



ANCHOR RESOURCES LIMITED

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ASX/MEDIA RELEASE Wednesday, 11 May 2011

Update on Jinshunda Takeover Offer

Anchor Resources Ltd (ASX code: AHR) wishes to provide shareholders with a further update with respect to China Shandong Jinshunda Group Co Ltd's (**Jinshunda**) offer (as set out in the replacement bidder's statement dated 14 February 2011 and amended and supplemented by supplementary bidder statements dated 24 February 2011, 18 March 2011, 19 April 2011, 28 April 2011 and 9 May 2011) (**Jinshunda Offer**).

On 9 May 2011, Jinshunda advised that:

"The Offer will close at 7:00pm (Sydney time) on Thursday, 19 May 2011 without further extension and the offer price of \$0.305 will not be increased."

Your Board reiterates its unanimous recommendation that shareholders now **ACCEPT** the Jinshunda offer for Anchor shares, in the absence of a superior offer. Each of the Anchor directors intends to accept the Jinshunda Offer for all of their own shareholdings in Anchor.

As set out in the Anchor Supplementary Target's Statement dated 9 May 2011, the Board has revised its recommendation for the following reasons:

- 1. Jinshunda is now offering a price of \$0.305 per share unconditionally.** Shareholders who accept will receive their consideration within 21 days. Jinshunda have stated that they will not increase the Jinshunda Offer price of \$0.305 per share.
- 2. No higher offer for your shares has emerged.** Your Board believes that the Jinshunda Offer represents the best option available to shareholders to realise the value of your shares in Anchor.
- 3. In the absence of the Jinshunda Offer, the Anchor share price may fall.** The close of the Jinshunda Offer is fast approaching and Jinshunda have stated that the Jinshunda Offer will close without further extension.
- 4. Your Anchor shares may become less liquid.** As at 9 May 2011, Jinshunda (including its associates) held 79.97% of Anchor's issued share capital. Your Board considers that Anchor shares may become significantly less liquid following the close of the Jinshunda Offer.
- 5. You may lose the ability to trade your Anchor shares.** Following the close of the Jinshunda Offer, Anchor may not satisfy the ASX admission requirements. If this were to occur, there is a risk that Anchor may be delisted and shareholders will lose the ability to trade their shares on the ASX.

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For the reasons outlined above, your Board strongly encourages you to **ACCEPT** the Jinshunda Offer for all of your Anchor shares (in the absence of a superior proposal) as soon as possible.

Should you require a replacement acceptance form, these can be obtained through Link Market Services Limited, who can be contacted on **1300 794 682 (toll free within Australia)** or **+61 2 8280 7751 (outside Australia)**. Alternatively, you can email Link Market Services at gerald.deleon@linkmarketservices.com.au.

If you have any questions about the Jinshunda offer, please call the Anchor Shareholder information line number **1300 373 874** between 8.30am and 5.30pm (Sydney time) Monday to Friday.

Further Information

For more information, please contact:

Grant Craighead – Chief Executive Officer
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Email: admin@anchorresources.com.au

Detailed information on the Company can be found at www.anchorresources.com.au

Any forward looking statements included in this document involve subjective judgement and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and maybe unknown to, Anchor. In particular, they speak only as of the date of this document, they assume the success of Anchor's strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based.

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