iii. state the period within which the offer may be accepted; and
 - iv. have attached an Application Form and copy of these Rules.

6.2 Acceptance

- a) To accept an Offer made by the Board under the Plan the Eligible Employee must send a completed Acceptance Form to the Company.
- b) The Acceptance Form must be received by the Company within the period for acceptance of the Offer.

- c) The Eligible Person may also nominate in writing to the Board a nominee in whose favour the Eligible Person wishes to renounce the offer. The Board may, in its absolute discretion, resolve to allow, or not to allow such renunciation of an Offer in favour of this nominee, without giving any reason for such decision.

The Board may renounce an Offer to an Eligible employee in accordance with this subrule (c) in favour of an Offer to the nominee (“**Permitted Nominee**”) and the Permitted Nominee may accept the whole or any lesser number of Options offered by notice in writing to the Board.

- d) If options are issued to a Permitted Nominee of an Eligible Person, the Eligible Person and the Permitted Nominee will be taken to have agreed to be bound by these Rules and the Eligible Person must, without limiting any provision in these Rules, ensure that the Permitted Nominee complies with these Rules.

6.3 Effect of Acceptance

An Acceptance Form does not create a binding contract to grant Options. After acceptance of a complete Acceptance Form, the Board may in its absolute discretion determine:

- a) not to grant the Options specified in the Offer; or
- b) grant Options which differ in number or their terms from that specified in the Offer.

7. Restriction on Offer of Options

The Board shall not Offer or issue Options to any Eligible Employee in accordance with the Plan if at the time of the proposed Offer:

- a) the total number of Shares which might be issued pursuant to the exercise of Options to be issued under the proposed Offer; and
- b) the total number of Shares the subject of Options which are both unexercised and unexpired

would exceed 5% of the total number of Shares on issue.

8. Restriction on Offer of Options

8.1 Lapse of Options

Any Options issued pursuant to the Plan will be allotted on the condition that the whole of the Options issued to an Eligible Employee automatically lapse and are forfeited:

- a) 30 days after the date on which that Eligible Employee voluntarily resigns from employment with the Company, or the Eligible Employee’s employment is terminated by the Company for any reason other than that set out in rule 8.1 b), otherwise than to take up employment with a Related Body corporate of the Company; or

- b) Immediately, if that Eligible Employee is dismissed from employment with the company for any one or more of the following reasons:
- i. wilful misconduct bringing disrepute on the Company or a Related body Corporate;
 - ii. repeated disobedience, after prior written warning;
 - iii. incompetence in the performance of any duties for which the Eligible Employee was employed, after prior written warning;
 - iv. fraud or any other dishonesty in respect of the property or affairs of the Company or a Related Body Corporate; or
 - v. any other reason, based on which the Board believes it is fair and reasonable that the Options lapse and are forfeited.

8.2 Exceptions

- a) Options issued to an Eligible Employee will not lapse and be forfeited where an Eligible Employee ceases employment with the Company in the following circumstances:
- i. death or total permanent disability (as that term is recognised by Statute);
 - ii. retirement; or
 - iii. any other circumstances on the basis of which the Board believes it is fair and reasonable that the Eligible Employee retains his or her right to exercise the Options.
- b) Should an Eligible Employee, in the opinion of the Board, satisfy the requirements of Rule 8.2(a) the Eligible Employee, or if the Eligible Employee dies, the Eligible Employee's legal personal representative, will have a period of 6 months to exercise the Option from the date the Company receives notice of the specified event and acknowledges in writing that such event satisfies the requirements of Rule 8.2(a).

9. Taxation

Neither the Company nor its Directors, officers, employees, representatives or agents take any responsibility or assume any liability for the taxation liabilities of Eligible Employees.

10. Listing Rules

10.1 Listing Rules generally

The terms and conditions of the Plan must at all times comply with the Listing Rules. If there is any inconsistency between the terms and conditions of the Plan and the Listing Rules then the Listing Rules will prevail.

10.2 New Issues

Subject to the Listing Rules (where relevant), a Holder may only participate in respect of an Option in a new issue of Shares or other securities to holders of Shares if the Option has been exercised in accordance with its terms on or before the Record Date for determining entitlements to the issue.

10.3 Adjustment for pro-rata issues

Subject to the Listing Rules, if **there** is a pro rata issue which has been offered to all ordinary shareholders on a pro rata basis (except a bonus issue), the Option Exercise Price will be adjusted in accordance with the Listing Rules.

10.4 Adjustment for bonus issues

If, during the life of any Option, Shares are issued pro rata to the Company's shareholders for which no consideration is payable by those shareholders, the Holder will be entitled, upon later exercise of that Option, to receive in addition to the Share comprised in the Option an issue of so many additional Shares as would have been issued to a shareholder who, on the Record Date for determining entitlements under the bonus issue, held Shares equal in number to the Shares comprised in the Option exercised.

10.5 Reconstruction event

In the event of any reconstruction (including consolidation, sub-division, reduction, capital return, buy back or cancellation) of the share capital of the Company, the number of Options must be reconstructed in accordance with the Listing Rules. Options must be reconstructed in a manner which will not result in any additional benefits being conferred on Holders which are not conferred on other security holders of the Company.

11. Exercise of Options

11.1 Offer

Unless the Board, when granting an option, in its absolute discretion determines otherwise, the terms of this Rule are included in the Offer as terms on which the Options are granted.

11.2 Exercise Period

a) The Options lapse immediately after the Expiry Date has passed.

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- b) For the avoidance of doubt, Options may be exercised at any time during the period from date of grant up to and including the expiry date, including:
- i. during a Bid Period; or
 - ii. at any time after a Change of Control Event has occurred; or
 - iii. on an application under section 411 of the Corporations Act, if a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.

12. Administration of the Plan

12.1 Administration

The Plan will be administered by the Board in accordance with these Rules. The Board may make regulations for the operation of the Plan which are consistent with these Rules.

12.2 Powers of the Board

- a) Any power or discretion which is conferred on the Board by these Rules may be exercised by the Board in the interests or for the benefit of the Company, and the Board is not, in exercising that power or discretion, under any fiduciary or other obligation to any other person.
- b) Any power or discretion which is conferred on the Board by these Rules may be delegated by the Board for such period and on such conditions as the Board may determine to a committee or any one or more persons, who need not to be or include Directors.
- c) Every exercise of discretion by the Board (or its delegate) and every decision of the Board as to the interpretation, effect or application of these Rules is final, conclusive and binding.

13. Rights of Participants

Nothing in these Rules:

- a) confers on any employee the right to receive any Options;
- b) confers on any employee the right to continue as an employee of the Group;
- c) affects any rights which any corporation in the Group may have to terminate the employment of any employee; or
- d) may be used to increase damages in any action brought against any corporation in the Group in respect of the termination of the employment of any employee of any corporation in the Group.

14. Amendment of these Rules

14.1 Amendment

Subject to Rules 14.2 and 14.3, the Company may at any time by written instrument or by resolution of the Board, amend all or any of the provision of these Rules (including this Rule 14).

14.2 Restriction on amendment

No amendment of the provisions of these Rules is to reduce the rights of any Eligible Employee in respect of Options issued to the Eligible Employee under the Plan prior to the date of the amendment, other than an amendment introduced primarily:

- a) for the purposes of complying with or conforming to present or future laws governing or regulating the maintenance or operation of the Plan or like plans;
- b) to correct any manifest error or mistake;
- c) to enable contributions or other amounts paid by a member of the Group in respect of the Plan to qualify as tax deductions for that entity;
- d) to enable the Eligible Employee or their employer to reduce the amount of tax or impost that may otherwise be payable by the Eligible Employee or their employer in relation to the Plan, including under the *Fringe Benefits Tax Assessment Act* 1986 and the *Income Tax Assessment Acts* of 1936 and 1997, or any other similar legislation in any jurisdiction outside Australia;
- e) for the purpose of enabling the Eligible Employees generally (but not necessarily each Eligible Employee) to receive a more favourable taxation treatment in respect of their participation in the Plan; or
- f) to enable the Company to comply with the Corporations Act or the Listing Rules or any similar legislation or requirements in any jurisdiction outside Australia.

14.3 Listing Rules

Any amendment of these rules must be made in accordance with and in the manner stipulated (if any) by the Listing Rules.

14.4 Retrospective effect of amendment

Subject to the provisions of this Rule 14, any amendment made under Rule 14.1 may be given retrospective effect, as specified in the written instrument or resolution by which the amendment is made.

15. Termination of Plan

- a) The plan may be terminated at any time or suspended for any period by resolution of the Board and notification thereof to the ASX.
- b) Termination or suspension of the Plan does not affect the rights of the Holders of unexpired Options previously granted under the Plan and these Rules will continue to apply to those options until the Options lapse or is exercised.

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16. Register of Option Holders

The required information in relation to all Options must be entered in the Register of Option Holders maintained by the company under sections 168 and 170 of the Corporations Act.

17. Notices

Any notice regarding Options issued under the Plan will be sent to the address of the Holder as recorded in the register of members maintained by the Company or the Share Registry.

18. Governing Law

The plan is governed by, and is to be construed and take effect in accordance with, the laws of New South Wales.

19. Definitions and interpretation

- 19.1 In these Rules, the following words and expressions have the meaning indicated unless a contrary intention appears:

Acceptance Form means a form to accept Offers in the form annexed to these Rules at Annexure A with any amendment or modification determined from time to time by the Board;

Associated Body Corporate of the Company means:

- a) a body corporate that is a related body corporate of the Company;
- b) a body corporate that has voting power in the Company of not less than 20%;
or
- c) a Body corporate in which the Company has voting power of not less than 20%.

ASX means the Australia Stock Exchange Limited (ACN 008 624 691);

Bid Period has the meaning given to that term in section 9 of the Corporations Act;

Board means all or some of the Directors acting as a board of the Company

Change of Control Event means a shareholder, or a group of associated shareholders, becoming entitled to more than 20% of the issued shares in the Company;

Company means Anchor Resources Limited (ACN 122 751 419);

Corporations Act means the *Corporations Act 2001*;

Director means a director of the Company;

Eligible Employee means a person who is at the time of the Offer, a full or part-time employee or director of the Company or of an Associated Body Corporate and any person deemed to be an Eligible Person under Rule 5.5;

Employee Share Option Plan means the Plan;

Exchange means the ASX in its role as the national stock exchange;

Exercise Price means the price determined by the Board under Rule 5.2;

Expiry Date means the date [5] calendar years after the date of issue of the Options in question or such earlier date as the Board may determine in its absolute discretion;

Group means the company and its Associated Bodies Corporate;

Holder means the holder of an Option issued under the Plan;

Listing Rules means the official listing rules of the Exchange;

Market Price means, in relation to a particular date, the weighted average market price per Share (weighted by reference to volume) during five consecutive trading days on the ASX ending on the day before the particular date;

Offer means an offer in writing made by the Board to an Eligible Employee to take up Options under the Plan made in accordance with Rule 6;

Official Quotation has the meaning given to that term in the Listing Rules;

Option means an option to subscribe for a Share issued in accordance with the Rules;

Permitted Nominee has the meaning given to that term in Rule 6.2 (c).

Plan means the Anchor Resources Limited Employee share Option Plan established in accordance with the Rules;

Record Date has the meaning given to that term in the Listing Rules;

Related Body Corporate has the same meaning as that given to it in the Corporations Act;

Register of Option Holders means the register referred to in Rule 16;

Rules means the rules of the Anchor Resources Ltd Employee Share Option Plan; and

Share means a fully paid ordinary share in the Company;

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Statute means any Act of Parliament of either the State of New South Wales or the Commonwealth of Australia; and

Takeover Period has the meaning given to it in Rule 11.4(a).

19.2

In these Rules, unless the context otherwise requires:

- a) rule and sub-rule headings are for reference purposes only;
- b) the singular includes the plural and vice versa;
- c) words denoting any gender include all genders;
- d) reference to a person includes any other entity recognised by law and vice versa;
- e) where a word or phrase is defined its other grammatical forms have a corresponding meaning;
- f) any reference to a party to this document includes its successors and permitted assigns;
- g) any reference to any agreement or document includes that agreement or document as amended at any time;
- h) the use of the word **includes** or **including** is not to be taken as limiting the meaning of the words preceding it;
- i) the expression **at any time** includes reference to past, present and future time and the performance of any action from time to time;
- j) an agreement, representation or warranty on the part of two or more person binds them jointly and severally;
- k) an agreement, representation or warranty on the part of two or more persons is for the benefit of them jointly and severally;
- l) reference to an exhibit, annexure, attachment or schedule is reference to the corresponding exhibit, annexure, attachment or schedule in this document;
- m) reference to a provision described, prefaced or qualified by the name, heading or caption of rule, subrule, paragraph, schedule, item annexure, exhibit or attachment in this document means a cross reference to that rule, subrule, paragraph, schedule, item, annexure, exhibit or attachment;
- n) when a thing is required to be done or money required to be paid under this document on a day which is not a Business Day, the thing must be done and the money paid on the immediately preceding Business Day; and
- o) reference to a statute includes all regulations and amendments to that statute and any statute passed in substitution for that statute or incorporating any of its provisions to the extent that they are incorporated;

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- p) a reference to a Listing Rule includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of that Listing Rule; and
- q) a reference to a person includes a reference to the person's executors, administrators and successors, a legal personal representative, a firm or a body corporate.