



ANCHOR RESOURCES LIMITED

ABN 49 122 751 419
Suite 505, 35 Lime St, NSW 2000 Australia
Phone: +61 2 9279 1231 Fax: +61 2 9279 2727
www.anchorresources.com.au

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Bielsdown Exploration Update

Anchor Resources Ltd (ASX code: AHR) is pleased to provide an update on its proposed 2011 exploration program for the Bielsdown Antimony Project in northeastern New South Wales. The Bielsdown Project includes the emerging Wild Cattle Creek antimony deposit.

The 2011 exploration program aims to:

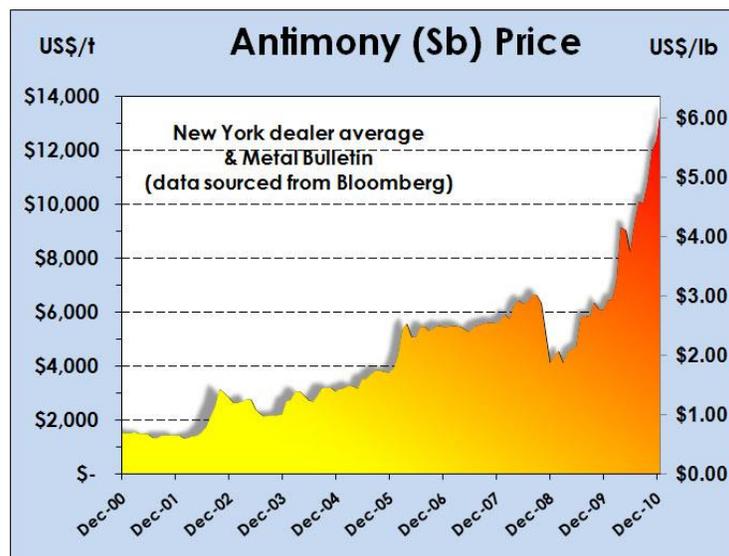
- **Double resources at the main Wild Cattle Creek deposit**
- **Test the extent and continuity of the high grade shoot discovered late in 2010**
- **Identify and initially test new shoots with potential to substantially increase the overall scale of the Bielsdown project**

The 2011 field program will include:

- **Approximately 4,000 metres of drilling (RC and Diamond)**
- **Detailed assessment of old workings**
- **Regional soil and rockchip sampling programs**

Anchor believes there is significant upside potential for the Bielsdown Project given:

- ✓ Record antimony prices - increased >100% during 2010 to around US\$13,000/t
- ✓ An increasing awareness of the value of antimony as a "strategic" commodity
- ✓ The potential for major resource increases - with antimony deposits commonly occurring in clusters and generally displaying strong depth persistence





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On 9 December 2010, Anchor provided an update of the JORC compliant resource contained within the Wild Cattle Creek (WCC) antimony (Sb) deposit¹, which followed a successful drilling campaign during 2010. In addition to increases in the antimony metal inventory, approximately 60% of the resource was upgraded to "indicated" status.

The resource incorporates historical drilling from the 1960s and 1990s, as well as two drilling campaigns by Anchor in 2009 and 2010. The combined resource, classified as Indicated and Inferred according to the JORC Code (2004) Guidelines, has been estimated at various cut-off grades, according to the following table:

Sb % Cut-off Grade	Tonnage (kt)*	Sb Grade (%)	Au Grade (g/t)	W Grade (g/t)	Sb Metal (t)
0	2,140	0.99	0.14	314	21,200
0.2	1,590	1.29	0.16	360	20,500
0.5	1,060	1.77	0.23	332	18,700
1.0	610	2.56	0.32	269	15,600

*Indicated and Inferred

Table 1 WCC antimony deposit – mineral resource estimate (SRK, 2010)

Proposed 2011 drilling program

During 2010, Anchor completed just over 2,200 metres of reverse circulation (RC) and diamond drilling at the WCC deposit, successfully expanding the resource down plunge and confirming high grade results from historical drilling. The current resource outline and Sb metal distribution is shown in the attached long section (Figure 1).

The work done by Anchor's technical team over the past two years has resulted in a high level of confidence in the geological model being tested at the WCC deposit. As a result, the antimony rich system is interpreted to have a shallow plunge to the west (Figure 1) and remains open down plunge.

With the objective of further increasing the resource base to over 2 million tonnes in order to support initiation of a prefeasibility study, Anchor is proposing a program of around 4,000 metres of RC and diamond drilling commencing early 2011.

The drilling program aims to test the considerable upside potential of the WCC resource and will focus on:

- ✓ Deeper drilling of the WCC interpreted **down plunge resource extension** (see Figure 1)

¹ see ASX Announcement dated 9 December 2010



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- ✓ Testing the continuity and orientation of the **high grade Sb-W zone**, discovered late in the 2010 drilling campaign (Figure 2). This zone has not been incorporated into the current resource estimate. Results reported previously² were:

10WRD16	1.4m at 17.07% Sb and 2.23% WO ₃
10WRD16W	2.0m at 14.45% Sb and 1.06% WO ₃

Regional target testing

The **antimony potential of regional prospects** within the licence area has been reinforced by Anchor during 2010 and further testing of these targets is required. Antimony deposits are typically found in clusters and so Anchor is confident that additional deposits will emerge in the tenement which, to date has been significantly under-explored.

The WCC resource is situated within a linear regional structure that is identified in aerial photography and interpreted to extend for at least 6 kilometres both east and west of the deposit (Figure 3). Antimony bearing rocks have been encountered at various locations along the length of this structure. Many of these are associated with historical workings (pits, shafts, trenches) that have not been subjected to modern exploration methods and assessment.

A number of antimony prospects on the licence have been inspected by Anchor and others have historical records of past production. Some of these prospects include:

- Fletchers (Frying Pan) – 2.9km west of WCC, stibnite rich samples returned antimony values of 8.22% and 4.40% Sb in preliminary rock chip material sampled by Anchor.
- Graham & Navins – historical Sb prospect, not yet visited.
- WCC west – historical Sb prospect, not yet visited.
- Jezebel – Anchor reported field reconnaissance results 400m east of the WCC resource along the host structure in 2010. Sampling of outcrops at Jezebel by Anchor returned assay results up to 6.0% antimony, 1.63g/t gold and 0.37% tungsten. A scout drillhole was drilled into this structure in the 1960s - DDH36 intersected 1.3m at 11.8% antimony.
- Lone Pine – historical record of old tungsten workings, southeast of WCC.

In addition to detailed evaluation of existing prospects and old workings along the length of the Bielsdown Fault, Anchor will undertake a regional scale **soil and rockchip sampling program** along, and adjacent to, the structure to identify other zones of anomalous antimony, gold, tungsten and associated minerals for further target assessment. Parallel structures have already been interpreted by Anchor from interpretation of aerial photography.

² See ASX announcement dated 3 June 2010



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Further Information

For more information, please contact:

Anchor Resources Limited:

Tel: +61 2 9279 1231

Email: admin@anchorresources.com.au

Trevor Woolfe – Managing Director

Grant Craighead – Executive Director

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

Declaration: 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 full-time employee of 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.

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.

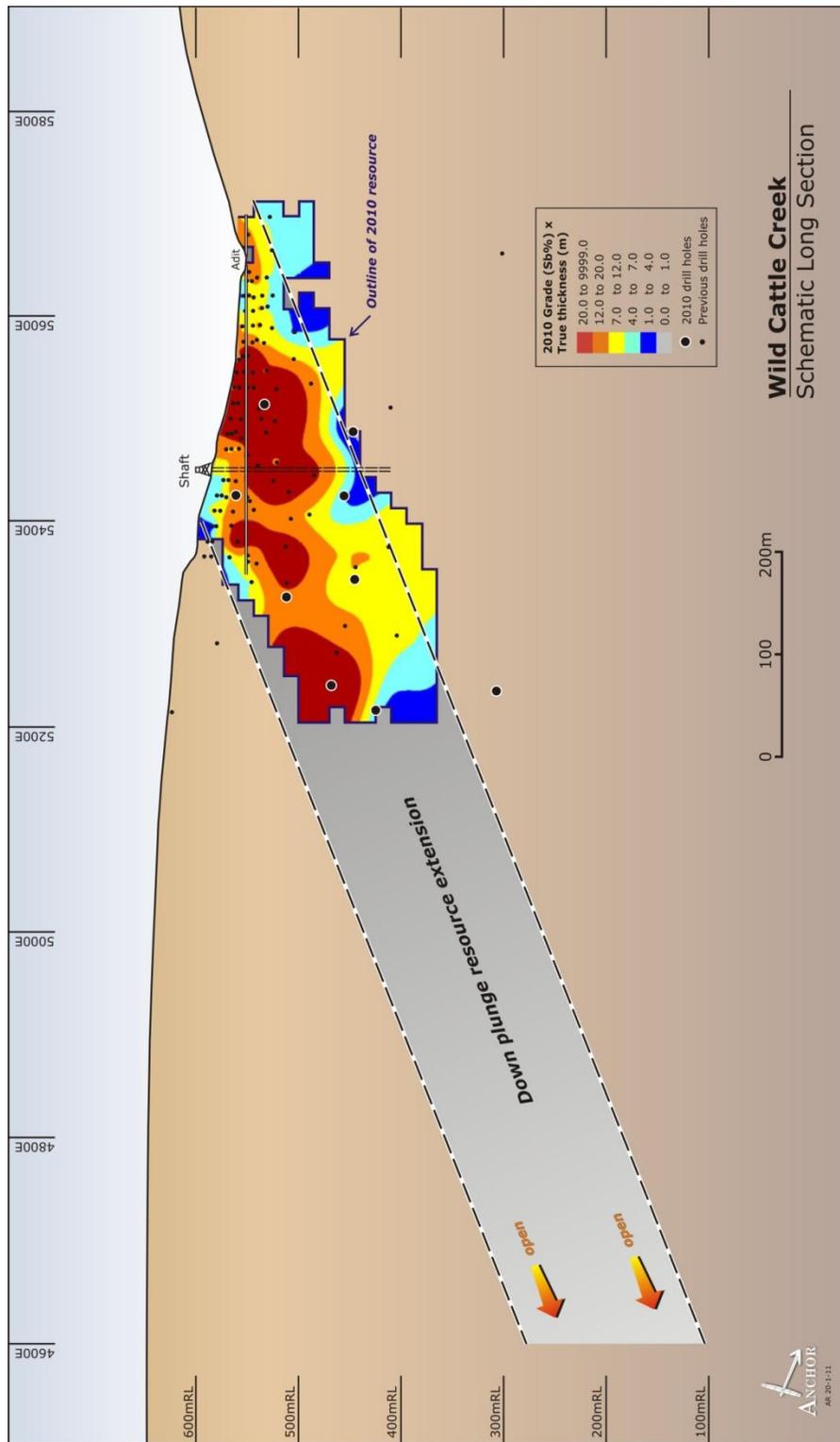


Figure 1 WCC Long Section – Interpreted down plunge resource extension

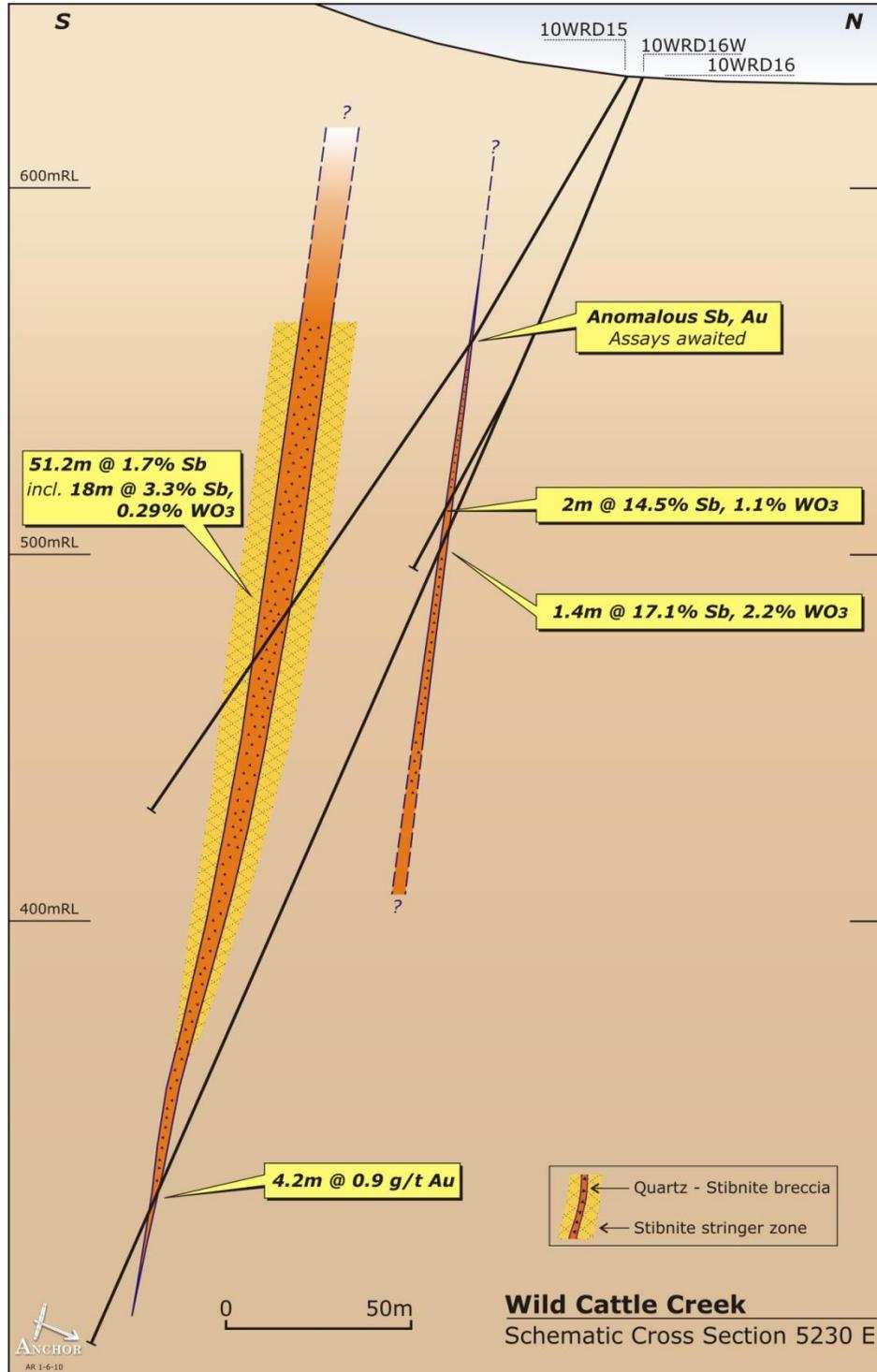


Figure 2 WCC – High grade antimony-tungsten zone (Holes 10WRD16 and 16W)

