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Quarterly Report - March 2008

Report to shareholders for the three months ended 31 March 2008

ASX code: AHR

HIGHLIGHTS

Exploration

- * After recent weather delays, drilling to commence at the following projects in early May:
 - Dundurrabin (NSW) – copper
 - Tyringham (NSW) – gold
 - Clayholes Dam (Qld) – gold
- * Positive soil sampling and ground magnetics results over Dundurrabin copper prospect confirm strong mineralised structure over at least 500 metres strike length
- * Twelve high priority targets identified for drilling, geochemistry and ground geophysical follow-up at Nyngan projects
- * Encouraging exploration review of Chillagoe uranium project by consultant

Corporate

- * As at 31 March, Anchor Resources had \$2.85 million in cash

Managing Director, Trevor Woolfe, commented that "After recent rain and rig delays, Anchor will begin drilling at the Dundurrabin, Tyringham and Clayholes Dam prospects in early May. A recent review of the exploration potential of our Chillagoe uranium project has also provided significant encouragement as we enter the Queensland field season."

ANCHOR PROJECTS

Anchor Resources is a diversified explorer with projects targeting copper, gold, uranium, antimony, tin and tungsten.

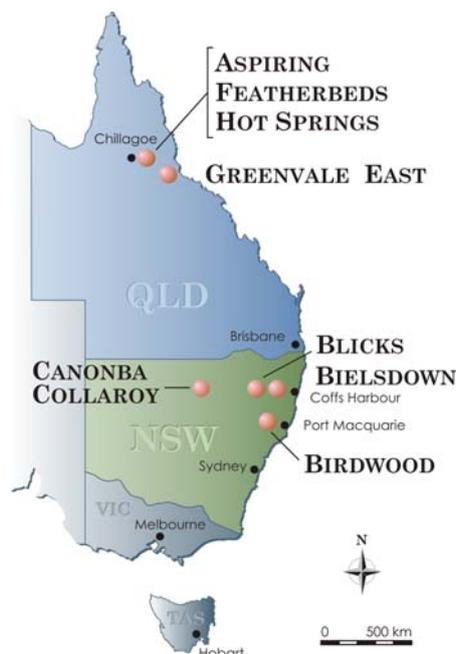


Figure 1: Anchor Resources Project Locations

NEW SOUTH WALES

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

The Blinks 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's drilling program to test the targets at Tyringham will commence on **arrival of the contracted RC rig in early May**, following recent rain-related delays in northeast NSW.

During the quarter, Anchor Resources has been actively refining its drill targets at the Dundurrabin copper prospect utilising ground magnetics and soil sampling, with **RC drilling now scheduled for early May**.

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

- Signing of further landholder access agreements;
- NSW Department of Primary Industries (DPI) approval for Review of Environmental Factors;
- Finalisation of a new percussion drill (RC) rig agreement commencing early May;
- Ground magnetic survey and a soil sampling program over a 1000m x 1000m grid covering the Dundurrabin copper prospect;
- Forestry NSW and DPI approval of planned drill program; and
- Site preparation for drill pads.

Anchor's Review of Environmental Factors for the Blinks project, submitted to the NSW Department of Primary Industries (DPI) in early November 2007, was given approval by the DPI in early 2008. Subsequently, the Company undertook a detailed **ground magnetic survey** (10m line spacing) over the Dundurrabin copper prospect to refine our understanding of the deposit and assist with drillhole planning. The Main Shaft (or easternmost shaft in Figure 2), was the focus of previous drilling in the 1940s and 1970s.

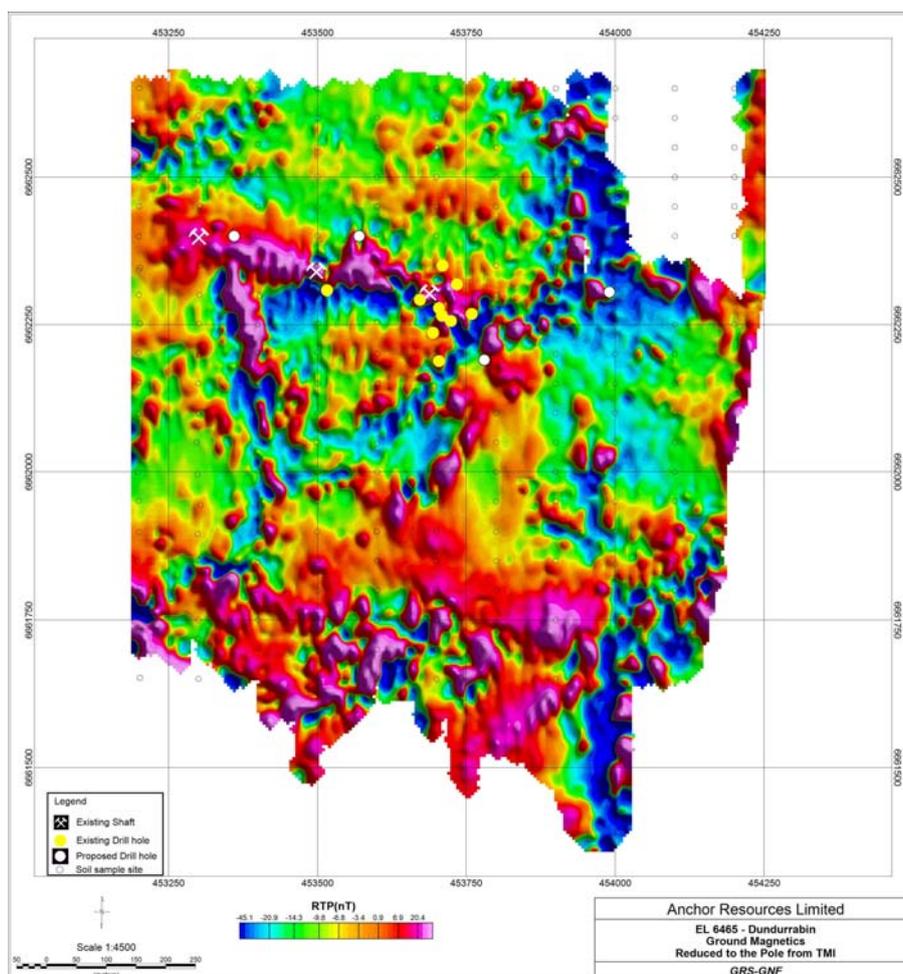


Figure 2 Dundurrabin Ground Magnetics – reduced to pole from TMI

Concurrently, Anchor completed a 50m x 100m **soil sampling program** over the Dundurrabin copper prospect to further refine proposed drillhole locations, planned to test extensions to historical drill results that included 33.9m at 1.27% copper and 18m at 1.23% copper. The results indicate a significant east-west trending copper in soils anomaly up to 350m wide (see Figure 3), coincident with the discrete magnetic anomaly. This appears to be contiguous with the old workings and thus the structure hosting the historic Dundurrabin copper mineralisation.

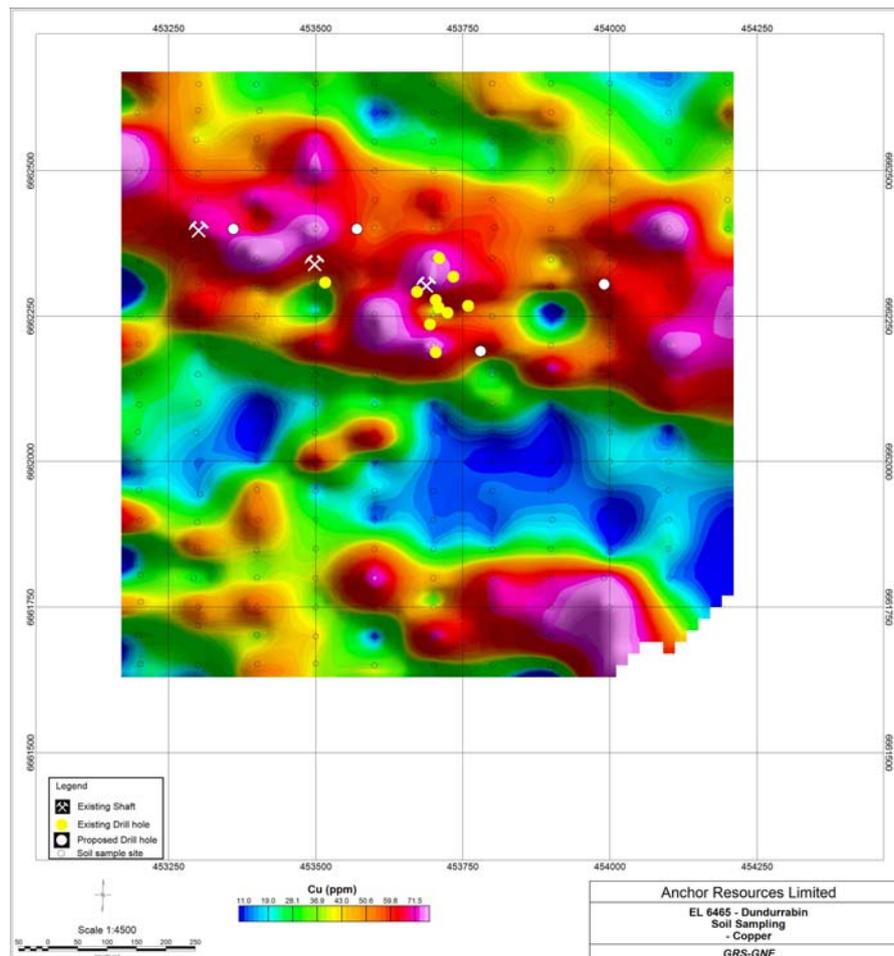


Figure 3 Dundurrabin Copper in Soil Contours

The anomalous copper in soil trend associated with the old mine area is open to both the east and west of the initial soil grid area. Additional anomalous copper in soils are evident at the southern limits of the grid area. Follow-up soil sampling is currently being undertaken to extend the grid to the west, south and east.

The percussion drillholes planned for the upcoming initial drill campaign are shown as white dots in the figures above, with historic holes in yellow. The previously announced rig share agreement was dissolved after the rig in question succumbed to weather related delays. An alternative percussion drilling contractor was sourced and is expected onsite to commence early May.

Canonba & Collaroy Projects (Cu-Au) (ELs 6928 & 6929) 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 (Figure 1). This is a northeast-southwest trending zone which encompasses the Canbelego, Tritton and Girilambone mines, as well as the Larsens copper discovery where decline development has recently commenced by Straits Resources.

During the March quarter:

- A review of existing geophysical data identified 12 high priority targets (Figure 4) for follow-up;
- Initial field reconnaissance was undertaken over many of the priority target areas;
- Landholder negotiation has commenced with a number of access agreements completed; and
- The first drill targets on the Canonba prospect were identified and drilling may be scheduled for the June quarter.

Interpretation of the acquired geophysical data for Collaroy and Canonba has been reviewed by a technical committee in conjunction with know geology and local deposit models. Twelve high priority targets have been presented with field reconnaissance commencing during the quarter. Within the Canonba licence, Anchor has earmarked the Windella prospect as a priority drill target with **RC drilling likely in the June quarter**. Other priority areas will be assessed for potential geochemical sampling and/or ground geophysical follow-up in the June quarter.

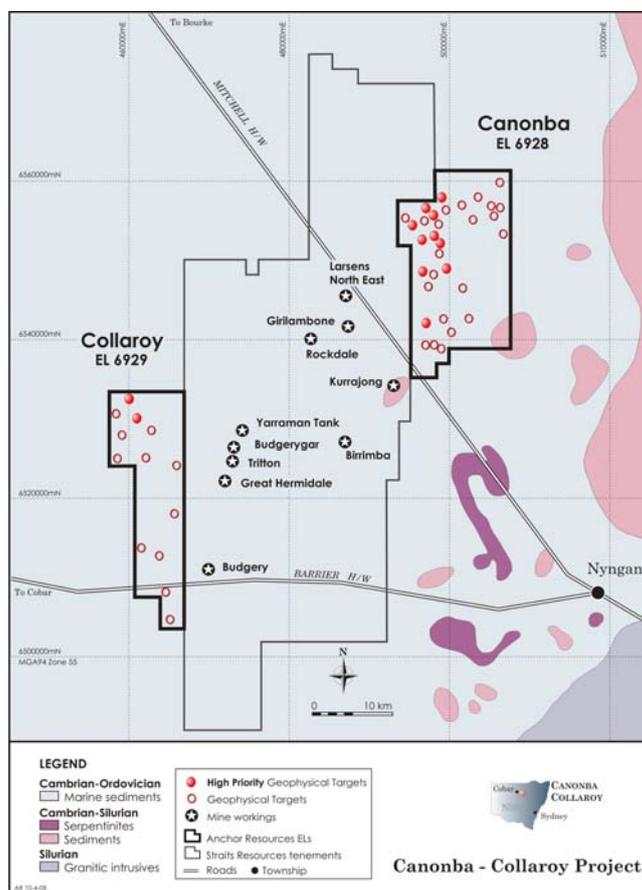


Figure 4: Anchor Resources' Geophysical Targets – Canonba and Collaroy Projects

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. 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.

Following the September 2007 **heli-borne magnetics and radiometrics survey** over the Birdwood tenement area, the first of many identified structural targets was ground checked during the quarter. The circular aeromagnetic feature is interpreted to represent a non-magnetic intrusion with a characteristic magnetic girdle around a magnetic low. This suggests a buried intrusive body within the Paleozoic sediments. Field reconnaissance identified the presence of sulphides and iron oxide, and weak veining within outcropping sedimentary units, however initial stream sediment analyses did not reveal anomalous geochemistry.

Other targets will be assessed by follow-up ground geochemistry (soil, stream and rockchip sampling) and geophysics during 2008, to focus a drilling campaign for later in 2008.

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, with the NSW DPI subsequently renewing the licence for a further term until 3 March 2009.

Early in 2007, Anchor completed a resource estimation study, in accordance with JORC standards, of the Wild Cattle Creek antimony deposit 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 March quarter, leading up to a proposed drilling campaign, activities concentrated on:

- Landholder communication related to access agreements; and
- Data review and drill target planning.

Anchor is optimistic that it will be in a position to **commence its infill and extension drilling** program by the September quarter 2008.

QUEENSLAND

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

The Greenvale East gold (Au) – tin (Sn) – tungsten (W) project is located 170km west-northwest of Townsville in northern Queensland (Figure 1). The licence area contains 14 known mineralised occurrences (Figure 5), including old workings that have produced modest volumes of tin, tungsten and gold. Antimony (Sb), 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. A percussion (RC) **drill rig has been confirmed** to carry out this program and the rig is expected on site in the first week of May.

During the March quarter, activities included:

- Site preparation for upcoming drilling;
- Revision of previous exploration programs; and
- Field checking of proposed drillhole locations at Clayholes Dam.

The following map shows the position of planned drillholes to test the magnetic low and coincident gold geochemical anomaly at the Clayholes Dam prospect at Greenvale East. The percussion rig is expected to mobilize to site within the first week of May.

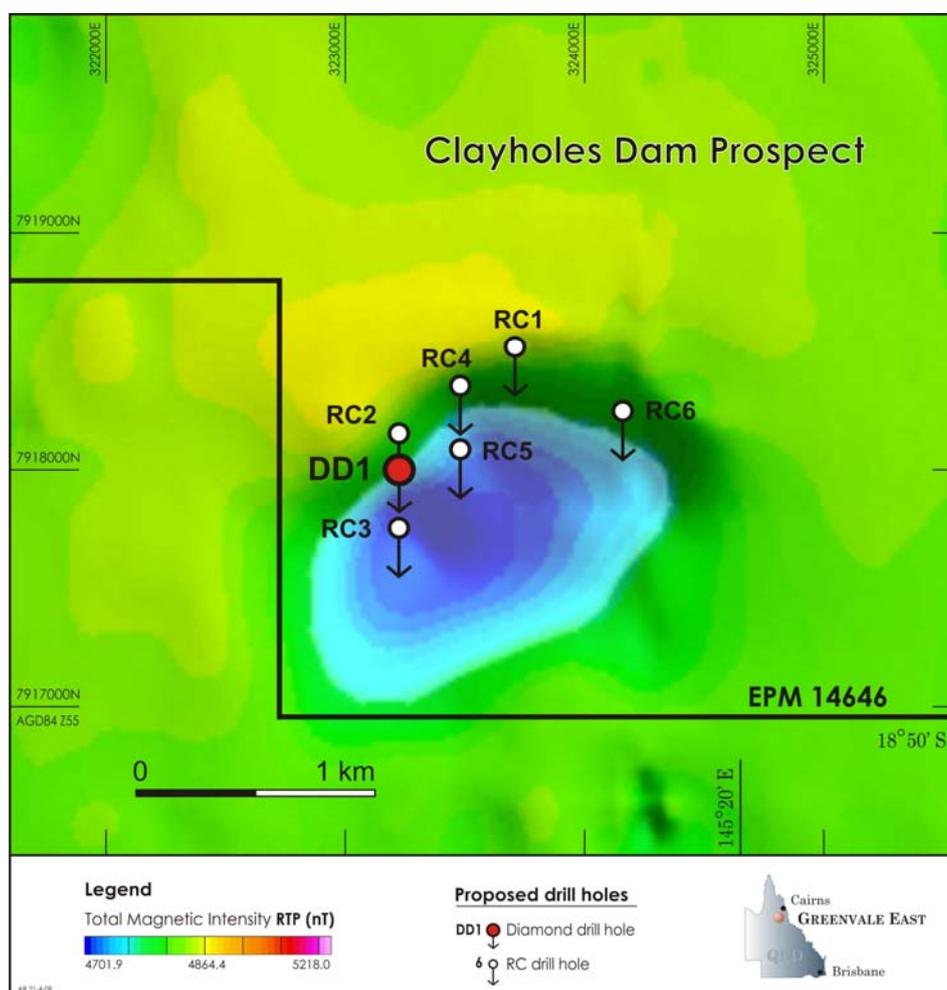


Figure 5: Clayholes Dam Total Magnetic Intensity and Planned Drillholes

In addition to the upcoming drilling program, Anchor will be active over the rest of 2008 at the Greenvale East project area with follow-up of anomalous tin-tungsten zones at Roberg, Roberg South, Perry Creek and James Workings identified late in 2007, as well as more detailed assessment of the Jacks Creek gold-antimony prospect.

Chillagoe Uranium Project (U) (EPM 14752/15631/15987) 100% Anchor

The Chillagoe Uranium Project comprises the Aspiring (EPM 14752), Featherbeds (EPM 15631) and Hot Springs (EPM 15987) projects located on highly prospective contiguous ground to the north and east of Chillagoe (Figure 6).

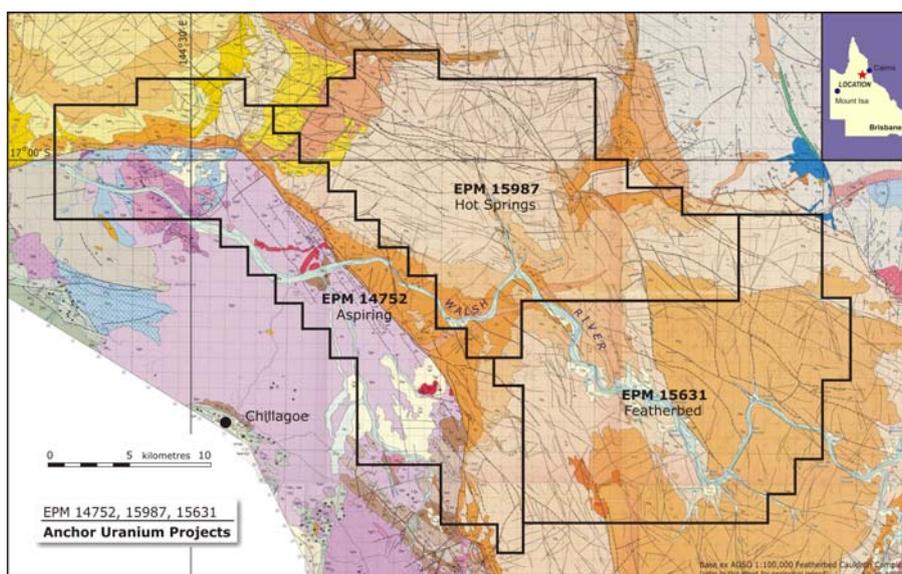


Figure 6: Chillagoe Uranium Project - Location and Geology

The Chillagoe Uranium Project is in a highly prospective volcanic terrain for uranium mineralisation. Exploration since the late 1970s produced encouraging results in several areas. In particular, 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.

During the March quarter, activities included:

- A detailed review of the uranium prospectivity by consultant R A Bowden;
- Up to 30 target areas have been highlighted for activities including drill testing, radiometric assessment, rockchip and stream sediment geochemistry;
- No field work was carried out during the quarter.

The Featherbeds Volcanic Cauldron Complex is thought to have high prospectivity for uranium (U) of the U-molybdenum(Mo)-fluorite(F) deposit type. This deposit type is well known globally with examples such as the Strelsovka (Russia), Dornod (Mongolia), Xiangshan (China), and McDermitt and Marysvale (USA) deposits. Locally, significant examples include Ben Lomond and Maureen, also in Queensland.

The Bowden review stated that the Chillagoe project displays most of the basic elements required "...to be considered high potential for the accumulation of economic tonnage and grade uranium deposits of the U-F-Mo type association..." Field work to follow up the identified priority targets is expected to commence in the second half of 2008.

CORPORATE REVIEW

As at 31 March, cash at bank was \$2.85 million.

