



# ANCHOR RESOURCES LIMITED

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## Quarterly Report September 2007

Report to shareholders for the three months ended 30 September 2007

ASX code: AHR

### HIGHLIGHTS

#### Exploration

- \* Significant gold results in Dundurrabin copper core re-sampling project (Blicks)
- \* Birdwood copper-gold-molybdenum project heli-borne geophysical survey completed
- \* Copper-gold targets identified in 2 new exploration licence applications adjacent to the Tritton and Girilambone mines in NSW
- \* Field sampling commenced at Pinchgut Pinnacle uranium anomaly, Aspiring project
- \* Successful proposal for Collaborative Drilling Initiative grant from Queensland Department of Mines and Energy to drill the Clayholes Dam gold prospect (Greenvale East Project) in early 2008

#### Corporate

- \* Anchor Resources Ltd resumed 100% control of Aspiring uranium project after Anchor terminated its joint venture agreement
- \* Acquisition of 2 new uranium projects adjacent to Aspiring
- \* Options entitlement to shareholders closed with high rate of acceptance (85.1%)
- \* Issue of Options raised \$130,000 cash for Anchor

*Managing Director, Trevor Woolfe, commented that since listing on the ASX in July, Anchor's field exploration campaigns have advanced on a number of fronts. Anchor's leverage to uranium has been enhanced by taking back full control of the Aspiring Project and acquiring two adjacent licences. In addition, the Company has recognised new copper-gold targets for drilling on its new exploration licence applications near the Tritton/Girilambone copper mines in New South Wales.*

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An electronic version of this report, and further company details, are available at:

[www.anchorresources.com.au](http://www.anchorresources.com.au)

## ANCHOR PROJECTS

Figure 1: Anchor Resources Project Locations



## NEW SOUTH WALES

### Blicks Project (Cu-Au-Mo) (EL 6465) 100% Anchor

The Blicks copper-gold project is located in the New England Fold Belt region of northeastern New South Wales (see Figure 1). The tenement area is highly mineralised with identified gold and copper prospects. Historical drilling identified anomalous gold mineralisation at the Tyringham prospect and copper mineralisation at the Dundurrabin prospect.

Anchor Resources' re-interpretation of the geophysical and geological data from the Tyringham gold prospect has recognised favourable gold targets not tested in the previous exploration campaign. The Company has scheduled a new drilling program for the current financial year to test these targets at Tyringham.

Reinterpretation of the Dundurrabin copper zone by Anchor Resources suggests that extensions of the copper mineralisation may exist in untested ground. Anchor Resources' immediate objective is to refine the target by geophysical methods prior to drill testing in the current financial year.

During the September quarter, leading up to the proposed drilling campaigns, activities included:

- Re-logging and re-sampling of old Dundurrabin drill core and field reconnaissance;
- Landholder communication related to access agreements; and
- Preparation of a Review of Environmental Factors

Anchor conducted a **re-logging and re-assaying** program on core stored from the Dundurrabin Prospect at the NSW Department of Primary Industries' (DPI) Londonderry Core Library. Core was cut to ½ or ¼ core, sampled at geological intervals, and analysed by ALS Laboratories.

The comparison of copper results for DDH5, which had previously recorded the best interval at Dundurrabin, is shown in Table 1. The correlation appears to be good between the individual copper analyses from 1972 and 2007. The overall interval initially returned 33.9m at 1.27% copper in 1972, whereas the recent re-assay upgraded it to **29.4m at 1.57% copper, 0.24g/t gold and 54g/t silver**.

While silver had been noted previously from Dundurrabin, gold had seldom been tested. The re-sampling shows consistent silver values throughout the copper zone. Gold is generally at low levels however a number of high grade copper zones returned significant encouragement with **gold values as high as 4.54g/t and 4.15g/t gold**. These results are extremely encouraging and indicate the potential for the Dundurrabin prospect to host a truly polymetallic (copper-gold-silver) system.

**Table 1: Comparison of 2007 re-sampling versus 1972 sampling – Dundurrabin DDH5**

From		To		Cu %	Cu %	Au g/t	Ag g/t
ft	in	ft	in	1972	2007	2007	2007
61	10	64	0	0.18	0.26	0.01	18.4
64	0	67	9	1.6	1.56	0.03	46.9
67	9	69	11	3.9	3.74	0.02	91.4
69	11	72	6	0.72	0.09	0.00	11.1
72	6	77	0	0.86	0.41	0.01	20.6
77	0	80	0	0.35	0.77	0.00	21.4
80	0	82	10	0.35	0.22	0.00	6.9
82	10	86	2	4.98	3.49	0.09	138.0
86	2	89	11	0.45	0.58	0	18.4
89	11	90	10	4.65	4.28	0.03	151.0
90	10	92	7	4.65	3.61	0	118.0
92	7	97	3	4.65	3.32	0.02	178.0
97	3	100	11	1.38	1.74	0.01	75.4
100	11	104	0	1.38	0.68	0.01	22.5
104	0	108	0	1.5	1.97	0.02	83.9
108	0	110	6		0.57	0	21.7
110	6	117	0		0.05	0	2.6
117	0	119	4	1.25	1.54	0.01	43.4
119	4	121	11	1.25	1.54	0.01	43.4
121	11	123	6	1.25	1.54	0.01	43.4
123	6	125	5	2.24	4.24	<b>4.15</b>	132.0
125	5	131	0	0.25	0.89	0.99	39.3
131	0	131	8	0.25	1.62	0.02	74.3
131	8	134	6	0.02	0.1	0	1.2
134	6	138	0	0	0.2	0.00	0.7
138	0	140	4	<b>5.29</b>	<b>7.47</b>	0.21	168.0
140	4	143	0		0.59	0.02	2.7
143	0	146	6		0.11	0	0.4
146	6	147	6	0.56	0.77	0.12	20.7

From		To		Cu %	Cu %	Au g/t	Ag g/t
ft	in	ft	in	1972	2007	2007	2007
147	6	150	6	0.38	0.07	0.02	2.5
150	6	151	9	<b>4.76</b>	<b>8.21</b>	<b>4.54</b>	<b>272.0</b>
151	9	154	5	0.13	0.2	0.34	6.9
154	5	158	0	4.13	4.94	0.3	155.0
158	0	161	0	0.19	0.22	0.01	7.4
161	0	163	8	0.19	0.62	0.34	20.5
163	8	166	6	0.04	0.03	0.01	1.9
166	6	168	8	0	0.06	0.00	2.4
168	8	173	0	0.17	0.13	0.01	4.7
173	0	178	0	0	0.03	0.01	1.0

## Birdwood Project (Cu-Au-Mo) (EL 6459) 100% Anchor

The Birdwood copper-gold-molybdenum project is located in the New England Fold Belt region of northeastern New South Wales (see Figure 1). Drilling in the 1960s superficially tested the mineralised system. Nine diamond holes were drilled into the area in that campaign with the best result being 42 feet (~12.8m) at 0.79% copper and 4.9g/t silver. The mineralisation consisted of pyrite-chalcopyrite-pyrrhotite, associated with quartz-calcite-chlorite-sericite alteration.

Anchor Resources interprets the mineralisation to be related to a complex of intrusions of which the most prospective are not exposed at the surface or in the old drill core.

Therefore, during the September quarter, Anchor Resources completed a **heli-borne magnetics and radiometrics survey** over the majority of the tenement area. The objective of this survey is to refine our interpretation of the geology and structural controls on mineralisation. Targets will be further defined by follow-up ground geophysics and geochemistry, to focus a drilling campaign for 2008.

The airborne geophysical survey consisted of approximately 2,234 line kilometres and was completed successfully and quickly by GPX Aeroscience. The entire area was flown at 200m line spacing on east-west lines, with the central area, covering the original gold and copper geochemical anomalies and drilling, flown at a closer 100m spacing to detect subtleties related to the known mineralised zone.

Anchor's geophysical consultant is now in possession of the survey data from the contractor and will coordinate the processing and interpretation of results. We expect to have further updates on target generation in the next quarter.

## Bielsdown Project (Sb-Au) (EL 6388) 100% Anchor

The Bielsdown antimony project is located in the New England Fold Belt region of northeastern New South Wales (see Figure 1). The exploration licence was first granted in March 2005 for a period of two years. Subsequent to Anchor Resources' IPO prospectus dated 11 May 2007, the NSW DPI confirmed the transfer and renewal of the licence for a further term until 3 March 2009.

Earlier this year, Anchor Resources completed a resource estimation study, in accordance with JORC standards\*, of the Wild Cattle Creek mineralisation at Bielsdown. The study concluded a total resource (Indicated and Inferred) of 459,000 tonnes at 3.0% antimony, using a 1.0% cutoff grade, and highlighted the scope for resource expansion by further drilling, both along strike and down dip.

During the September quarter, leading up to a proposed drilling campaign, activities included:

- Re-examination of old drill core;
- Re-logging and re-sampling of old drill core; and
- Landholder communication related to access agreements.

Anchor Resources inspected selected old core holes from the Bielsdown antimony project at the core storage facility of the NSW DPI, in an attempt to rectify some of the factors lacking from previous work identified during the resource evaluation study. In all cases examined, the core from the mineralised shear zone had been removed entirely from the core trays by previous workers. This prevented any analysis of the core for specific gravity readings and planned re-assaying of the mineralised zones for multi-element analysis.

Historical reports indicate a relationship between the antimony mineralisation and the existence of gold and silver however these elements were rarely tested by previous workers. This is a relevant elemental association as the orebodies at the nearby Hillgrove mine (Straits Resources) display a strong gold-silver-antimony association.

Two old drill holes were selected for re-logging, cutting and re-sampling; DDH14 and DDH23. A total of 41 samples were taken, 8 from DDH14 and 33 from DDH23 and assayed for antimony, gold, silver, arsenic, bismuth, cadmium, copper, lead, zinc, molybdenum, mercury, tungsten and thallium.

Whilst the number of samples collected was insufficient to provide statistical conclusions about elemental correlations, a number of anomalous values were encountered. One 0.66m sample from DDH23 returned the highest gold (0.31g/t), antimony (0.64%) and arsenic (8510ppm) values from a secondary shear with quartz-carbonate-pyrite mineralisation.

## Canonba/Collaroy Applications (Cu-Au) (ELAs 3218/3219) 100% Anchor

Anchor Resources' exploration team has recognised an **important corridor of copper-gold mineralisation** to the north and west of Nyngan in northwestern New South Wales (see Figure 1). This is a northeast-southwest trending zone which encompasses the Canbelego, Tritton and Girilambone mines, as well as the recent Larsens copper discovery (see Figure 2).

The mineralised corridor parallels other regional lineaments as well as other mineralised structures in the region. Anchor Resources has **lodged two applications** with the NSW DPI for Exploration Licences (ELA 3218 – "Canonba" and ELA 3219 "Collaroy") to cover strategic segments of this mineralised corridor.

Published data by Straits Resources Ltd indicates that much mineralisation in this region, including that of the Tritton and Girilambone mines, is associated with a quartzite horizon within the Girilambone Beds. This horizon extends into the ground for which Anchor has lodged applications. Anchor's interpretation of aeromagnetic data for the Collaroy and Canonba applications has highlighted eight anomalies with characteristics comparable to those associated with the Tritton and Girilambone mineralisation.

Anchor Resources regards the Collaroy and Canonba areas as highly prospective for copper and gold mineralisation. Subject to granting of the two applications, the company has identified **targets ready for drill testing**.

Encouraging recent drill results in the adjacent Straits Resources-held ground, particularly at Larsens and Girilambone, have enhanced the economic prospectivity of the area. Recognition of the mineralised corridor as a possible focus of the mineralisation has enabled Anchor Resources to establish a strong strategic position.

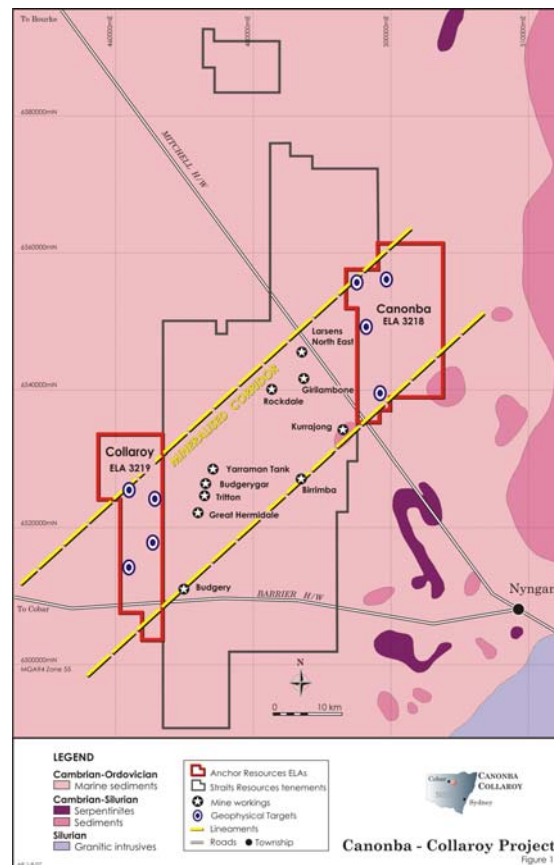


Figure 2: Anchor Resources' Exploration Licence Applications (ELAs 3218 and 3219) and Geology

## QUEENSLAND

**Aspiring Project (U)**

**(EPM 14752)**

**100% Anchor**

The Aspiring uranium project is located some 8km north and east of Chillagoe, northern Queensland (see figure below). The licence is in a highly prospective terrain for uranium mineralisation. Significant uranium deposits are associated with rocks of the North Queensland Volcanic and Plutonic Province, in particular the Ben Lomond and Maureen deposits.

Exploration since the late 1970s produced encouraging results in several areas. In particular, within the licence area hot water springs are depositing radium (Ra) in the vicinity of Fishermans Waterhole. Also at Pinchgut Pinnacle, supergene uranium minerals have been identified at the surface.

On 5 September, Anchor announced that it had **taken back full control** of its Aspiring Uranium Project in Queensland and that it would have a field exploration crew on the ground later that week. Anchor

Resources previously signed a Heads of Agreement for a Joint Venture with junior explorer, Northern Australian Uranium. This agreement has now been terminated.

During the September quarter, field activities included:

- Review of previous exploration and geophysical data;
- Rockchip and soil sampling grids over the Pinchgut Pinnacle uranium prospect;
- Reconnaissance scintillometer testing and soil sampling at the Eileen uranium prospect; and
- Initial helicopter reconnaissance of regional geophysical targets

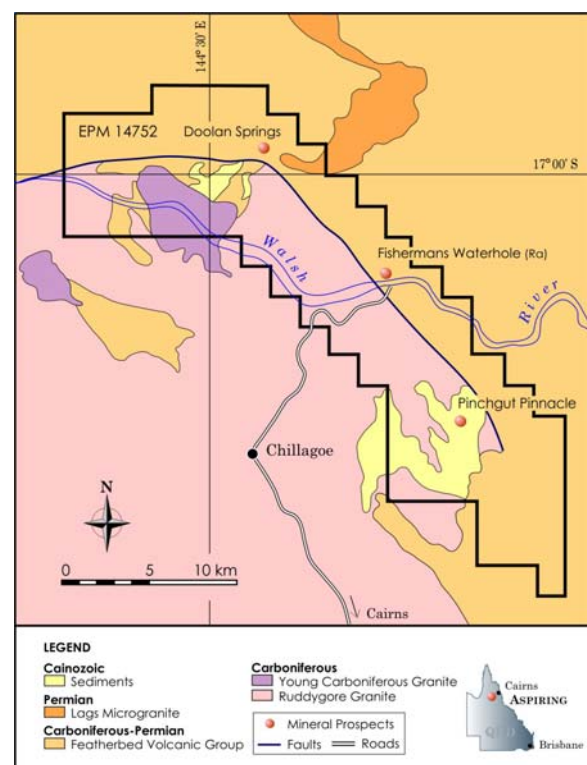
**Pinchgut Pinnacle prospect** (see Figure) - The Pinchgut Granite is a small pluton that intrudes the Ruddygore Granodiorite. Historically, uranium minerals have been recognised at surface along with disseminated pyrite at this prospect. Some fluorite, galena and chalcopyrite are also recorded. Previous drilling by Afmeco and PNC obtained numerous, spotty >100ppm U results (peak value 780ppm U).

A program of **soil sampling and radiometric surveying** at the Pinchgut Pinnacle prospect was completed during the reporting period with the objective of locating uranium pathfinder elements or radiometric signatures close to known uranium occurrences.

Soil sampling on the -80# fraction was carried out at 25m intervals, along two north-south lines spaced 250m apart. The lines were placed to the east and west of known uranium occurrences. Samples were submitted for a suite of 50 elements, as well as fire assay analysis for Au, and fusion analysis for F.

Geochemical results from these sampling campaigns are awaited after being submitted to ALS Laboratories. Details for the scintillometer testing are currently being tabulated and will be assessed in light of the results of geochemistry.

Regional targets - Re-assessment of the radiometric data for the Aspiring Uranium Project area by our consultant geophysicist has **highlighted 12 targets** for initial field investigation. During the quarter, Anchor personnel conducted initial helicopter reconnaissance over these areas, identifying numerous areas of alteration. Detailed exploration is to follow.



**Figure 3: Aspiring Location and Geology**

Anchor last week announced the acquisition of two more projects adjacent to the Aspiring Uranium Project, thus enhancing the Company's uranium portfolio. See the Corporate Review for further details.

**Greenvale East Project (Au-Sn-W) (EPM 14646) 100% Anchor**

The Greenvale East gold-tin-tungsten project is located 170km west-northwest of Townsville in northern Queensland (Figure 1).

The Greenvale East licence area contains 14 known mineralised occurrences, including old workings that have produced modest volumes of tin, tungsten and gold. Cobalt (Co) and rare earth elements (REE) have

also been recorded. Prospects have been identified with encouraging geochemistry and, in some cases, coincident with geophysical anomalies.

One of these anomalies is the Clayholes Dam gold prospect. In August 2007, Anchor Resources was successful in obtaining a grant from the Queensland Department of Mines and Energy via its “Collaborative Drilling Initiative” in which it will provide \$51,000 of funding, on a 50:50 basis, towards drilling of this highly prospective coincident gold and magnetic anomaly. The drill program is scheduled for April 2008.

During the September quarter, a land status search, incorporating landholder search, native title and cultural heritage issues were completed. Initial contact was made with the landholders and verbal access agreements are in place with regards to Anchor’s proposed exploration program, which will commence in the December quarter.

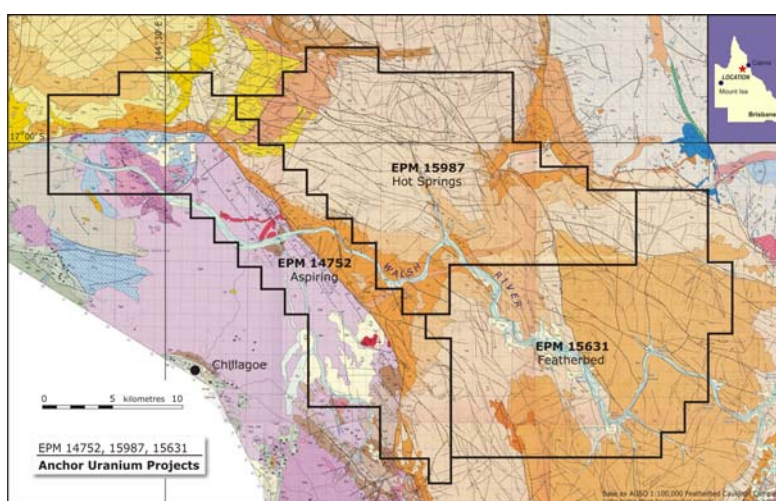
## CORPORATE REVIEW

Anchor Resources released a prospectus dated 11 May 2007 for an *initial public offering* to raise capital up to a maximum of \$3,500,000 by the issue of 17,500,000 shares at 20 cents per share. The offer was successful, closing oversubscribed and early on 20 June 2007. The Company was admitted to the Official List of the ASX and began trading under the *ASX code “AHR”* on 5 July 2007.

On 13 September, the Company lodged a Short Form Prospectus in relation to a *non-renounceable Options entitlement* offer of up to 15,340,000 Options to shareholders registered on 24 September 2007. The offer was on the basis of one (1) Option for every two (2) fully paid Shares held. The Options were issued at a price of one (1) cent each and will be exercisable at 25 cents each by the expiry date of 31 March 2010. Anchor Directors were delighted with the 85.1% take up rate of the Options, which has added \$130,562 to cash reserves. The Options are now listed on the ASX and trade under the *ASX code “AHRO”*.

During the quarter, Anchor Resources announced that it had taken back *full control of its Aspiring Uranium Project* (EPM 14752) in Queensland. Anchor Resources previously signed a Heads of Agreement for a Joint Venture with junior explorer, Northern Australian Uranium. This agreement has now been terminated.

On 23 October, Anchor announced the *acquisition* of all the shares in an unlisted company, *Andromeda Ventures Limited* (“Andromeda”), which is part-owned by Anchor directors (Gary Fallon and Grant Craighead), for a total acquisition cost of \$20,000 in cash. Andromeda holds the rights to one granted exploration licence – EPM 15631 – known as the “Featherbed” project, and an exploration licence application – EPM 15987 – known as the “Hot Springs” project, adjacent to Anchor’s promising Aspiring Uranium Project, (see figure below). The acquisition of these two strategic properties expands Anchor’s uranium portfolio following the recent move to take Aspiring back under full Anchor control.



As at 30 September, cash at bank was \$3.26 million.



## Corporate Information

### Board Members

John Anderson	Chairman
Trevor Woolfe	Managing Director
Grant Craighead	Executive Director
Gary Fallon	Non-executive Director

Ross Moller	Company Secretary
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### Registered and Principal Office

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### Share Registry

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Fax:	+61 (0)2 9279 0664
Website:	<a href="http://www.registries.com.au">www.registries.com.au</a>

### Stock Exchange Listing

Ordinary shares	ASX code: AHR
Options (expiry 31/3/10)	ASX code: AHRO

### Issued Share Capital

At 30 September 2007, issued capital was:

30,680,000	ordinary shares
13,056,188	listed options (allotted 24/10/07)
1,500,000	unlisted options

### Major Shareholders (as at 24 Oct 2007)

Fallon Nominees Pty Ltd	6.80%
Tropo Resources Pty Ltd	5.79%
St Jude Exploration Pty Ltd	5.05%
Gage Resources Pty Ltd	4.89%
Eastmin Pty Ltd	3.91%
Rossdale Superannuation Fund Pty Ltd	1.63%

### Quarterly Price Activity

Ordinary shares	
High:	24 cents
Low:	12 cents
Last (26/10/07):	18 cents

**Declaration and JORC Compliance:** *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 consultant to 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.*

*\* The information in this report that relates to Mineral Resources or Ore Reserves at Bielsdown is based on information compiled by Robin Rankin, a Member of the AusIMM, and registered as a Chartered Professional Geologist (CPGeo). Robin Rankin is Principal Geologist and operator of GeoRes. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, to qualify as a Competent Person as defined by JORC. He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Date released: 29 October 2007