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3 December 2010

Dear Shareholder,

Anchor Resources Ltd (ASXcode: AHR) is pleased to provide you with the opportunity to participate in a capital raising event that will provide funds for your company to significantly progress the advanced Wild Cattle Creek antimony deposit in northeastern New South Wales. On 12 November 2010, Anchor announced a "one for four" Non-renounceable Rights Offer at a price of 16c per share to raise almost \$1.6 million. The Closing Date for the Offer is 22 December 2010.

Antimony Price Surging

The antimony sector is an extremely attractive market with antimony prices hitting a record U\$12,350/t (or U\$5.60/lb) in recent weeks. This reflects a rise of over 100% in the year to date. Buyers are reported to be scrambling for metal in the lead up to Christmas and for delivery prior to the Chinese New Year – a time of traditional supply shortage. Expectations of ongoing tightness in the Chinese antimony market further into 2011 should continue to support the price.

2010 Resource and Scoping Study

Although frustrated by unplanned delays in the delivery of the 2010 resource upgrade for Anchor's Wild Cattle Creek antimony deposit, your Board expects to be in a position to release the new resource figures in the coming week. Work on the corresponding scoping study is also well advanced with delivery expected pre-Christmas.

2011 Work Program

Details of the 2011 program will be finalised after specific outcomes and recommendations from the current scoping study are received. Anchor has previously stated its objective of targeting a JORC compliant resource of at least 2 million tonnes at Wild Cattle Creek and commencing a prefeasibility study.

Non-Renounceable Rights Offer

Further to our recent correspondence and announcements regarding the Non-renounceable Rights Offer, Anchor Resources Limited is pleased to provide the accompanying Offer Letter and Entitlement & Acceptance Form.

After reading the Offer Letter, shareholders should complete the Entitlement & Acceptance Form, which outlines their entitlement under the Rights Offer and provides for application for additional shares under the Shortfall Offer.

- If **paying by cheque**, return the completed Entitlement & Acceptance Form with payment to Anchor Resources Limited. (Please note that consideration should be given to potential postal delays during the festive season to meet the closing date of 22 December 2010)
- If **paying by BPAY**, you are not required to return the Application Form. The amount received will be divided by the issue price to determine the number of shares you are applying for.

Underwriting of Rights Offer

Anchor is currently in advanced discussions with a number of financial institutions that have shown interest in obtaining underwriting positions in the Rights Offer. A written commitment has been received from one institution and Anchor is working to finalise the details of any underwriting agreements as soon as possible. Details of underwriting agreements will be announced to the market as they become confirmed.

On completion of the Rights Offer approximately 9,996,059 new shares will be issued to raise approximately \$1,599,369 (before costs and expenses of the offer).

The funds raised are to be applied to additional working capital for Anchor Resources Ltd and its subsidiaries, and to fund the continuation of exploration activities. The funds will primarily target advancement of the Wild Cattle Creek antimony resource and commencement of a prefeasibility study.

The Directors commend this Rights Offer to your favourable consideration.

Yours faithfully

ANCHOR RESOURCES LIMITED

A handwritten signature in black ink, appearing to read 'Ross Moller', written over a horizontal line.

Ross Moller
Company Secretary