



ANCHOR RESOURCES LIMITED

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Quarterly Report - September 2009

Report to shareholders for the three months ended 30 September 2009
ASX code: AHR

HIGHLIGHTS

Exploration

- * Ten-hole drill program expands **Wild Cattle Creek antimony deposit** (NSW)
- * Broad zones of antimony-tungsten-gold mineralisation intersected
- * Mineralisation remains open at depth and along strike, with planning in progress for another phase of drilling
- * Resource modelling and evaluation well advanced
- * Encouraging tungsten in rockchips at **Greenvale East project** (Qld)

Corporate

- * As at 30 September, Anchor Resources held \$0.6 million in cash and equivalents

Managing Director, Trevor Woolfe, commented that "Results from the Wild Cattle Creek antimony project drilling program are being modelled with the resource evaluation expected to lead to a significant expansion. Planning of the next drill program is underway as the deposit remains open, both down dip and along strike."



NEW SOUTH WALES

Bielsdown Project (antimony) (EL 6388) 100% Anchor

The Bielsdown antimony project is located 12kms north of Dorrigo in NE New South Wales. It is the key to Anchor's antimony focus in that region, in close proximity to the Hillgrove antimony-gold mine, recently developed by Straits Resources.

The Wild Cattle Creek antimony deposit at Bielsdown contains a JORC compliant resource (Indicated and Inferred) of 459,000 tonnes at 3.02% antimony (using a 1.0% cutoff grade), as estimated by Anchor's 2007 historical database compilation and resource study (below).

Resource Class	Cut off (%Sb)	Tonnes (t)	Grade (%Sb)	Contained Sb (t)
Inferred	1.0	187,000	3.15	5,900
Indicated	1.0	272,000	2.93	8,000
Measured	1.0	0	0	0
Total	1.0	459,000	3.02	13,900

The 2007 study highlighted the scope for resource expansion by further drilling, both along strike and down dip. The resource was constrained to ~120m below surface. Historic holes indicated the existence of depth extensions.

During the *September quarter*, activities included:

- Ten-hole diamond drilling program completed
- Geological logging, sampling and multi-element assaying
- Environmental monitoring
- Assay results received from all new holes
- 3-D modelling and resource estimation commenced

Anchor's drilling program to increase the known resource, at the old Wild Cattle Creek antimony mine, was successful in intersecting significant widths of antimony mineralisation.

The drilling confirms a sub-vertical east-west trending structure hosting the mineralisation and has extended the mineralisation more than 120m down plunge. The stibnite mineralisation remains open both along strike and down dip.

In addition to the main structure hosting the mineralisation, Anchor has identified peripheral stringer mineralisation containing not only stibnite, but also previously undetected tungsten, in the form of wolframite. This discovery has potentially significant positive economic consequences in addition to the known levels of antimony and accessory gold.

Drilling

An initial five-hole program, consisting of a combination of diamond drilling with some reverse circulation pre-collars, commenced in mid May, after early delays by unseasonal flooding rains in the northeastern parts of NSW. Following the success of the first holes the program was extended by another five holes which were completed by early August.

The ten holes drilled in the program are detailed in Table 1, comprising a total of 1,811m.

A longitudinal section (Figure 2 - at back of report) shows the location of Anchor's drillhole intercepts and their antimony grades. The schematic diagram also indicates the position of historical diamond drillholes, superimposed on contouring of antimony grade x thickness from the historical drilling. The grade x thickness contour is a representation of the distribution of antimony metal content contained within the 2007 resource outline.

Results

Geological logging of the drill core has identified significant widths of quartz-stibnite breccia style mineralisation in eight of the ten holes. This breccia is the host to the main zone of mineralisation and generally contains the highest antimony and gold grades (Table 2).

In addition to the *high grade breccia core*, Anchor geologists defined an envelope of stringer stibnite-wolframite (tungsten) vein type mineralisation in a halo either side of the high grade core. This *stringer zone* also contains encouraging (>1%), although less consistent, antimony values. Importantly, the stringer zone recorded significant tungsten assay results up to 16.6m at 0.26% W (Table 2). Tungsten had not previously been tested in the historic drilling of this deposit.

The full suite of elements analysed at ALS Laboratories (Brisbane) during the latest drill program consists of: gold (AA24 method), and arsenic, copper, lead, zinc, iron, potassium, sulphur, antimony and tungsten (ICP61). Where anomalous results were recorded for antimony and tungsten, these were repeated using XRF methods.

Selected intervals within the mineralised zones were assayed for mercury using the ICP41 method. The first hole drilled by Anchor (09WDD03) was subjected to analysis of the full suite of 33 elements using the ICP61 method.

Resource modelling and estimation

With all assays now having been received, the 2009 drillhole information has been merged with the historic drilling, geological and topographical information to form a robust Wild Cattle Creek database. Geological interpretation of the mineralisation is complete and 3-dimensional modelling is now underway.

This will lead directly into a new resource estimation, which is expected to be completed by the end of November.

Antimony pricing

Anchor's belief in the long term prospects for the antimony market is supported by strong global antimony prices over recent years.

Antimony prices are continuing to rise following a serious accident at the world's largest antimony mine in Hunan province, China, on 8 October. Twenty-six people were tragically killed in a shaft accident that has halted operations at the mine operated by Hsikuangshan Twinkling Star Antimony Company. China dominates world antimony production, while this company has the capacity to produce 26,000tpy, or around 13% of global output, estimated at up to 200,000t.

While the mine has suspended operations indefinitely, the provincial government is reportedly planning to close all antimony mines and smelters for safety checking. The market is speculating on the potential supply squeeze with antimony prices rising around 10% to US\$6500/t, or US\$2.95/lb following the incident.

To put this into perspective, the copper price was trading at approximately US\$3.00/lb last week, whereas zinc and lead were trading at US\$1.02/lb and US\$1.06/lb, respectively.

The strengthening position of both antimony and copper, following the recent downturn, is illustrated in Figure 1. This graph also shows the strong correlation between the two metals over the past fifteen years, not just in trend, but also in absolute values. The physical link between the two commodities is not immediately obvious, but the correlation in prices over time is impressive.

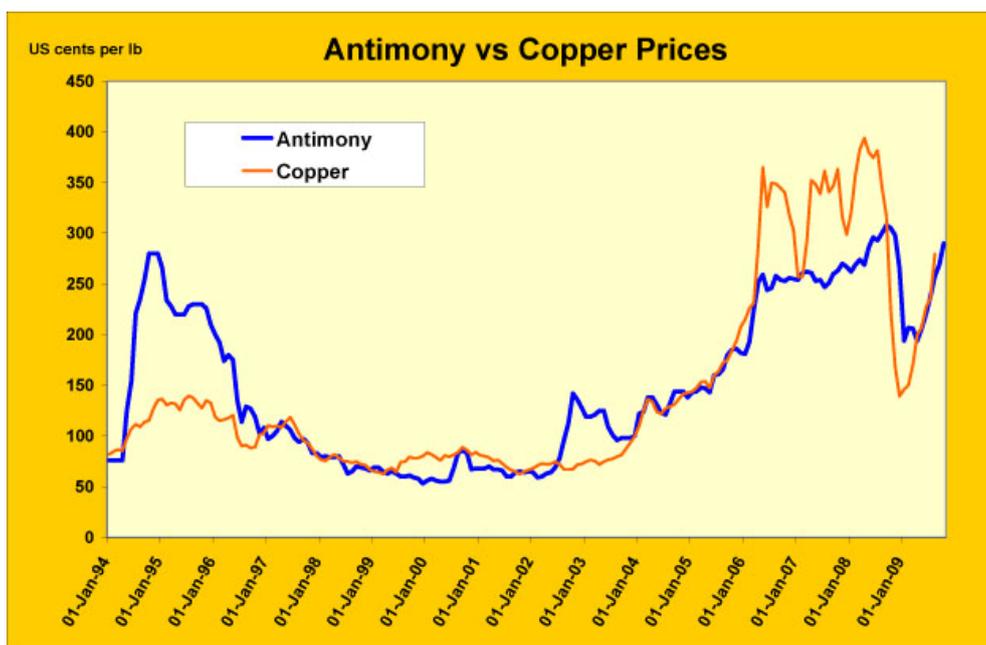


Figure 1 Antimony vs copper - price history over past fifteen years

Thunderbolts & Munga (antimony) (ELs 7184 & 7185) 100% Anchor

The Thunderbolts and Munga projects are held 100% by Anchor and cover old antimony producing areas of northeastern NSW and, as such, are highly prospective for antimony.

During the *September quarter*, activities included:

- No field work was undertaken on these projects during the period.

The Thunderbolts project includes the high grade Magword antimony mine. Records indicate that the mine was worked until the late 1960s. The

stibnite mineralisation is subvertical and cuts into the side of a creek valley, where a number of adits were opened to access the ore. Old mine records indicate mining to around 300m below surface via a shaft, with the mineralisation open at depth.

A surface mapping and soil sampling program is expected to commence in early 2010 to delineate the lateral extent of the structures hosting the mineralisation and any potential along strike extensions to the antimony-rich zones.

Canonba & Collaroy Projects (copper-gold) (ELs 6928 & 6929) 100% Anchor

The Canonba and Collaroy leases are situated in a corridor of copper-gold mineralisation to the north and west of Nyngan in northwestern New South Wales that also includes Straits Resources' Tritton and Girilambone mines.

During the *September quarter* activities included:

- No field work was carried out on the projects during the period.

Anchor has identified numerous geophysical targets on both the Canonba and Collaroy tenements. These are being prioritised for follow-up during the remainder of the financial year. This is likely to take the form of ground based mapping, geochemistry and geophysics to refine drill targets.

Birdwood Project (copper-gold-molybdenum) (EL 6459) 100% Anchor

The Birdwood copper-gold-molybdenum project is located in the New England Fold Belt region of northeastern New South Wales. Anchor Resources interprets the mineralisation to be related to a complex of intrusions.

During the *September quarter*, activities included:

- No field work was undertaken during the period.

Soil geochemistry indicates a copper anomaly (> 800ppm Cu) at least 500m in length over the Birdwood North prospect, which coincides with a

magnetic low, defined by Anchor's airborne geophysical survey. Peak soil values within this anomaly reach 2,200ppm Cu and 120ppm Mo.

A large mineralising system has been identified and is interpreted to be related to a multi-phase acid intrusive system, forming a mineralised breccia pipe with sheeted veins in the Birdwood North prospect area. Two historic drillholes did not adequately test this modern interpretation. Prospective drill sites have been identified to test this reinterpretation.

Potential joint venture partners are being sought to advance the drilling phase of this large scale target.

Blicks Project (copper-gold-molybdenum) (EL 6465) 100% Anchor

The Blicks copper-gold project is located in the New England Fold Belt region of northeastern New South Wales.

During the *September quarter*, activities included:

- No field work was undertaken during the period
- Relinquishment of 50% of the EL to focus on Anchor's advanced copper-gold targets within the licence area

Reverse circulation (RC) drilling at the **Tyringham gold prospect** was undertaken midway through 2008, with the program ultimately being shortened due to persistent inclement weather conditions.

Anchor is currently re-assessing its forward exploration program at Blicks. The Tyringham gold prospect drilling program is likely to be recommenced in 2010 to follow up on potential large tonnage gold mineralisation.

QUEENSLAND

Greenvale East Project (gold-tin-tungsten) (EPM 14646) 100% Anchor

The Greenvale East gold-tin-tungsten project is located 170km west-northwest of Townsville. The licence contains numerous old workings that have historically produced modest volumes of tin, tungsten and gold.

During the *September quarter*, activities included:

- Field reconnaissance at Clayholes Dam, Perry Creek and Wolfram Hill
- Soil/rockchip sampling and geological mapping
- Multi-element geochemical assays and Niton hand-held XRF testing

Gridded soil sampling programs were undertaken over the Clayholes Dam (gold-copper), Wolfram Hill (tungsten) and Perry Creek (tin-tungsten) prospects. Over 600 samples were collected.

Another 25 rockchip samples were collected while traversing the soil grid.

- **Clayholes Dam:** A rockchip located 800m northeast of previous drilling returned 0.98g/t gold, 30g/t silver and 2.0% lead. A significant arsenic anomaly is situated over the area of previous

drilling and is coincident with lesser copper and gold anomalies.

- **Wolfram Hill:** old workings were encountered and numerous samples of wolframite associated with shallow dipping quartz veining were sampled. Results up to 0.8% W (tungsten) and 0.2% Bi (bismuth) were recorded from rockchips. Tungsten and bismuth anomalies also showed a close correlation within the soil profile and warrant more detailed follow up.
- **Perry Creek:** anomalous tin, tungsten and arsenic in soil results are concentrated along veining coincident with a granite/sediment contact and a greisen zone. This zone has potential for large volume tin/tungsten mineralisation.

A follow up field campaign is scheduled before the onset of the wet season late in the December quarter. Proposed investigations will include detailed geological mapping, infill soil sampling and rockchip sampling of areas of greatest potential with the aim of defining drill targets

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

The Chillagoe Uranium Project comprises the contiguous Aspiring (EPM 14752), Featherbeds (EPM 15631) and Hot Springs (EPM 15987) tenements located to the north and east of Chillagoe.

The Featherbeds Volcanic Cauldron Complex is highly prospective for uranium (U) of the U-molybdenum-fluorite deposit type. This deposit type is well known globally with significant local examples including Ben Lomond and Maureen, also in Queensland.

During the *September quarter*, activities included:

- Surrender notices for EPM 15631 and EPM 15987 have been submitted to the Queensland Department
- No field work was undertaken during the period.

Potential joint venture partners are being sought to advance this project with drilling of the various identified uranium targets.

CORPORATE REVIEW

Anchor continues to advance exploration on its highest priority projects, particularly the Bielsdown project, as antimony prices test record levels.

The company continues to search for quality joint venture partners to unlock the value of lower priority projects in the portfolio. This will help to advance exploration programs on existing projects while minimising the direct cost to the company. This has proven to be a difficult task during the past year which has been severely affected by the Global Financial Crisis.

Anchor has reduced its expenditure commitments by submitting relinquishment

notices for two of its earliest stage uranium properties in a remote part of northern Queensland. This decision was made partly in response to the incumbent State government's unfavourable position with respect to uranium mining.

The Anchor team continues to evaluate **project opportunities**, both within Australia and offshore, with the potential to move the company closer to producer status.

As at 30 September, Anchor Resources held **\$0.6 million in cash** and equivalents.

Table 1 Wild Cattle Creek drillhole details – Anchor 2009 campaign (Datum: WGS84)

Drillhole Number	Easting	Northing	Dip	Azimuth	Depth
09WRD01	472 892	6 656 271	-59°	189°	185.0m
09WDD02	472 892	6 656 124	-60°	348°	166.4m
09WDD03	472 914	6 656 136	-60°	000°	158.1m
09WRD04	472 848	6 656 248	-60°	180°	122.7m
09WRD05	472 829	6 656 306	-55°	180°	221.0m
09WDD06	472 848	6 656 247	-45°	180°	99.8m
09WRD07	472 830	6 656 311	-60°	180°	263.0m
09WRD08	472 884	6 656 102	-60°	355°	180.0m
09WRD09	473 004	6 656 246	-60°	180°	186.0m
09WRD10	472 796	6 656 316	-58°	180°	229.0m
TOTAL					1,811m

Table 2 Wild Cattle Creek drillhole assay results – Anchor 2009 campaign

Drillhole	From (m)	To (m)	Interval	Antimony (Sb %)	Tungsten (W %)	Gold (Au g/t)
09WRD01	150.0	161.5	11.5m	2.32	-	0.34
(incl.)	156.5	160.9	4.4m	5.00	-	0.85
	167.0	169.0	2.0m	-	0.81	-
09WDD02	123.0	134.0	11.0m	1.03	0.02	0.26
(incl.)	129.2	130.0	0.8m	0.32	0.22	1.15
	132.0	133.1	1.1m	4.38	-	0.64
09WDD03	99.0	119.0	20.0m	2.65	-	0.18
(incl.)	100.8	104.6	3.8m	10.13	-	0.59
	114.0	118.0	4.0m	1.07	0.30	-
09WRD04	83.0	93.0	10.0m	3.48	0.06	0.20
(incl.)	89.0	91.5	2.5m	7.24	-	0.57
	99.3	104.4	5.1m	2.79	0.03	-
(incl.)	99.3	100.2	0.9m	12.70	-	0.15
09WRD05	169.0	174.8	5.8m	1.01	-	0.51
	177.4	194.0	16.6m	0.88	0.26	-
(incl.)	189.0	193.0	4.0m	2.00	0.40	-
09WDD06*	70.0	71.0	1.0m	1.95	-	-
	75.0	76.0	1.0m	2.14	-	-
09WRD07	170.1	170.4	0.3m	23.70	-	0.58
	229.9	234.3	4.4m	3.19	-	0.73
(incl)	231.2	233.3	2.1m	6.23	-	0.95
09WRD08	158.6	160.3	1.7m	0.90	-	0.87
09WRD09	157.4	163.4	6.0m	-	0.15	0.76
09WRD10	162.6	169.4	6.8m	2.57	-	-
	176.2	181.2	5.0m	0.53	-	0.39
	196.0	201.1	5.1m	1.25	0.18	-

Corporate Information

Board Members

John Anderson	Chairman
Trevor Woolfe	Managing Director
Grant Craighead	Executive Director
Gary Fallon	Non-executive Director
Ross Moller	Company Secretary

Registered and Principal Office

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Share Registry

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Website: www.registries.com.au

Stock Exchange Listing

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

Issued Share Capital

At 30 September 2009, issued capital was:
30,820,000 ordinary shares
15,304,688 listed options
2,300,000 unlisted options

Major Shareholders (at 30 September 2009)

Fallon Nominees Pty Ltd	8.31%
Gage Resources Pty Ltd	7.45%
Troppo Resources Pty Ltd	5.84%
St Jude Exploration Pty Ltd	5.03%
Eastmin Pty Ltd	3.89%

Quarterly Price Activity

AHR - Ordinary shares
High: 20.0 cents
Low: 4.8 cents
Last (26/10/09): 17.5 cents

AHRO - Listed options expiring 31/3/10
High: 1.0 cents
Low: 1.0 cents
Last (15/10/09): 2.5 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 in the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves - The JORC Code". 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: 30 September 2009

For further information contact Trevor Woolfe on 02 9279 1231 or by email to:

trevorw@anchorresources.com.au

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

www.anchorresources.com.au

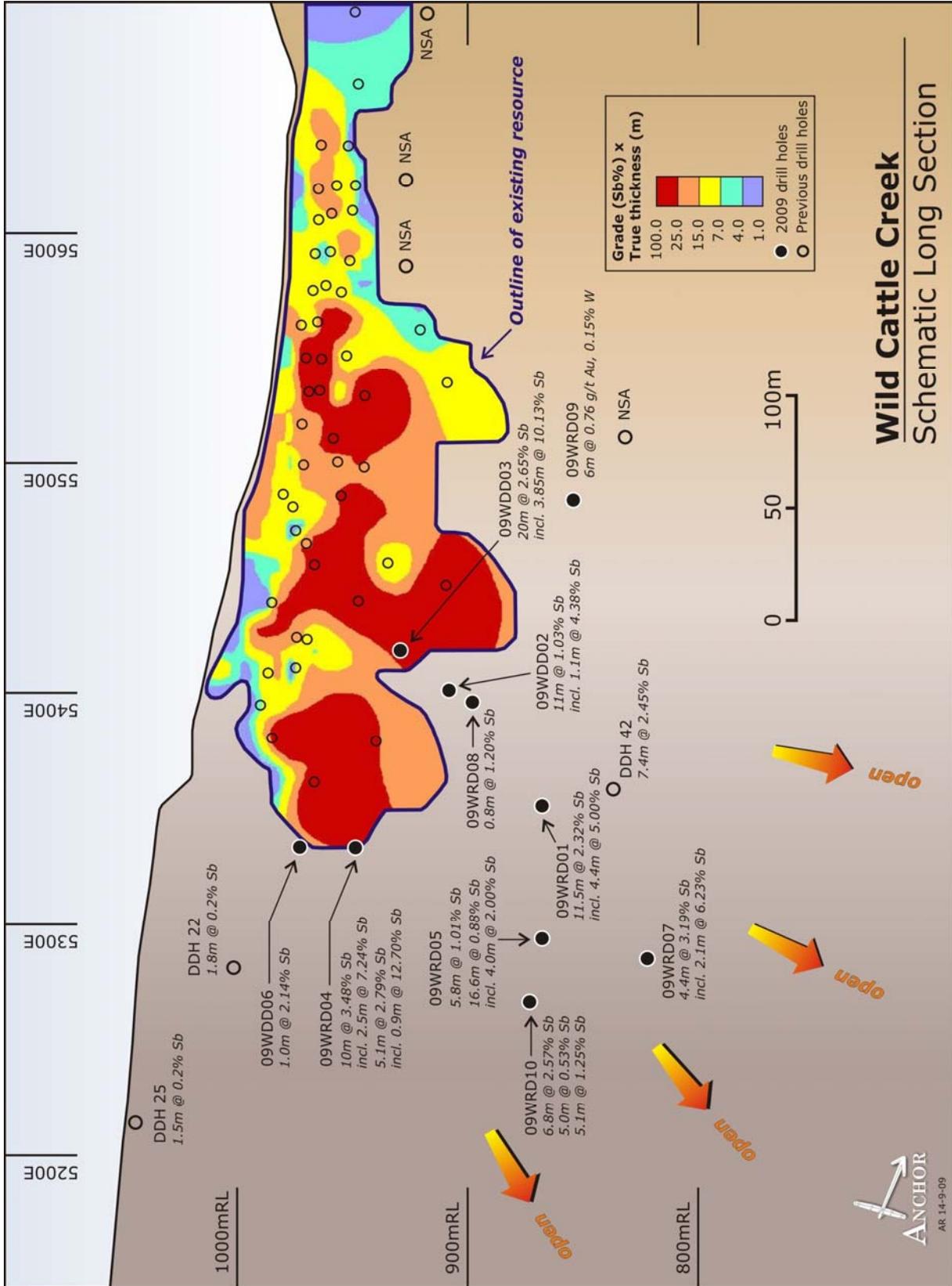


Figure 2 Wild Cattle Creek long section - 'Sb grade x thickness' contour and new drilling results