



# ANCHOR RESOURCES LIMITED

ABN 49 122 751 419 AON 122 751 419  
Suite 404, 25 Lime St, Sydney NSW 2000  
Phone: +61 2 9279 1231 Fax: +61 2 9279 2727  
[www.anchorresources.com.au](http://www.anchorresources.com.au)

## Quarterly Report - June 2008

Report to shareholders for the three months ended 30 June 2008

ASX code: AHR

### HIGHLIGHTS

#### Exploration

- \* Anchor's first drill programs successfully completed during the quarter
  - Dundurrabin (NSW) – 5 RC holes for 950m
  - Clayholes Dam (Qld) – 7 RC holes for 1,160m
- \* 31m zone of copper mineralisation intersected at Dundurrabin
- \* New zones of gold and copper mineralisation discovered at Clayholes Dam
- \* Two new exploration licence applications (Thunderbolts and Munga) submitted over historical antimony areas in NSW

#### Corporate

- \* As at 30 June, Anchor Resources had \$2.4 million in cash

*Managing Director, Trevor Woolfe, commented that "Anchor has identified a new zone of gold and copper mineralisation in its first drilling campaign at Clayholes Dam. We will look to follow-up these successful results in the second half of the year. Meanwhile, drilling at the Dundurrabin prospect has extended the known copper mineralisation."*

## 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

**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 Tyingham prospect and copper mineralisation at the Dundurrabin prospect.

Anchor Resources' re-interpretation of the geophysical and geological data from the Tyingham gold prospect recognised favourable gold targets not tested in the previous exploration campaign. At Dundurrabin, ground magnetics and soil sampling by Anchor earlier in 2008 indicated anomalies coincident with a line of lode and old shaft workings.

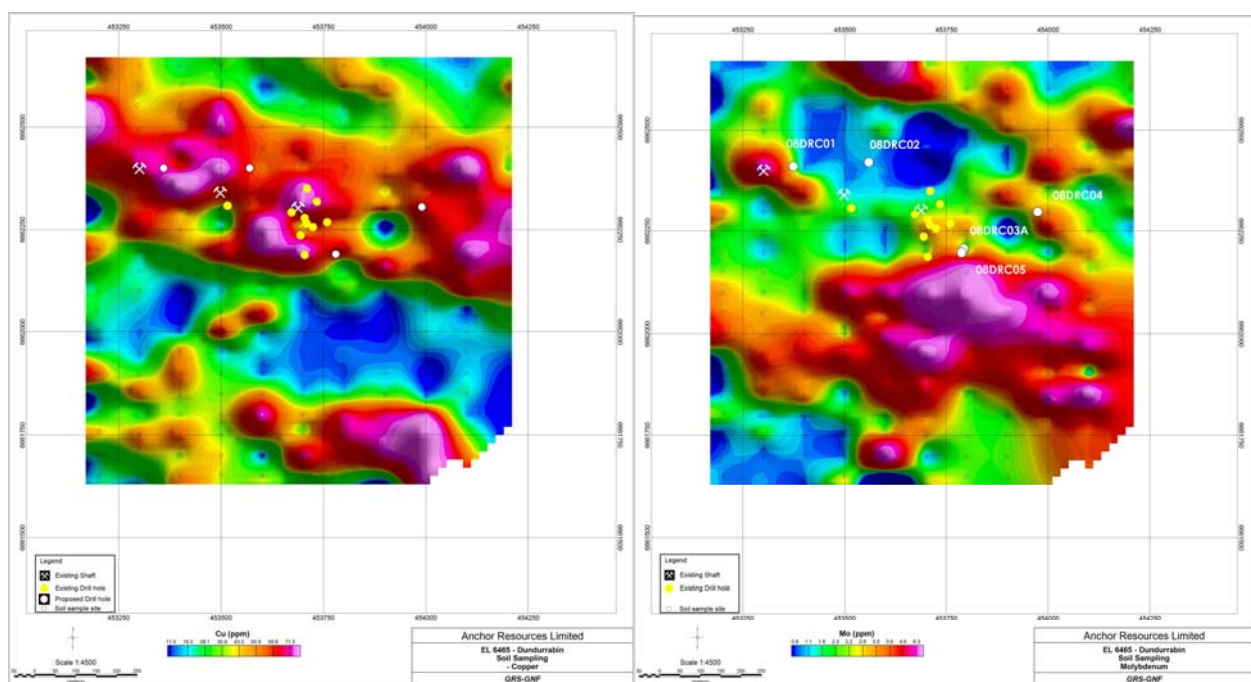
During the quarter, Anchor Resources commenced its first drilling program at the Blicks Project. Five reverse circulation (RC) holes were completed at the Dundurrabin copper prospect. At the Tyingham gold prospect, only one hole from the program was completed before inclement weather forced the postponement of the remaining holes. The remaining holes will be completed as soon as practical.

During the June quarter activities included:

- Continued geological mapping of the Dundurrabin prospect;
- Identification of a molybdenum anomaly in soil samples south of the Dundurrabin copper workings;
- 50m x 100m soil sampling grid extending the previous Dundurrabin soil grid to the west and south;
- RC drilling of five holes for a total of 950 metres at Dundurrabin; and
- RC drilling of one hole for a total of 205 metres at Tyringham.

## Drilling

Reverse circulation (RC) drilling at the **Dundurrabin copper prospect** was completed following difficult drilling conditions and rain delays. The drilling tested extensions to the mineralised structure, as interpreted from a ground magnetic survey and coincident with a significant copper in soil anomaly (see Figure 2a). The mineralised zone includes historical drill results of 33.9m at 1.27% copper and 18m at 1.23% copper.



**Figure 2 Dundurrabin (a) copper (left) and (b) molybdenum (right) in soil contours with drillhole collars (white)**

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 was undertaken during the quarter to extend the grid to the west and south, with final assays not yet received. Extensions to the east will be carried out later in the year.

A fifth hole was added to the four initial drillholes to test a zone of anomalous molybdenum encountered in recent soil sampling (Figure 2b). Hole 08DRC05 was drilled to the south to test below a low level, but prominent, molybdenum zone at surface. Full details of the holes drilled at Blicks are shown in Table 1.

Hole	East_MGA94	North_MGA94	RL (m)	Azimuth (deg)	Dip	Length (m)
<b><u>Dundurrabin</u></b>						
08DRC01	453,374	6,662,409	838	188	-60	150
08DRC02	453,559	6,662,419	840	188	-60	200
08DRC03A	453,792	6,662,207	754	008	-60	200
08DRC04	453,974	6,662,299	763	188	-60	200
08DRC05	453,787	6,662,198	731	188	-60	200
Sub-Total						<b>950m</b>
<b><u>Tyringham</u></b>						
TRC20	451,508	6,658,990	893	079	-60	205
TOTAL						<b>1,155m</b>

Table 1 Blicks Project - Drillhole Co-ordinates

## Results

Hole	From (m)	To (m)	Width	Cu %	Au g/t	Ag g/t	Mo ppm	Pb ppm	Zn ppm
<b><u>Dundurrabin</u></b>									
08DRC01	50	53	<b>3 m</b>	0.06	<0.01	<b>35.3</b>	35	<b>2,983</b>	<b>1,669</b>
	76	77	<b>1 m</b>	0.03	<0.01	8.3	<b>420</b>	584	368
	89	102	<b>13 m</b>	0.03	<0.01	1.7	<b>164</b>	94	245
	102	104	<b>2 m</b>	0.01	<0.01	<b>31.5</b>	<b>147</b>	<b>2,120</b>	<b>3,085</b>
08DRC02	N/S								
08DRC03A	156	187	<b>31m</b>	<b>0.20</b>	0.03	6.0	15	114	150
(including)	156	157	<b>1 m</b>	<b>1.25</b>	0.03	<b>26.4</b>	6	90	623
08DRC04	N/S								
08DRC05	N/S								
<b><u>Tyringham</u></b>									
TRC20	Assays pending								

Table 2 Blicks Drilling – Summary of assay results (N/S = no significant results)

The results from holes 08DRC01, 08DRC02 and 08DRC04 represent holes testing potential extensions to known mineralisation some 200 to 400 metres from the old Dundurrabin copper mine workings, the remaining two holes are located closer to the successful historical drillholes.

In particular, hole 08DRC03A intersected a mineralised zone including pyrite, chalcopyrite, arsenopyrite and pyrrhotite from approximately 166 to 187m downhole depth. This zone corresponds with a 31m zone at 0.2% copper (see Table 2). The known zone of mineralisation has thus successfully been extended approximately 50m to the east.

Of particular note, hole 08DRC01 intersected zones of anomalous molybdenum with values up to 420ppm. This zone is currently being interpreted for possible follow-up.

Sampling at Dundurrabin was conducted on a metre by metre basis. Samples were analysed at the ALS Chemex laboratory in Orange for copper, gold, silver, lead, zinc and molybdenum, as well as possible pathfinder elements As, Bi, Co, Fe, Ni, Sb, and W. All results have now been received. Gold was analysed by fire assay/AAS (Au-AA25) while the multi-element analyses were done by aqua regia digest (ME-ICP41s).

Drilling of the nearby **Tyringham gold prospect** has now commenced with the first of three RC holes completed subsequent to the end of the quarter. Persistent inclement weather prevented completion of the Tyringham program which will resume once it is practical to do so. While disseminated sulphide mineralisation and quartz veining were logged in the completed hole TRC20, results have not been received to date. Further progress will be reported in the September quarter.

## 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 June quarter:

- Planning for first phase of active exploration in September quarter, including a combination of mapping, sampling, air core geochemical drilling and ground geophysical follow-up;
- Anchor has also identified priority targets to be tested with RC drilling;
- No field work was carried out during the period.

Twelve high priority targets have been identified to date. Within the Canonba licence, Anchor has earmarked the Windella prospect as a priority drill target with **RC drilling likely in the September quarter**. Other priority areas will undergo geochemical sampling and/or ground geophysical follow-up also in the September quarter.

## 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.

During the June quarter:

- A compilation of historical geochemical sampling commenced;
- No field work was carried out during the period.

Following the September 2007 **heli-borne magnetics and radiometrics survey** over the Birdwood tenement, a number of prospective 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. A database compilation of all historical geochemical sampling (stream sediments, soil sampling and rockchip sampling) was initiated. This data will be reviewed in conjunction with the airborne geophysical data and known geology to refine the targets for follow-up in the second half of 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), 12kms north of Dorrigo.

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 June quarter, leading up to a proposed drilling campaign, activities concentrated on:

- Landholder communication related to access agreements;
- No field work was carried out during the period.

Anchor's belief in the long term prospects for the antimony market is supported by continuing strength in global antimony prices. While prices for the base metal complex have retreated from earlier highs, antimony prices have pushed further upwards in recent weeks. The graph below (Figure 3) shows the price history for antimony over the past ten years.

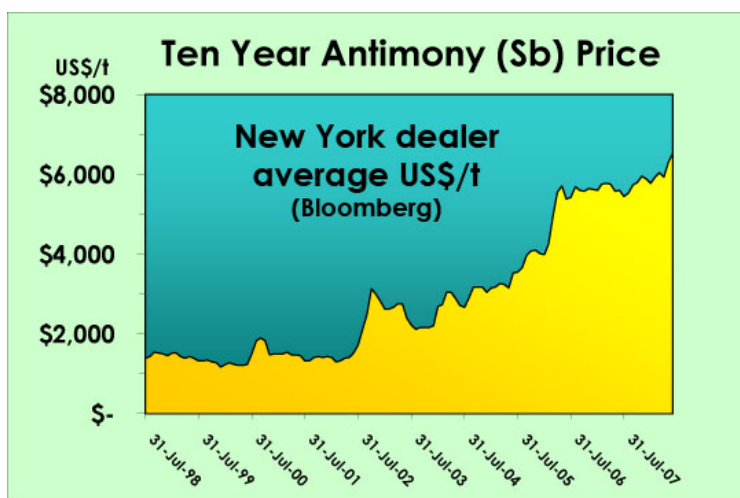


Figure 3 Antimony price history – past ten years

## Thunderbolts & Munga Applications (Sb) (ELAs 3472/3473) 100% Anchor

Anchor Resources is well placed to take advantage of the strength in global antimony prices, as shown in Figure 3, and the positive market outlook. In addition to the significant JORC compliant antimony resource at Anchor's 100% owned Bielsdown project, the company's technical team has identified other areas for prospective antimony exploration.

The antimony focus has returned to the New England region of New South Wales over the past years as Straits Resources has commenced its Demonstration Plant at the Hillgrove underground antimony-gold mine. Commissioning of the plant neared completion at the end of June 2008, according to the latest Straits quarterly report, with the first ingot of antimony metal smelted in early July.

During the quarter, two Exploration Licence Applications (Figure 1) were submitted to the NSW Department of Primary Industries for approval covering old antimony producing areas of northeastern NSW.

Anchor Resources regards the Thunderbolts and Munga areas as highly prospective for antimony mineralisation. Subject to granting of the two applications, the company will commence field reconnaissance.

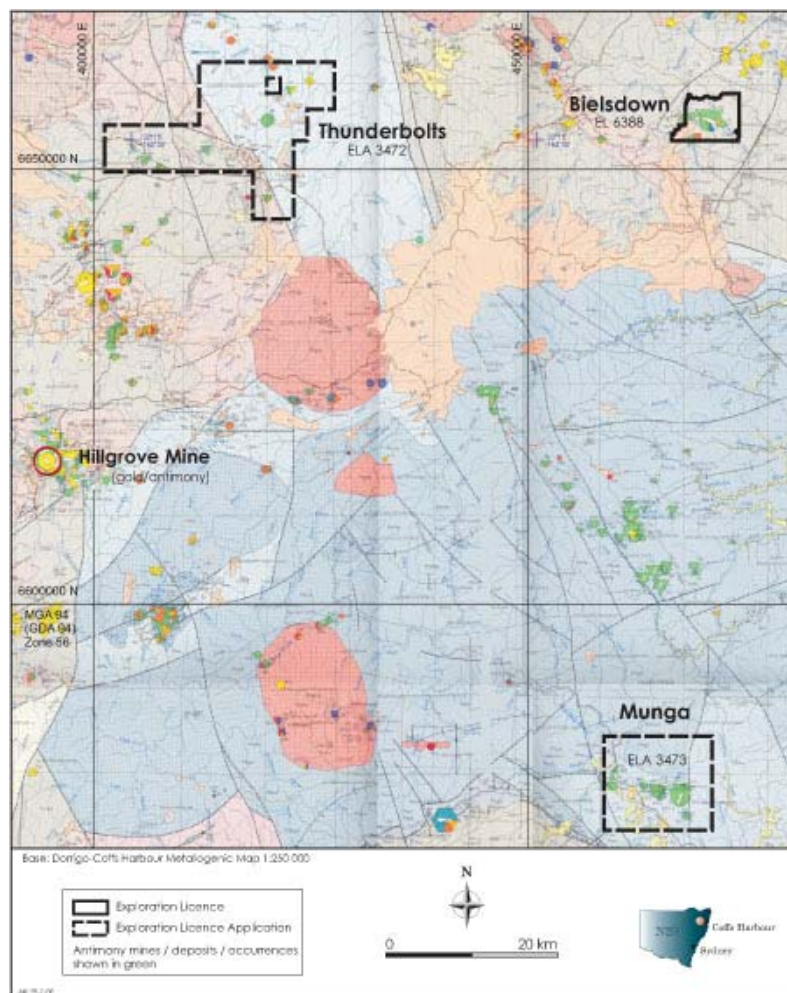


Figure 4 Location of Anchor's Bielsdown antimony project and EL Applications

The **Thunderbolts Project Application (ELA 3472)** covers an area of approximately 255 square kilometres and is located 40km to the north-northeast of the Hillgrove mine (Figure 4). The old Magword antimony mine is

contained within this licence application area. The vein/shear filling stibnite mineralisation was mined historically via underground shafts and adits with high antimony grades being achieved. Reports indicate that production between 1941-1969 was over 3,000t of antimony, with average grades of around 20.5% Sb. Close by are the Allingham antimony deposit and the Faulkners gold deposit, which are reported to have less extensive old workings.

To the south and west of Magword within the ELA are the Rock Abbey (Magdell) antimony mine and the Abroi antimony deposit. The former was mined from 1956 to 1967 with grades of over 14% Sb achieved from underground workings and shallow pits. At the western end of the application area, three antimony deposits are clustered around the Aberfoyle Sugarloaf area. These deposits are the Tregaire North, the Sugarloaf antimony prospect and the Antimony Gully workings.

The **Munga Project Application (ELA 3473)** covers an area of approximately 140 square kilometres and is located 80km to the southeast of the Hillgrove mine (Figure 4). The Munga Creek antimony district, contains 23 known antimony deposits scattered along the length of the application area, many of which have historical workings. The Munga Creek deposit was mined in two phases between 1879-1884 and 1970-1974 and was one of the more significant antimony producers in the New England. Over 1,100 tonnes of contained antimony metal in concentrates were shipped from this mine alone.

Other deposits in the district include Neill and Taylors prospect, Star of Hope, De La Forces, Lady Mary, Hayshed, Cavanaghs, Beckes, Walfords/Woolfords, Bolts Reef, Victoria Adit, Q47 shaft, Decline adit, Junction adit, Erics Reef, The Young Australian and Rowes prospect. The deposits are aligned along an easterly trend and are vein type deposits of quartz and stibnite, with breccia features commonly observed.

## QUEENSLAND

**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 licence area contains 14 known mineralised occurrences including old workings that have produced modest volumes of tin, tungsten and gold. Antimony, cobalt and rare earth elements have also been recorded. Prospects have been identified with encouraging geochemistry and, in some cases, coincident with geophysical anomalies.

One of these prospects is the Clayholes Dam gold prospect (Figure 5a). 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. RC drilling of this prospect was carried out during the quarter.

During the June quarter, activities included:

- RC drilling of seven holes into the Clayholes Dam target;
- Multi-element analysis of RC drill samples;
- Rockchip sampling of the Perry Creek tin prospect.

### Drilling

Figure 5b shows the final position of the first ever drillholes testing the magnetic low and coincident gold geochemical anomaly at the Clayholes Dam prospect. Further details are shown in Table 3. The program was designed to test a magnetic low (Figure 5) and coincident gold geochemical anomaly at the Clayholes Dam prospect. Surface geology at the prospect is dominated by Paleozoic sediments however quartz veining and alteration had also been documented, with rockchip gold assays up to 0.46g/t, suggesting potential for mineralisation related to a possible buried intrusive body.



Hole	East_MGA94	North_MGA94	RL (m)	Azimuth (deg)	Dip	Length (m)
<u>Clayholes Dam</u>						
CDR001	323,836	7,918,688	488	180	-60	203
CDR002	323,330	7,918,331	474	178	-60	149
CDR003	323,324	7,917,916	444	180	-60	185
CDR004	323,644	7,918,524	496	064	-50	203
CDR005	323,579	7,918,284	478	180	-60	185
CDR006	324,275	7,918,359	463	000	-60	134
CDR007	323,716	7,917,910	453	180	-60	101
<b>TOTAL</b>						<b>1,160m</b>

Table 3 Clayholes Dam Prospect - Drillhole Co-ordinates

## Results

Hole	From (m)	To (m)	Width	Au g/t	Ag g/t	Cu ppm	Comments
<u>Clayholes Dam</u>							
CDR001	36m	37m	1m	0.52	0.8	101	
	71m	83m	13m	0.06	2.6	1,928	
	156m	163m	7m	0.58	1.0	219	
	198m	199m	1m	0.04	54.8	2,120	2,590 Pb
CDR002	N/S						
CDR003							Assays pending
CDR004	74m	80m	6m	<0.01	0.5	1,050	
	157m	162m	5m	0.61	40.4	283	149ppm Sn & 2,404ppm Pb
	182m	183m	1m	0.54	1.4	391	
CDR005							Assays pending
CDR006	83m	84m	1m	0.53	0.2	51	
CDR007	N/S						

Table 4 Clayholes Dam Drilling – Summary of assay results (N/S = no significant results)

A new zone of gold and copper mineralisation has been discovered at the Clayholes Dam prospect. Significant gold and copper results were received from holes CDR001 and CDR004 (Table 4) in the north of the prospect area. Quartz veining and sulphide development are associated with mineralised zones within CDR001 and CDR004. Best intersections included 7m at 0.6g/t gold, 5m at 0.51g/t gold, 13m at 0.2% copper and 6m at 0.1% copper. Elevated assays were also received for silver (up to 69g/t), tin (up to 505ppm) and lead (up to 0.4%). Results from two of the holes are still pending.

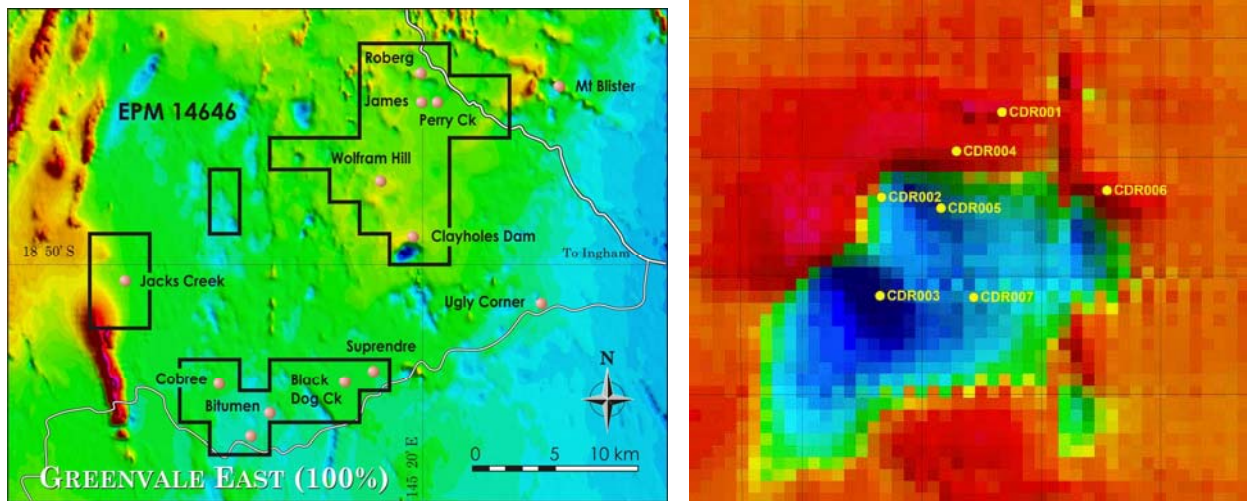


Figure 5: Clayholes Dam: (a) Total Magnetic Intensity and (b) Drillhole Collars (500m grid)

Once final results have been received from all drillholes, Anchor will assess the significance of this new discovery and plan follow-up drilling to test the dimensions and continuity of the mineralisation later in 2008.

**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 1).

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 June quarter, activities included:

- Planning for upcoming heli-borne reconnaissance program;
- 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.

Helicopter based reconnaissance has now commenced, following up on identified uranium targets. Hand-held XRF and scintillometer testing will accelerate the assessment of these targets.

**CORPORATE REVIEW**

As at 30 June, cash at bank was \$2.4 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

ABN 49 122 751 419

Suite 404, 25 Lime Street  
Sydney, NSW, Australia 2000

Telephone:	+61 (0)2 9279 1231
Fax:	+61 (0)2 9279 2727
Email:	<a href="mailto:info@anchorresources.com.au">info@anchorresources.com.au</a>
Website:	<a href="http://www.anchorresources.com.au">www.anchorresources.com.au</a>

### Share Registry

Registries Limited  
Level 7, 207 Kent St  
Sydney, NSW, Australia 2000

Telephone:	+61 (0)2 9290 9600
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 July 2008, issued capital was:

30,680,000	ordinary shares
15,304,688	listed options
1,675,000	unlisted options

### Major Shareholders (as at 30 June 2008)

Fallon Nominees Pty Ltd	7.83%
Gage Resources Pty Ltd	7.39%
Troppo Resources Pty Ltd	5.79%
St Jude Exploration Pty Ltd	5.05%
Eastmin Pty Ltd	3.91%
Rossdale Superannuation Fund Pty Ltd	1.63%

### Quarterly Price Activity

AHR - Ordinary shares

High:	13 cents
Low:	9 cents
Last (25/07/08):	9 cents

AHRO - Options expiring 31/3/10

High:	2 cents
Low:	1 cents
Last (13/06/08):	2 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.*

Date released: 31 July 2008

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

[trevorw@anchorresources.com.au](mailto:trevorw@anchorresources.com.au)

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

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