



## Target's Statement

in response to the offer by  
China Shandong Jinshunda Group Co Ltd  
through its wholly owned Australian subsidiary  
Sunstar Capital Pty Ltd ACN 147 934 852

to acquire all of the issued shares in  
Anchor Resources Limited

ACN 122 751 419

**YOUR DIRECTORS UNANIMOUSLY  
RECOMMEND THAT YOU**

**REJECT  
JINSHUNDA'S  
OFFER**

THIS DOCUMENT CONTAINS IMPORTANT INFORMATION  
AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN  
ANY DOUBT ABOUT HOW TO DEAL WITH THIS DOCUMENT  
YOU SHOULD CONSULT YOUR STOCKBROKER, LEGAL OR  
FINANCIAL ADVISER.

Financial Advisers



Legal Advisers



# Important notices

## Nature of this document

This document is a Target's Statement dated 9 March 2011 issued by Anchor Resources Limited ACN 122 751 419 (Anchor) under Part 6.5 Division 3 of the Corporations Act in response to a Bidder's Statement issued by China Shandong Jinshunda Group Co Ltd. through its wholly owned Australian subsidiary Sunstar Capital Pty Ltd ACN 147 934 852 (**Jinshunda**). If you are in any doubt about how to deal with this document, you should consult your stockbroker, legal, financial or other professional adviser as soon as possible.

A copy of this Target's Statement has been lodged with the Australian Securities and Investments Commission (**ASIC**) on 9 March 2011 and the Australian Securities Exchange Limited (ACN 008 624 691) (**ASX**). Neither the ASX, ASIC nor any of its officers take any responsibility for the content of this Target's Statement.

## Shareholder information

To make a fully informed decision, you should read this Target's Statement in full. If you have any questions, please call the Shareholder information line on 1 300 373 847 between 8.30am and 5.30pm (Sydney time) Monday to Friday. Alternatively, please email [admin@anchorresources.com.au](mailto:admin@anchorresources.com.au) or visit our website at [www.anchorresources.com.au](http://www.anchorresources.com.au).

The Directors are committed to ensuring Shareholders are kept informed of developments. Important developments under the control of Anchor will be notified direct to Shareholders.

## Defined terms

A number of defined terms are used in this Target's Statement. These terms are explained in the Definitions in Section 10.

## Forward looking statements

This Target's Statement contains historical and forward looking statements in connection with Anchor. The forward looking statements in this Target's Statement are not based on historical facts. They reflect the current expectations of Anchor concerning future results and events and generally

may be identified by the use of forward looking words or phrases such as 'believe', 'aim', 'expect', 'anticipated', 'intending', 'foreseeing', 'likely', 'should', 'planned', 'may', 'estimated', 'potential', or other similar words and phrases. Similarly, statements that describe Anchor's objectives, plans, goals or expectations are, or may be, forward looking statements.

These forward looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause Anchor's actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these statements. Deviations in future results, performance and achievements are normal and to be expected. Shareholders should review carefully all of the information included in this Target's Statement. The forward looking statements included in this Target's Statement are made only as of the date of this Target's Statement. Anchor and each of its officers, any person named in this Target's Statement or any person involved in the preparation of this Target's Statement does not give any representation, assurance or guarantee to Shareholders that projected or implied results or events will actually occur or be achieved.

## No investment advice and no account of personal circumstances

The information in this Target's Statement does not constitute financial product advice. It is not possible for the Directors to take into account the personal circumstances of each Shareholder. Accordingly, this Target's Statement has been prepared without reference to the investment objectives, taxation position and financial situation of any particular Shareholder. The Directors recommend that Shareholders read this Target's Statement and the Bidder's Statement in full prior to making any decision relating to the Jinshunda Share Offer. Shareholders are encouraged to consult their own professional advisers regarding investment, taxation and financial matters relevant to their particular situation.

## Key Dates

Date of Jinshunda's Offer	23 February 2011
Date of this Target's Statement	9 March 2011
Expiry of Jinshunda's Offer (unless extended)	23 March 2011

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# Letter from the Chairman



9 March 2011

Dear Shareholder

Your Board recommends you **REJECT** the Jinshunda Share Offer.

On 20 December 2010, China Shandong Jinshunda Group Co Ltd., through its wholly owned subsidiary Sunstar Capital Pty Ltd (together referred to as **Jinshunda**), announced an unsolicited, conditional, off-market takeover bid for all the issued shares in Anchor Resources Limited (**Anchor**) for consideration of \$0.28 per Anchor Share (**Jinshunda Share Offer**). This equates to a market capitalisation of just \$14 million for your Company.

Jinshunda has also stated that it intends to make a separate offer for all Anchor Options on issue as at the Closing Date for a price equal to \$0.28 less the exercise price per Anchor Option (**Jinshunda Option Offer**).

Based on the last traded price of Anchor Shares prior to the Jinshunda Share Offer being announced, of \$0.22, the Jinshunda Share Offer represents a premium of just 27%. Since the Jinshunda Share Offer was announced, the price of antimony has continued to increase (reaching a record high of US\$14,600 per tonne in March 2011) and Anchor Shares have traded in excess of the Jinshunda Offer Price, up to \$0.33 on market.

Shareholders should be aware that prior to the Jinshunda Share Offer, Anchor and Jinshunda had entered into a confidentiality agreement to facilitate discussions regarding a potential joint venture between the two companies over Anchor's Projects, and specifically the Bielsdown antimony project. The companies were not able to reach agreement on the terms of a joint venture.

Your Board considers that Jinshunda's interest in a joint venture and the subsequent emergence of the Jinshunda Share Offer, highlights the considerable value of Anchor's Projects. After careful consideration of the terms of the Jinshunda Share Offer, ***your Directors unanimously recommend that Shareholders REJECT the Jinshunda Share Offer.***

Each of your Directors, who together with senior management and their direct family members account for approximately 22.5% of Anchor's share capital, intends to reject the Jinshunda Share Offer for their Anchor Shares. The key reasons for the Board's recommendation are as follows:

<b>1</b>	The Jinshunda Share Offer is opportunistic
<b>2</b>	The terms of the Jinshunda Share Offer do not recognise the strategic value of an antimony project
<b>3</b>	Accepting the Jinshunda Share Offer will prevent Shareholders from sharing in Anchor's potential
<b>4</b>	The Jinshunda Share Offer is highly conditional and uncertain
<b>5</b>	Your Directors do not intend to accept the Jinshunda Share Offer in respect of their own Anchor Shares
<b>6</b>	Accepting the Jinshunda Share Offer will lock up your shareholding pending the outcome of the Jinshunda Share Offer

A detailed explanation of the reasons why you should reject the Jinshunda Share Offer is contained in Section 1 of this Target's Statement. The Board's recommendation is based on the Jinshunda Share Offer as it currently stands. If the Jinshunda Share Offer changes materially, the Board will update Shareholders on its recommendation.

In providing this recommendation, your Board is confident that the management team, which has extensive technical and project evaluation experience, can continue to advance Anchor's Projects towards production. A scoping study was completed on the Bielsdown project in February 2011, indicating that positive financial returns are achievable from the project and will be significantly enhanced if additional high grade resources are delineated.

Anchor recently announced plans for an upcoming drilling and regional exploration campaign for Anchor's flagship Bielsdown project, with the aim of doubling resources to support a transition into the pre-feasibility assessment phase during 2011. This program follows up on the successful 2010 drilling campaign which resulted in a substantial upgrade to the Bielsdown resource, as well as significantly advancing the geological understanding of the deposit.

Your Directors believe that your company is entering a period with the potential for significant value uplift. Typically junior explorers, such as Anchor, generate substantial incremental value when they advance projects through the exploration, detailed assessment and development phases.

In addition, Anchor is ideally positioned to benefit from further increases in the antimony price. Antimony is a strategic metal that has been identified as having high supply risks yet simultaneously growing demand driven by the growth of developing economies and new emerging technologies. Since the Announcement, the price of antimony has surged more than 20% in less than three months. Accepting the Jinshunda Share Offer will remove your exposure to this potential upside.

For the reasons outlined above and described subsequently in this Target's Statement, I encourage you to continue to support Anchor in its efforts to realise value for Shareholders through the continued development of Bielsdown as well as Anchor's other assets and recommend that you **REJECT** the Jinshunda Share Offer by **TAKING NO ACTION**.

By now you should have received a copy of Jinshunda's Bidder's Statement which details the bid process and describes how to accept or reject the Jinshunda Share Offer. Please read it and this Target's Statement carefully and ensure you understand all of their respective terms and conditions. You are encouraged to seek independent investment, financial and tax advice before making your decision.

If you have any queries about the Jinshunda Share Offer, please call the Shareholder information line on 1300 373 847 between 8.30am and 5.30pm (Sydney time) Monday to Friday.

Yours faithfully

A handwritten signature in black ink, appearing to read "John Anderson", with a stylized flourish at the end.

**John Anderson**  
Chairman

## How to **REJECT** the Jinshunda Share Offer

- 1 To **REJECT** the Jinshunda Share Offer you should simply **DO NOTHING** with the documentation sent to you by Jinshunda.
- 2 You should read this Target's Statement, which contains the recommendation of your Directors to reject the Jinshunda Share Offer and their reasons for this recommendation.
- 3 If you have any questions about the Jinshunda Share Offer, please call the Shareholder information line on **1300 373 847** between 8.30am and 5.30pm (Sydney time) Monday to Friday. Alternatively, please email [admin@anchorresources.com.au](mailto:admin@anchorresources.com.au).



# 1. Why you should **REJECT** the Jinshunda Share Offer



## 1.1 THE JINSHUNDA SHARE OFFER IS OPPORTUNISTIC

Your Board believes that the timing of the Jinshunda Share Offer is opportunistic and equates to a market capitalisation of just \$14 million.

- The Jinshunda Share Offer was announced following the failure of discussions between Jinshunda and Anchor about potential joint venture arrangements in respect of the Bielsdown antimony project. During these discussions, Jinshunda had access to significant information concerning the exploration and development potential of Bielsdown and Anchor's other Projects.
- **The emergence of the Jinshunda Share Offer following these discussions suggests that Jinshunda recognises the significant value of Anchor's Projects.**
- Your Board believes that the timing of the Jinshunda Share Offer is intended to capitalise on Anchor's early stage of development. Anchor is confident of further exploration success at Bielsdown following on from the significant upgrade in the Bielsdown resource announced to the ASX on 9 December 2010. Anchor has committed to a further round of drilling and regional exploration at Bielsdown for 2011, as announced on 28 January 2011. When formulating the Jinshunda Share Offer, Jinshunda would have been aware of the significant exploration activity Anchor had planned for 2011 and would no doubt have formed its own view on the potential success of that program and its potential impact on Anchor's Share price.
- Jinshunda's focus in the Bidder's Statement is on the risks associated with Anchor's Projects. Jinshunda also focuses on the prospects of Anchor's Projects as they were described in Anchor's 2007 initial public offer prospectus and fails to adequately describe the developments and prospects of Anchor's Projects since the initial public offer prospectus. This approach is disingenuous in light of Jinshunda's opportunistic takeover bid.
- Jinshunda stated in its Bidder's Statement that the Jinshunda Share Offer represented a premium of "75% to the last traded price of price of Anchor on 14 December 2010." However on 20 December 2010, prior to the Announcement of the Jinshunda Share Offer to the ASX, Anchor last traded at \$0.22, reflecting a premium of just 27%.
- The Jinshunda Share Offer was announced whilst Anchor was finalising a discounted rights issue at \$0.16 per Anchor Share. During the rights issue, the Anchor Share price reached a high of \$0.21 immediately following the release of Anchor's Bielsdown resource upgrade. Less than 12 months prior to the Announcement, Anchor traded as high as the Offer Price, being \$0.28. Further, during the Offer Period, Anchor has traded as high as \$0.33.
- **THESE FACTORS REAFFIRM YOUR BOARD'S BELIEF THAT THE JINSHUNDA SHARE OFFER IS OPPORTUNISTIC WITH RESPECT TO BOTH PRICING AND TIMING.**



# 1. Why you should **REJECT** the Jinshunda Share Offer

## 1.2 THE JINSHUNDA SHARE OFFER DOES NOT RECOGNISE THE STRATEGIC VALUE OF AN ANTIMONY PROJECT

Your Board believes that there is increasing awareness of the strategic value of antimony assets in the market and the terms of the Jinshunda Share Offer do not fully reflect this strategic value.

- A report released by the European Commission in June 2010 identified antimony as one of 14 raw materials of “critical” importance to the European Union. These critical materials exhibit high supply risks yet simultaneously growing demand driven by the growth of developing economies and emerging technologies. In the specific case of antimony, the supply risk is seen as a result of the present concentration of production from the People’s Republic of China (PRC). New usages for antimony have been developed in microelectronics, increasing the demand for antimony. There is no known replacement for antimony in many applications. Constrained supply, combined with the increasing use and demand for antimony, foreshadows increasing prices of antimony which may have a flow on effect to the price of Anchor Shares.
- Supply of antimony, like rare earth elements, is dominated by PRC producers who accounted for more than 90% of the world’s supply of antimony for the year ended 31 December 2009. Due to recently changed regulations in the PRC, the amount of antimony PRC companies can export is capped and accordingly PRC companies are incentivised to produce antimony from offshore sources that are not subject to these export restrictions and thereby capitalise on the increasing price of antimony. The Jinshunda Share Offer evidences Jinshunda’s belief in the potential of Anchor’s Projects. Your Directors believe that there is significant strategic value in developing new, low sovereign risk sources of antimony supply that are not subject to export restrictions, to exploit global demand.
- These PRC regulations are relatively new and their effects may not have been fully felt by the market or reflected in the Anchor Share price. Accordingly, there may be good prospects for continued increases in Anchor’s Share price as Anchor’s Projects develop and the price of antimony increases.
- In response to the supply and demand pressures referred to above and the growing awareness of the strategic importance of antimony, the price of antimony has risen by more than 250% since 31 March 2009 (Figure 1).
- On 20 December 2010, **when the Jinshunda Share Offer was announced**, the price of antimony was at US\$12,150 per tonne. In early March 2011, antimony hit an all time high of US\$14,600 per tonne - a significant rise of 20% in less than three months since the Announcement Date and the formulation of the Offer Price. Accordingly, the surging antimony price factor may not have been accounted for in the Offer Price of \$0.28.



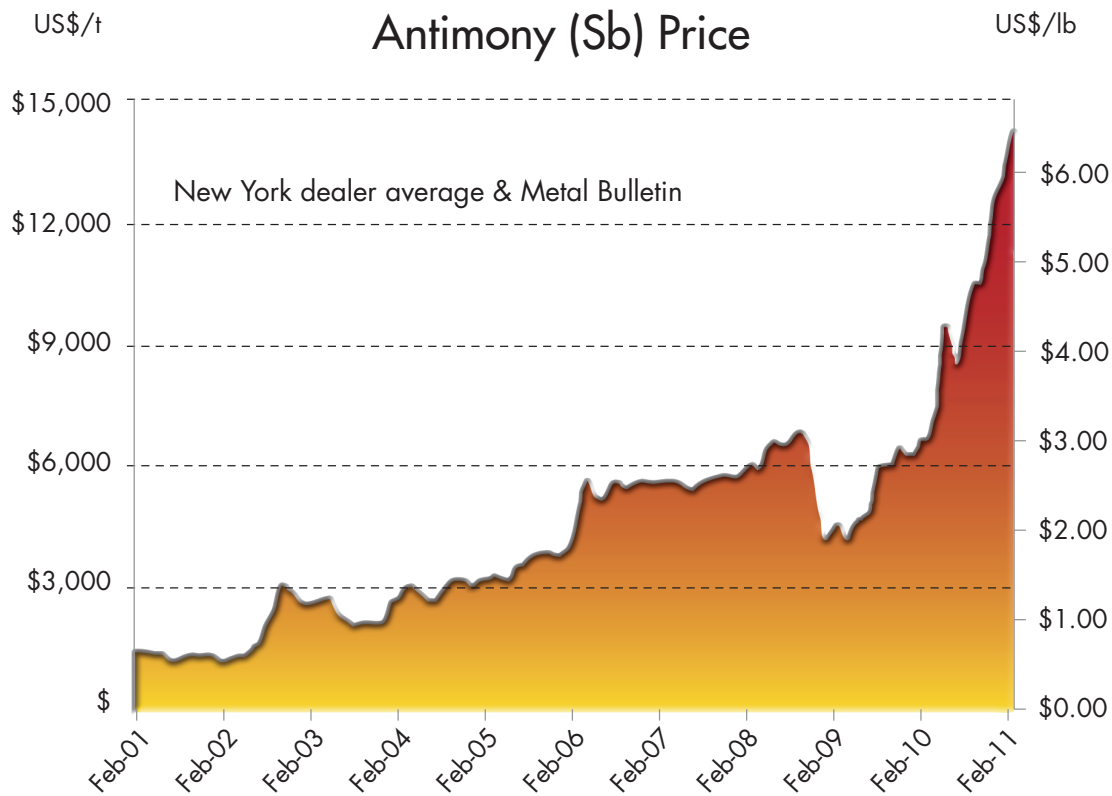


Figure 1: Recent antimony price performance

- **THE FORWARD OUTLOOK FOR ANTIMONY IS BRIGHT – SUPPLY IS BEING SQUEEZED BY THE MAJOR GLOBAL PRODUCER (CHINA), WHILE DEMAND IS GROWING, AIDED BY THE EXPANSION OF DEVELOPING ECONOMIES AND EMERGING TECHNOLOGIES. ACCEPTING THE JINSHUNDA SHARE OFFER WILL REMOVE YOUR EXPOSURE TO THIS STRATEGIC METAL.**

# 1. Why you should **REJECT** the Jinshunda Share Offer

## 1.3 ACCEPTING THE JINSHUNDA SHARE OFFER WILL PREVENT SHAREHOLDERS FROM SHARING IN ANCHOR'S POTENTIAL

Your Board believes there is significant upside potential in Bielsdown and Anchor's other Projects that is not adequately reflected in the terms of the Jinshunda Share Offer. If you accept the Jinshunda Share Offer, you will lose the opportunity to share in the upside potential of the emerging Bielsdown antimony project, the surging global antimony sector and Anchor's other exploration projects, as well as the benefit of a highly experienced and successful management team.

- On 9 December 2010, Anchor announced an upgrade to the JORC compliant resource contained at the Wild Cattle Creek (WCC) deposit (part of the Bielsdown antimony project) to more than one million tonnes grading 1.77% antimony, 0.23 g/t gold and 332 ppm tungsten<sup>1</sup>. Importantly, approximately 60% of the resource was upgraded to "Indicated" status.
- 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 WCC. As a result, the antimony rich system is interpreted to have a shallow plunge to the west (Figure 2) and remains open at depth in that down plunge direction.

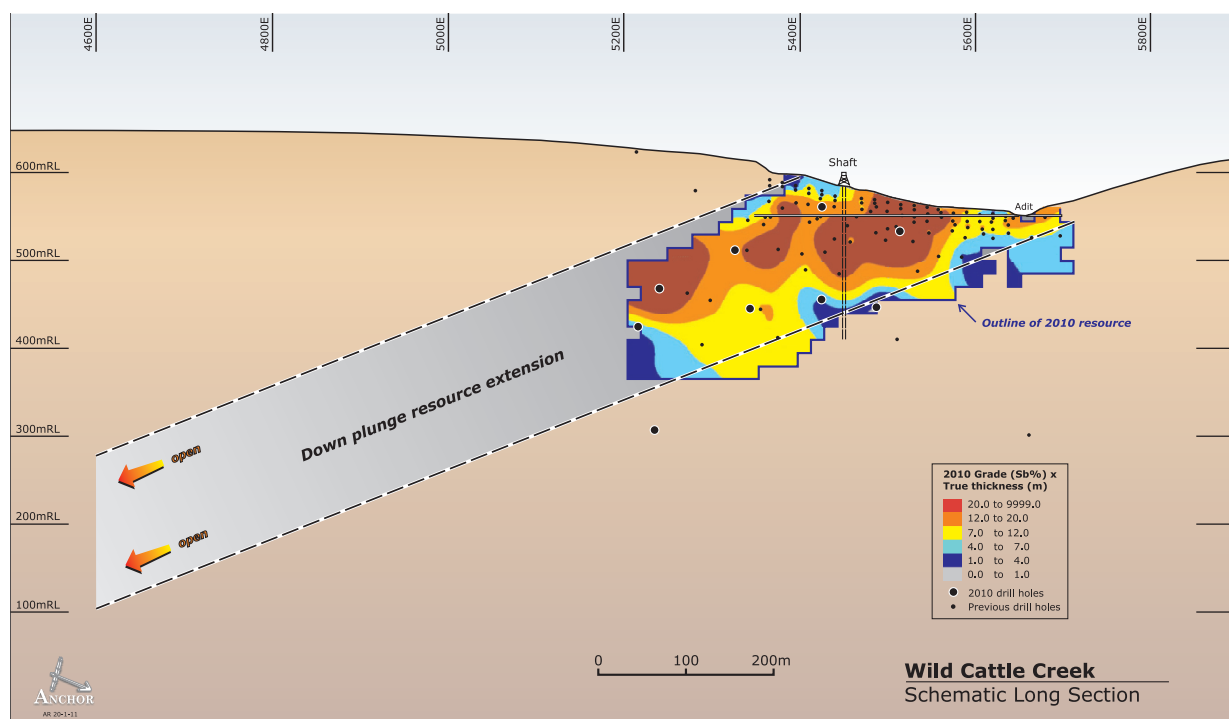


Figure 2: WCC long-section – interpreted down plunge resource extension

<sup>1</sup> Using a cut off grade of 0.5% antimony

- Anchor is confident that it will achieve further exploration success at the Bielsdown project and has announced a 2011 drill program aimed at doubling the WCC resource through:
  - ✓ deeper drilling to test the interpreted extension of the resource down plunge; and
  - ✓ testing a very high grade antimony-tungsten zone discovered late in the 2010 drilling campaign.
- The WCC resource is situated within a linear regional structure that is interpreted to extend for at least six kilometres both east and west of the deposit. Antimony bearing rocks have been encountered at various locations along the length of this structure by Anchor. Many of these are associated with historical workings (pits, shafts, trenches) that have not been subjected to modern exploration methods and assessment.
- The antimony potential of regional prospects within the Bielsdown project area has been reinforced by Anchor during 2010 and further testing of these targets is scheduled for 2011. 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.
- Anchor released the results of its WCC scoping study on 24 February 2011. The results of this scoping study were encouraging and support Anchor's plans to accelerate exploration activities in 2011. Selected outcomes from the scoping study, described in further detail in Section 5.2, include:
  - ✓ positive financial returns are achievable for the Bielsdown project, and will be significantly enhanced if Anchor is successful in its objective of delineating additional high grade resources during the forthcoming 2011 exploration program. These returns are based on gross operating margins and exclude capital costs;
  - ✓ the optimal mining schedule for existing resources comprises open cut extraction of shallow mineralisation, followed by underground extraction of deeper resources; and
  - ✓ marketable antimony product can be produced by conventional flotation technology with processing recoveries of +90% and a concentrate grade of +60% Sb likely to be achievable.
- Since listing on the ASX, Anchor has added two other antimony projects to its portfolio – the Munga and Thunderbolts projects. These two projects are both located in the well endowed Bielsdown/ New England region of NSW and cover areas of substantial historical antimony production with the potential to provide additional resources to Anchor's growing inventory.



# 1. Why you should **REJECT** the Jinshunda Share Offer

- Despite a focus on the Bielsdown project during and post GFC, Anchor's technical team has identified exciting targets ready for advancement on its remaining projects, particularly Blinks (gold-copper), Birdwood (copper-molybdenum), Canonba (copper-gold) and Greenvale East (gold-copper-tin-tungsten).
- As Bielsdown is Anchor's flagship project, the Anchor Share price could be expected to correlate closely with movements in the antimony price, however your Directors believe that over the past year the Anchor Share price performance has been affected by external factors such as the Federal Government's announcement of a resources tax (Figure 3). This reinforces the opportunistic nature of the Jinshunda Share Offer.

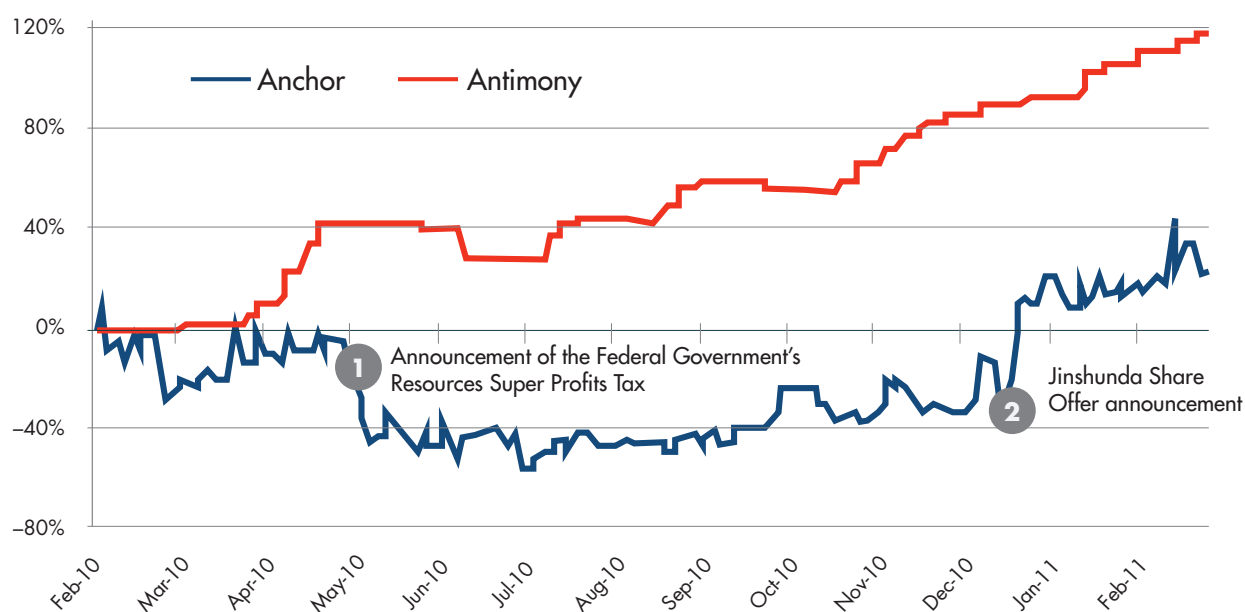


Figure 3: Relative performance of Anchor Shares and the antimony price

- **JINSHUNDA ACKNOWLEDGES THE POTENTIAL IN ANCHOR'S PORTFOLIO BY AFFIRMING IN THE BIDDER'S STATEMENT THAT IT INTENDS TO CONTINUE AND ACCELERATE THE DEVELOPMENT OF ANCHOR'S PROJECTS.**

## 1.4 THE JINSHUNDA SHARE OFFER IS HIGHLY CONDITIONAL AND UNCERTAIN

As outlined in the Bidder's Statement, the Jinshunda Share Offer is subject to a number of Conditions and there can be no guarantee that these Conditions will be satisfied or waived during the Offer Period. Your Directors consider the Jinshunda Share Offer to be highly uncertain given the presence and nature of some of the Conditions outlined below.

### – A minimum acceptance condition of 50%

The Jinshunda Share Offer is subject to Jinshunda obtaining acceptances for a minimum of 50% of Anchor Shares. The Anchor Board, senior management and direct family members account for approximately 22.5% of the register, which would increase to approximately 24.8% if all outstanding Anchor Options are exercised.

Your Directors do not intend to accept the Jinshunda Share Offer in respect of their own Anchor Shares. In addition, your Directors believe they have the support of a large portion of the register. Given this, the Board believes it will be very difficult for Jinshunda to meet this condition.

### – The grant of all necessary approvals or consents that are required by law, or by any public authority, including PRC Regulatory Authorities.

Jinshunda's Bidder's Statement states that the approvals required from PRC regulatory authorities encompass three separate approvals from three different authorities and that until all of these approvals are received Jinshunda will be unable to transfer the funds to Australia required to pay the consideration under the Jinshunda Share Offer.

The Bidder's Statement provides little information as to the status of the PRC approval process or a date when these approvals are expected to be granted. Despite Anchor's request to Jinshunda for more information on the precise approach required, the legislation pursuant to which approval is required and whether approvals have been applied for, Jinshunda did not provide this information in its Bidder's Statement. Jinshunda is not able to waive the conditions relating to these approvals.

Jinshunda announced on 24 February 2011, that Jinshunda had received notice from the Foreign Investment Review Board (FIRB) that the Jinshunda Share Offer is exempt from examination under the FATA.

### – No material adverse change (MAC) affecting Anchor or its subsidiaries

The condition that no MAC occurs which has an adverse effect on the consolidated assets, liabilities or net profit or loss of Anchor or its subsidiaries is defined to be an adverse change of only \$315,000. Your Board considers this to be a very low amount and, as a consequence, makes the Jinshunda Share Offer highly uncertain by allowing Jinshunda to withdraw the Jinshunda Share Offer in response to relatively minor changes in the financial position of Anchor.

# 1. Why you should **REJECT** the Jinshunda Share Offer

## 1.5 YOUR DIRECTORS DO NOT INTEND TO ACCEPT THE JINSHUNDA SHARE OFFER IN RESPECT OF THEIR OWN ANCHOR SHARES

For the reasons outlined in this document, your Board does not intend to accept the Jinshunda Share Offer in respect of their own Anchor Shares. Given the substantial holding of the Anchor Board, senior management and associates, the Anchor Board believes it will be difficult for Jinshunda to generate any meaningful level of acceptance with the Jinshunda Share Offer.

- The Board, senior management and their direct family members account for approximately 22.5% of the register based on current Anchor Shares on issue. This figure would increase to approximately 24.8% if all outstanding Anchor Options are exercised.
- In addition, your Directors believe they have the support of a large portion of the register.
- Accordingly, there is a significant risk that the 50% minimum acceptance Condition attaching to the Jinshunda Share Offer **will not be met** during the Offer Period. Whilst Jinshunda could waive this Condition, there can be no guarantee that this will occur.





## 1.6 ACCEPTING THE JINSHUNDA SHARE OFFER WILL LOCK UP YOUR SHAREHOLDING PENDING THE OUTCOME OF THE JINSHUNDA SHARE OFFER

Accepting the Jinshunda Share Offer will restrict the alternatives available to you in dealing with your Anchor Shares.

- If you accept the Jinshunda Share Offer you will be restricted from dealing with your Anchor Shares in any other way unless a particular exception applies.
- Accepting the Jinshunda Share Offer is likely to prevent you from accepting any third party higher offer which may eventuate, or selling your Anchor Shares on-market. In this regard, Shareholders should note that **Anchor Shares have traded above the Offer Price (up to \$0.33) since the Announcement.**
- Jinshunda is not required to pay the Jinshunda Share Offer consideration to you until the Jinshunda Share Offer becomes unconditional. There can be no guarantee that this will occur during the Offer Period and, as outlined in this Section, your Board believes there is significant uncertainty as to whether the Conditions will be satisfied. Whilst Jinshunda may elect to waive certain of the Conditions under the Jinshunda Share Offer, it is unable to waive the Conditions in respect of the required regulatory approvals (including PRC regulatory authority approvals). Whilst waiting for Conditions to be satisfied or waived, Shareholders who accept the Jinshunda Share Offer will not be able to sell their Anchor Shares or accept an offer from another party. Jinshunda announced on 24 February 2011, that Jinshunda had received notice from FIRB that the Jinshunda Share Offer is exempt from examination under the FATA.
- If you accept the Jinshunda Share Offer, Jinshunda is allowed to extend the Offer Period and thereby extend the restrictions placed on you as described above by up to one (1) month before you are allowed to withdraw your acceptance.
- **ACCEPTING THE JINSHUNDA SHARE OFFER WILL RESTRICT THE ALTERNATIVES AVAILABLE TO YOU IN DEALING WITH YOUR ANCHOR SHARES.**





## 2. Frequently asked questions about the Jinshunda Share Offer

The process governing takeovers is complex. This Section of the Target's Statement is designed to help you understand some of the issues relating to the Jinshunda Share Offer.

Question	Answer	Further information
What is the Jinshunda Share Offer?	Jinshunda has made an off-market offer of \$0.28 for each of your Anchor Shares.	Section 4.2
What about my Anchor Options?	The Bidder's Statement states that if the Jinshunda Share Offer becomes unconditional, Jinshunda will make a separate offer to all Optionholders on the register at the Closing Date to acquire all outstanding Anchor Options for a price equal to \$0.28 less the exercise price for each of your Anchor Options.	Section 4.3
What do your Directors recommend?	The Directors unanimously recommend that you <b>reject</b> the Jinshunda Share Offer.  The reasons for this recommendation are set out in this Target's Statement.  If there is any material development in relation to the Jinshunda Share Offer, Anchor will issue a supplementary target's statement and advise you accordingly.	Section 3.2
What do I do to reject the Jinshunda Share Offer?	To <b>reject</b> the Jinshunda Share Offer, you simply <b>do nothing</b> .	Section 6.1
What choices do I have as a Shareholder?	As a Shareholder you can: (a) <b>reject</b> the Jinshunda Share Offer by doing nothing. Your Directors recommend that you <b>reject</b> the Jinshunda Share Offer; (b) sell your Anchor Shares on the market; or (c) accept the Jinshunda Share Offer for all of the Anchor Shares that you own.	Section 6
What are the consequences of accepting the Jinshunda Share Offer now?	If you accept the Jinshunda Share Offer you will not be able to accept a superior offer from any other bidder if such an offer is made, or benefit from any higher price in the market (except in the circumstances described below). Generally: (a) you relinquish control of your Anchor Shares with no guarantee of receipt of consideration under the Jinshunda Share Offer unless and until the Jinshunda Share Offer becomes, or is declared, unconditional; (b) you will not be able to sell your Anchor Shares (unless any withdrawal rights apply at the applicable time and you withdraw your acceptance of the Jinshunda Share Offer, or unless the Jinshunda Share Offer lapses); and (c) you will be unable to accept a superior offer from any other bidder if such an offer is made (unless any statutory withdrawal rights apply at the applicable time and you withdraw your acceptance of the Jinshunda Share Offer, or unless the Jinshunda Share Offer lapses).	Section 4.8

<b>Question</b>	<b>Answer</b>	<b>Further information</b>
When do I have to decide?	<p>If you want to follow the recommendation of your Directors and reject the Jinshunda Share Offer, you need not do anything.</p> <p>If you want to accept the Jinshunda Share Offer, you must do so before the end of the Offer Period and by following the instructions for acceptance in Part 8.3 of the Bidder's Statement. Jinshunda has stated that the Jinshunda Share Offer will remain open until 7.00pm on 23 March 2011, unless extended or withdrawn.</p>	Section 4.4
What are the Conditions of the Jinshunda Share Offer?	The Jinshunda Share Offer is subject to the Conditions set out in Section 4.6 of the Target's Statement. Please refer to Section 8.7 of the Bidder's Statement for full details of all Conditions.	Section 4.6
What happens if I do nothing?	You will remain a Shareholder unless Jinshunda can compulsorily acquire your Anchor Shares. If you do nothing, and Jinshunda acquires 90% or more of Anchor Shares and all the Conditions of the Jinshunda Share Offer are satisfied or waived, Jinshunda intends to compulsorily acquire your Anchor Shares.	Section 4.10
Can I be forced to sell my Anchor Shares?	You cannot be forced to sell your Anchor Shares unless Jinshunda proceeds to compulsory acquisition of your Anchor Shares. Jinshunda will need to acquire at least 90% of Anchor Shares, or hold at least 90% of Anchor Shares on a fully diluted basis in order to exercise compulsory acquisition rights.	Section 4.10
What happens if the Conditions of the Jinshunda Share Offer are not satisfied or waived?	<p>If the Conditions of the Jinshunda Share Offer are not satisfied or waived before the Jinshunda Share Offer closes, the Jinshunda Share Offer will lapse. This means that:</p> <p>(a) if you have accepted the Jinshunda Share Offer, your acceptance is void and you will continue to be a Shareholder, free to deal with your Anchor Shares; or</p> <p>(b) if you have not accepted the Jinshunda Share Offer, you will continue to be a Shareholder and will be free to deal with your Anchor Shares.</p>	Section 4.7
What are the tax implications of accepting the Jinshunda Share Offer?	You may be liable for capital gains tax, but you should consult your financial or taxation adviser for individual advice.	Section 7
When does the Jinshunda Share Offer close?	The Jinshunda Share Offer will close at 7.00pm on 23 March 2011, unless it is extended or withdrawn.	Section 4.4

## 2. Frequently asked questions about the Jinshunda Share Offer

Question	Answer	Further information
Can Jinshunda vary the Jinshunda Share Offer?	Yes. Jinshunda can vary the Jinshunda Share Offer by waiving some (but not all) of the Conditions, extending the Offer Period or increasing the consideration under the Jinshunda Share Offer.	Section 4.9
If Jinshunda acquires at least 50.1% but less than 90% of the Anchor Shares, will I still be able to sell my Anchor Shares?	<p>If you retain your Anchor Shares, you will still be able to sell them at some time in the future and you will be free to deal with them as you wish.</p> <p>According to Jinshunda's latest substantial shareholder notice issued before this Target's Statement, Jinshunda and its associates have a relevant interest in 1,749,365 Anchor Shares that now represents a voting interest of approximately 3.45% in Anchor.</p>	Section 4.11
What is a bidder's statement?	The documents sent to you by Jinshunda include a document called a bidder's statement. It contains information about the Jinshunda Share Offer.	
What is a target's statement?	This document is a target's statement. It contains information prepared by your Directors to help you determine whether to accept or reject the Jinshunda Share Offer.	
What if I have other questions in relation to the Jinshunda Share Offer?	<p>If you have any questions about the Jinshunda Share Offer, please call the Shareholder information line on 1300 373 847 between 8.30am and 5.30pm (Sydney time) Monday to Friday. Alternatively, please email <a href="mailto:admin@anchorresources.com.au">admin@anchorresources.com.au</a> or visit our website at <a href="http://www.anchorresources.com.au">www.anchorresources.com.au</a></p> <p>Announcements made by Anchor and other information relating to the Jinshunda Share Offer can be obtained from Anchor's website at <a href="http://www.anchorresources.com.au">www.anchorresources.com.au</a></p>	

### 3. Directors' recommendation

#### 3.1 Directors

The Directors as at the date of this Target's Statement are:

- (a) John Anderson;
- (b) Trevor Woolfe;
- (c) Grant Craighead; and
- (d) Gary Fallon.

#### 3.2 Directors' recommendation

After taking into account the terms of the Jinshunda Share Offer (set out in the Bidder's Statement) and the matters in this Target's Statement, each Director recommends that you **reject** the Jinshunda Share Offer.

A summary of the reasons for the recommendation of the Directors is set out in Section 1 entitled 'Why you should reject the Jinshunda Share Offer'.

Your choices as a Shareholder in relation to the Jinshunda Share Offer are set out in Section 6 of this Target's Statement. It is not possible for the Directors to take into account the personal circumstances of each Shareholder. Accordingly, before you make your decision whether or not to reject the Jinshunda Share Offer, each of the Directors encourages you to:

- (a) read this Target's Statement and the Bidder's Statement in full;
- (b) consider your personal circumstances such as individual risk profile, investment strategy, tax position and financial circumstances;
- (c) ensure you understand the consequences of rejecting the Jinshunda Share Offer; and
- (d) obtain financial advice from your broker or other advisers in relation to the Jinshunda Share Offer and your particular circumstances.

#### 3.3 Directors' rejection of the Jinshunda Share Offer

Each Director intends to reject the Jinshunda Share Offer in respect of the Anchor Shares held by them or on their behalf.

Details of the relevant interests of each Director in Anchor Shares are set out in Section 8.

#### 3.4 Risks

Shareholders should carefully read and consider these risks, together with other information contained in the Bidder's Statement and this Target's Statement, prior to accepting or rejecting the Jinshunda Share Offer. You may also wish to discuss these risks with your investment or professional adviser.

##### *(a) Minority ownership consequences and risks*

In Section 5 of the Bidder's Statement, Jinshunda sets out its intentions in the event Anchor becomes a Controlled entity of Jinshunda, meaning Jinshunda acquires an interest of greater than 50% but less than 90% in Anchor.

If this were to occur (such that Anchor would not be a wholly owned subsidiary of Jinshunda), those Anchor Shareholders who do not accept the Jinshunda Share Offer and retain their Anchor Shares, will become minority Shareholders in Anchor. This has a number of possible implications including:

- (i) Jinshunda would be in a position to control the majority of votes at a general meeting of Anchor, to control the composition of Anchor's Board and senior management, control the strategic direction of Anchor and control Anchor's financial and operating policies.

### 3. Directors' recommendation

- (ii) Jinshunda has stated that while it has no current intentions to substantially change the executive team of Anchor, it intends to review the positions of all Directors and appoint some nominee directors of its own. Jinshunda has not identified who these nominee directors will be.
- (iii) If Jinshunda acquires at least 75% of Anchor Shares it will be able to pass a special resolution of Anchor. This will enable Jinshunda to, among other things, change Anchor's constitution.
- (iv) Whilst the Directors cannot predict the actual effect it will have on Anchor's Share price, becoming a controlled entity of Jinshunda may result in a decrease in Anchor's Share price as Anchor's Share price may not sustain any Control premium.
- (v) If the number of Anchor Shareholders is less than that required by the ASX Listing Rules to maintain an ASX listing, Jinshunda may apply for Anchor's removal from the official list of the ASX. Jinshunda has stated that if there is inadequate spread of Shareholders and liquidity in Anchor Shares, it would consider taking further actions to delist Anchor from the ASX following the Jinshunda Share Offer as may be permitted by law and the ASX Listing Rules. If the ASX agrees to the removal of Anchor from the official list of the ASX, Anchor Shares will not be able to be bought or sold on the ASX. Your Board is of the view that the ASX would give careful consideration to the position of minority Shareholders of Anchor before delisting Anchor in the event that Jinshunda's stake in Anchor was below 90% and Jinshunda sought to delist Anchor.
- (vi) Jinshunda may decide not to retain existing Anchor senior management or it is possible that one or more may resign.

#### ***(b) Compulsory acquisition***

In its Bidder's Statement, Jinshunda states that if it becomes entitled to compulsorily acquire Anchor Shares at any time during or at the end of the Offer Period, it intends to do so. Jinshunda may compulsorily acquire all remaining Anchor Shares under the Corporations Act (at the Offer Price, or, if applicable, any higher price under a revised offer) if, at any time during or at the end of the Offer Period, Jinshunda and its associates:

- (i) have a relevant interest in at least 90% (by number) of Anchor Shares; and
- (ii) have acquired at least 75% (by number) of the Anchor Shares that Jinshunda offered to acquire under the Jinshunda Share Offer (whether the acquisitions happened under the Jinshunda Share Offer or otherwise).

If these thresholds are met, Jinshunda will have up to one month after the end of the Offer Period within which to lodge a compulsory acquisition notice with ASIC and to send the notice to the ASX and Anchor Shareholders who have not accepted the Jinshunda Share Offer. The consideration per Anchor Share under compulsory acquisition must be the same as the Offer Price (or, if applicable, any higher price under a revised offer). The Corporations Act provides Anchor Shareholders with rights to challenge a compulsory acquisition in Court. The Court may only prevent the compulsory acquisition from proceeding if the Court is satisfied that the consideration is not fair value for the securities. Anchor Shareholders should be aware that if they do not accept the Jinshunda Share Offer and their Anchor Shares are compulsorily acquired in this way, they are not likely to receive any consideration until at least one month after compulsory acquisition notices are sent.

***(c) Economic risks***

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Anchor's exploration activities, as well as on its ability to fund those activities.

***(d) Market conditions***

The market price of Anchor Shares can fall as well as rise and may trade below or above the Offer Price. Neither Anchor nor the Directors warrant the future performance of Anchor or any return on an investment in Anchor.

***(e) Operation and development risks***

By its nature, the business of mineral exploration and the development and operation of mining projects contains inherent risks. Mineral exploration and mining are speculative operations that may be hampered by circumstances beyond the control of Anchor, including commodity price fluctuations. Profitability also depends on successful exploration and development, competent operation and management and proficient financial management.

## 4. Key terms of the Jinshunda Share Offer

### 4.1 History

On 20 May 2010, Jinshunda and Anchor entered into a confidentiality deed pursuant to which Anchor agreed to disclose certain non-public information regarding Anchor's Projects to Jinshunda for the purpose of evaluating a potential joint venture between the parties in respect of the Projects. The companies were unable to reach agreement on the terms of a joint venture.

On 20 December 2010, Sunstar Capital Pty Ltd, a wholly owned subsidiary of Jinshunda, announced its intention to make an off-market takeover bid for all the issued capital in Anchor. On 28 January 2011, Jinshunda lodged its original bidder's statement with ASIC and ASX which contained inaccurate and insufficient information (**Original Bidder's Statement**). On 14 February 2011, Jinshunda lodged with ASIC its replacement bidder's statement (**Bidder's Statement**) correcting some of the inaccuracies contained in the Original Bidder's Statement. On 24 February 2011, Jinshunda lodged with ASIC a second supplementary bidder's statement (**Second Supplementary Bidder's Statement**) confirming that Jinshunda had received notice from FIRB that the Jinshunda Share Offer is exempt from examination under the FATA.

### 4.2 Summary of the Jinshunda Share Offer

Jinshunda has made a cash offer of \$0.28 per Anchor Share for all of the issued capital in Anchor.

The Jinshunda Share Offer is subject to a number of Conditions, summarised in Section 4.6 below. In particular, it is a condition of the Jinshunda Share Offer that Jinshunda acquires a relevant interest in at least 50% of all of the issued shares in Anchor.

### 4.3 Jinshunda Option Offer

In the Announcement relating to the Jinshunda Share Offer, Jinshunda stated that it will offer a price equal to \$0.28 less the exercise price for each of the Anchor Options.

The Bidder's Statement states that Jinshunda will make a separate offer to all holders of Anchor Options which are not exercised before the Closing Date if, at the end of the Offer Period, the Jinshunda Share Offer has been declared unconditional or if all Conditions have been fulfilled. The price at which these offers will be made will be the difference between the exercise price of the respective Anchor Options and the Offer Price. If the Jinshunda Option Offer is made, Jinshunda has stated that the offers for Anchor Options will be sent separately to the holders of Anchor Options.

### 4.4 Offer Period and extension

The Jinshunda Share Offer will remain open for acceptance from 22 February 2011 until 23 March 2011, unless extended or withdrawn in accordance with the Corporations Act. The Offer Period may be kept open for up to 12 months from the date the Jinshunda Share Offer opened.

While the Jinshunda Share Offer remains subject to the Conditions, section 650C of the Corporations Act provides that the Offer Period may be extended only before Jinshunda gives notice regarding the status of the Conditions. If the Jinshunda Share Offer becomes unconditional (i.e. if all of the Conditions are satisfied or waived), the Offer Period may be extended at any time before the expiry of the Offer Period.

In addition, there will be an automatic extension of the Offer Period, in accordance with section 624 of the Corporations Act, if, within the last seven days of the Offer Period:

- (a) Jinshunda improves the Jinshunda Share Offer Price; or
- (b) the voting power of Jinshunda in Anchor increases to more than 50%.



If either of these two events occur, the Offer Period will be automatically extended so that it ends by 14 days after the relevant event above occurs.

## 4.5 Key dates

Key dates	Key events
20 December 2010	Announcement Date of the Jinshunda Share Offer and Jinshunda Option Offer
28 January 2011	Original Bidder's Statement in respect to the Jinshunda Share Offer sent to ASIC, ASX and Anchor
14 February 2011	Bidder's Statement in respect to the Jinshunda Share Offer sent to ASIC, ASX and Anchor
22 February 2011	Offer Period in respect to the Jinshunda Share Offer commences
23 February 2011	Supplementary Bidder's Statement in respect to the Jinshunda Share Offer sent to Shareholders
24 February 2011	Second Supplementary Bidder's Statement in respect to the Jinshunda Share Offer sent to ASIC, ASX and Anchor
9 March 2011	Target's Statement in respect to the Jinshunda Share Offer sent to Shareholders
23 March 2011	End of Offer Period in respect to the Jinshunda Share Offer

You should note that the date of the end of the Offer Period is subject to change in accordance with the issues noted in Section 4.4 above.

## 4.6 Conditions of the Jinshunda Share Offer

The Jinshunda Share Offer is subject to the fulfilment or waiver of those Conditions set out in full in Section 8.7 of the Bidder's Statement, which are summarised below:

- (a) a minimum acceptance that results in Jinshunda acquiring a relevant interest in at least 50% of all of the issued shares in Anchor;
- (b) regulatory approval including those from ASIC, the FIRB and regulatory authorities in the PRC including the approval of the National Development and Reform Commission of the PRC, the Ministry of Commerce of the PRC and the State Administration of Foreign Exchange of the PRC (**Regulatory Approval Condition**). Jinshunda announced on 24 February 2011, that Jinshunda was exempt from requiring FIRB approval for the Jinshunda Share Offer.
- (c) that Anchor and its subsidiaries conduct its business in the ordinary course for the period between the Announcement Date and the end of the Offer Period;
- (d) that there is no material adverse change to Anchor between the Announcement Date and the end of the Offer Period;
- (e) that there are no material and unusual acquisitions or disposals of Anchor;
- (f) that there are no material breaches of any conditions of any tenements held by Anchor or its subsidiaries and all applicable laws and codes of conduct relating to the mining tenements are complied with;
- (g) that Anchor does not enter into any related party transactions;

## 4. Key terms of the Jinshunda Share Offer

- (h) that certain 'prescribed occurrences' do not happen. These are outlined in Section 8.7(9) of the Bidder's Statement and include such occurrences as Anchor reducing its share capital, entering into a buy-back agreement, issuing securities, disposing of property or becoming insolvent; and
- (i) that Anchor and its subsidiaries maintain cash or cash equivalents of A\$250,000.

Jinshunda may waive any of the Conditions except for the Regulatory Approval Condition. Jinshunda announced on 24 February 2011, that Jinshunda had received notice from FIRB that the Jinshunda Share Offer is exempt from examination under the FATA.

### 4.7 Consequences if Conditions not satisfied

Jinshunda may, subject to section 650F of the Corporations Act, declare the Jinshunda Share Offer to be free from the Conditions (or any one or more or any part of them) other than the Regulatory Approval Condition. Subject to section 650F of the Corporations Act, any such declaration made by Jinshunda must be made by notice in writing to Anchor not less than seven days before the end of the Offer Period.

If the Conditions are not satisfied or waived before the Jinshunda Share Offer closes, the Jinshunda Share Offer will lapse. This means that:

- (a) if you have accepted the Jinshunda Share Offer, your acceptance is void and you will continue to be a Shareholder, free to deal with your Anchor Shares; or
- (b) if you have rejected the Jinshunda Share Offer, you will continue to be a Shareholder and will be free to deal with your Anchor Shares.

### 4.8 Effect of acceptance

The effect of acceptance of the Jinshunda Share Offer is set out in Section 8.5 of the Bidder's Statement. You should read that clause in full to understand the effect that acceptance will have on your ability to exercise the rights attaching to your Anchor Shares and the representations and warranties which you give by acceptance of the Jinshunda Share Offer. In particular, if you accept the Jinshunda Share Offer, you may forfeit the opportunity to benefit from any superior offer made by another bidder for your Anchor Shares, if such an offer were to eventuate. If you accept the Jinshunda Share Offer you will not be able to sell your Anchor Shares or deal with your Anchor Shares in any other way while the Jinshunda Share Offer remains open.

Jinshunda announced on 24 February 2011, that Jinshunda had received notice from FIRB that the Jinshunda Share Offer is exempt from examination under the FATA. Accordingly, if you accept the Jinshunda Share Offer, you no longer have the opportunity to withdraw your acceptance.

### 4.9 Changes to the Jinshunda Share Offer

Jinshunda can vary the Jinshunda Share Offer by:

- (a) waiving the Conditions to the Jinshunda Share Offer (other than the Regulatory Approval Condition);
- (b) extending the Offer Period; or
- (c) increasing the Offer Price under the Jinshunda Share Offer.

## 4.10 Compulsory acquisition

Jinshunda has stated that it intends to continue and accelerate the development of Anchor's Projects irrespective of the level of ownership it holds on completion of the Jinshunda Share Offer.

Jinshunda has also stated in Section 5.3 of the Bidder's Statement that if it becomes entitled to do so under the Corporations Act, it will proceed to compulsory acquisition of any outstanding Anchor Shares in accordance with the provisions of the Corporations Act (summarised below).

### (a) Compulsory acquisition post takeover bid

Part 6A.1 of the Corporations Act provides for the compulsory acquisition of outstanding Anchor Shares following a successful off-market takeover bid.

To be entitled to compulsorily acquire all Anchor Shares, Jinshunda (together with its Associates) must, during or at the end of the Offer Period:

- (i) have a Relevant Interest in at least 90% (by number) of Anchor Shares; and
- (ii) have acquired at least 75% (by number) of Anchor Shares for which it has made an offer.

If these thresholds are met, Jinshunda will have one month from the end of the Offer Period within which to give compulsory acquisition notices to Shareholders who have not accepted the Jinshunda Share Offer. It may choose to commence compulsory acquisition as soon as the relevant thresholds are satisfied rather than wait until the Offer Period has ended.

Shareholders have statutory rights to challenge compulsory acquisition, but a successful challenge will require the relevant Shareholders to establish to the satisfaction of the court that the terms of the Jinshunda Share Offer do not represent fair value for their Anchor Shares. If compulsory acquisition occurs, Shareholders who have their Anchor Shares compulsorily acquired are not likely to be issued their consideration until at least one month after the compulsory acquisition notices are sent to them.

### (b) General compulsory acquisition

Part 6A.2 of the Corporations Act sets out another procedure for Jinshunda to compulsorily acquire Anchor Shares and Anchor Options. This procedure may be triggered as long as it acquires full beneficial interest in at least 90% by value of Anchor Shares and its voting power in Anchor is at least 90%.

Jinshunda would then have a period of six months to exercise general compulsory acquisition rights, which requires the acquisition to take place at a specified price. The price offered by Jinshunda under this procedure would need to be considered by an independent expert who would be asked to determine whether, in its opinion, the terms proposed for the compulsory acquisition give fair value for the outstanding Anchor Shares.

If Shareholders holding more than 10% of Anchor Shares object to the acquisition, Jinshunda would need to approach the court for orders to the effect that the acquisition should proceed.

According to the Bidder's Statement, Jinshunda and its associates have a relevant interest that now represents approximately 3.45% of Anchor Shares.

## 4. Key terms of the Jinshunda Share Offer

### 4.11 Jinshunda's intentions in relation to Anchor

As mentioned above, Jinshunda has stated that it intends to continue and accelerate the development of Anchor's Projects irrespective of the level of ownership it holds on completion of the Jinshunda Share Offer.

#### (a) Jinshunda's intentions if 90% threshold is met

If Jinshunda acquires a Relevant Interest in 90% or more of Anchor Shares, Jinshunda's key intentions include to:

- (i) compulsorily acquire any outstanding Anchor Shares and Anchor Options (as appropriate), as set out in Section 4.10 above;
- (ii) procure that Anchor is removed from the official list of ASX;
- (iii) procure the appointment of some nominee directors of Jinshunda to the Board. Jinshunda does not currently intend to substantially change the current executive team of Anchor, however it intends to review the positions of the current Directors; and
- (iv) review the business, assets and operations of Anchor. This review may, or may not lead to changes in the business, assets and operations of Anchor.

#### (b) Jinshunda's intentions on acquisition of less than 90% but at least 50% of Anchor Shares

If Jinshunda was to obtain effective Control of Anchor but is not entitled to compulsorily acquire the outstanding Anchor Shares, Jinshunda's key intentions include to:

- (i) retain Anchor's ASX listing, provided there is an adequate spread of Shareholders and liquidity in Anchor Shares. If that is not the case, Jinshunda would consider taking further actions following the Jinshunda Share Offer as may be permitted by law and the ASX Listing Rules;
- (ii) procure the appointment of some nominee directors of Jinshunda to the Board. Jinshunda does not currently intend to substantially change the current executive team of Anchor, however it intends to review the positions of the current Directors; and
- (iii) review the business, assets and operations of Anchor. This review may, or may not lead to changes in the business, assets and operations of Anchor.

For more information regarding Jinshunda's intentions with respect to Anchor, refer to Section 5 of the Bidder's Statement.

## 5. Profile of Anchor

This Section contains more detailed information on Anchor's operations and future work programs.

### 5.1 Introduction

Anchor is an ASX listed mineral exploration company, with a portfolio of eight prospective tenements located in New South Wales and Queensland, as shown in Figure 4. This portfolio provides exposure to a range of commodities, including antimony (Sb), gold (Au), copper (Cu), uranium (U), tin (Sn) and tungsten (W).

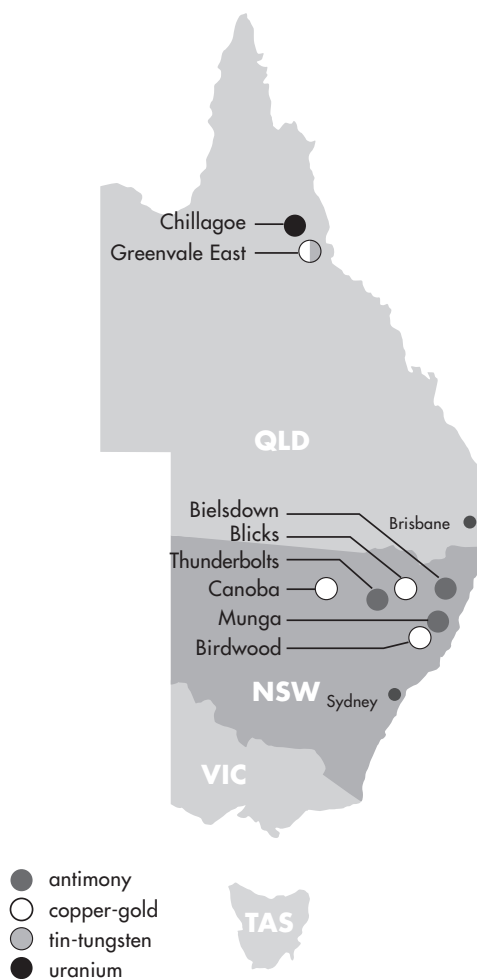


Figure 4: Location map

Anchor's flagship project is the Bielsdown antimony project, for which Anchor recently announced the completion of a scoping study, confirming the potential of the project. Anchor is also evaluating potential opportunities, both within Australia and offshore, with a view to moving the company closer to production via the acquisition of advanced "near production" projects.

Progressing the development of Bielsdown is timely, coinciding with record antimony pricing and an increase in market awareness of the value of antimony as a strategic commodity.

As a company with shares listed on the ASX, Anchor is subject to regular reporting and disclosure obligations. Further information on Anchor and its projects can be found on the Anchor website ([www.anchorresources.com.au](http://www.anchorresources.com.au)) or in the announcements and reports released by Anchor to the ASX, which can be found on the ASX website.

### 5.2 Bielsdown Project

#### (a) Overview

Anchor's most advanced project is the wholly owned Bielsdown antimony project in New South Wales, north of the town of Dorrigo, which includes the Wild Cattle Creek (WCC) deposit, discovered in the late 1880s. The Bielsdown project consists of one exploration licence covering an area of approximately 27km<sup>2</sup>.

To date, Anchor has defined a JORC (2004) compliant resource at Bielsdown of greater than one million tonnes grading 1.77% antimony, 0.23 g/t gold and 332 ppm tungsten<sup>1</sup>.

A further drilling program for the Bielsdown project is planned for 2011, in conjunction with an assessment of the regional potential of the remainder of the exploration licence area which commenced in 2010. This work is intended to validate and build on the potential upside scenarios contemplated in the scoping study.

#### (b) Mineral Resources

On 9 December 2010, Anchor announced an upgrade of the JORC compliant resource contained within the WCC deposit, 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.

<sup>1</sup> Using a cut off grade of 0.5% antimony

## 5. Profile of Anchor

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 as summarised in the table below.

### Wild Cattle Creek Mineral Resources

JORC Compliant Mineral Resources (Indicated and Inferred)					
Cut-off grade (Sb %)	Tonnage (kt)	Sb grade (%)	Au grade (g/t)	W grade (ppm)	Sb contained metal (t)
0.0	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

At cut-off grades of 0.2%, 0.5% and 1.0% Sb, the breakdown of Indicated and Inferred resources is shown in the following tables:

### Wild Cattle Creek – Indicated and Inferred resource tables

Sb % Cut-off Grade	Category	Tonnage (kt)	Sb Grade (%)	Au Grade (g/t)	W Grade (ppm)	Sb Metal (t)
0.2	Indicated	550	2.13	0.22	240	11,600
	Inferred	1,040	0.85	0.13	423	8,900

Sb % Cut-off Grade	Category	Tonnage (kt)	Sb Grade (%)	Au Grade (g/t)	W Grade (ppm)	Sb Metal (t)
0.5	Indicated	500	2.30	0.22	252	11,400
	Inferred	560	1.30	0.23	320	7,300

Sb % Cut-off Grade	Category	Tonnage (kt)	Sb Grade (%)	Au Grade (g/t)	W Grade (ppm)	Sb Metal (t)
1.0	Indicated	340	3.06	0.31	278	10,300
	Inferred	270	1.94	0.33	259	5,300

1. Reported at stated cut-off grades.
2. There may be minor discrepancies in the above tables due to rounding of tonnages, grades and metal contents.
3. Minor historical surface and underground mining tonnages have been accounted for and excluded.

### (c) Scoping Study Results

A scoping study was completed on the Bielsdown project in February 2011 and indicated that positive financial returns are achievable from the project.

Anchor engaged independent international mining industry consultant, SRK Consulting, for the resource estimation, and high level mining and financial components of the scoping study. Core Process Engineering provided independent support for the metallurgical components used in the study.

#### *Scoping Study Outcomes*

A broad range of mining and processing alternatives, and commodity price scenarios, were considered in the scoping evaluation – centred on a base case operating scale of 150,000 tonnes per annum and antimony price of US\$12,000/tonne (current spot price US\$14,600/tonne). The scoping study indicates that:

- **Mining options** - The optimal mining schedule for existing resources comprises open cut extraction of shallow mineralisation, followed by underground extraction of deeper resources.
- **Product quality** - A marketable antimony product can be produced from WCC mineralisation by conventional flotation technology, with processing recoveries of +90% and a concentrate grade of +60% Sb likely to be achievable.
- **Upside potential** - The potential financial returns from the Bielsdown project will be significantly enhanced by delineation of additional high grade mineralisation – with down plunge extensions and a parallel high grade mineralisation zone to be tested in the 2011 exploration program (refer to Section 5.2 (d)).
- **By-product credits** - Additional metallurgical evaluation is required to optimise by-product (tungsten and gold) recoveries and suppress deleterious minerals (mercury and arsenic), with treatment strategies to be refined once further exploration provides a better understanding of their geological distribution.

For the scenarios considered in the study at the 150,000 tonnes per annum rate, **gross operating margins** from A\$28/tonne to A\$112/tonne are indicated, which equates to a \$4.2m to \$16.8m range for annual operating cash flow.

Gross operating margins of up to A\$375/tonne are potentially available under the more aggressive scenarios considered (that are contingent on delineation of higher tonnages and grades in future exploration), reflecting up to \$112.5m annual operating cash flow. Gross operating margins do not include capital costs.

Project economics will also benefit from existing on-site infrastructure such as **grid power** to the old mine site and **sealed roads** to the property gate.

Further details on the scope of work undertaken by SRK Consulting and Core Process Engineering and the key parameters adopted can be found in the Company's ASX announcement dated 24 February 2011.



## 5. Profile of Anchor

### (d) Further Work Program

The work done by Anchor's technical team over the past two years has resulted in an increased 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 and remains open at depth down plunge (Figure 5).

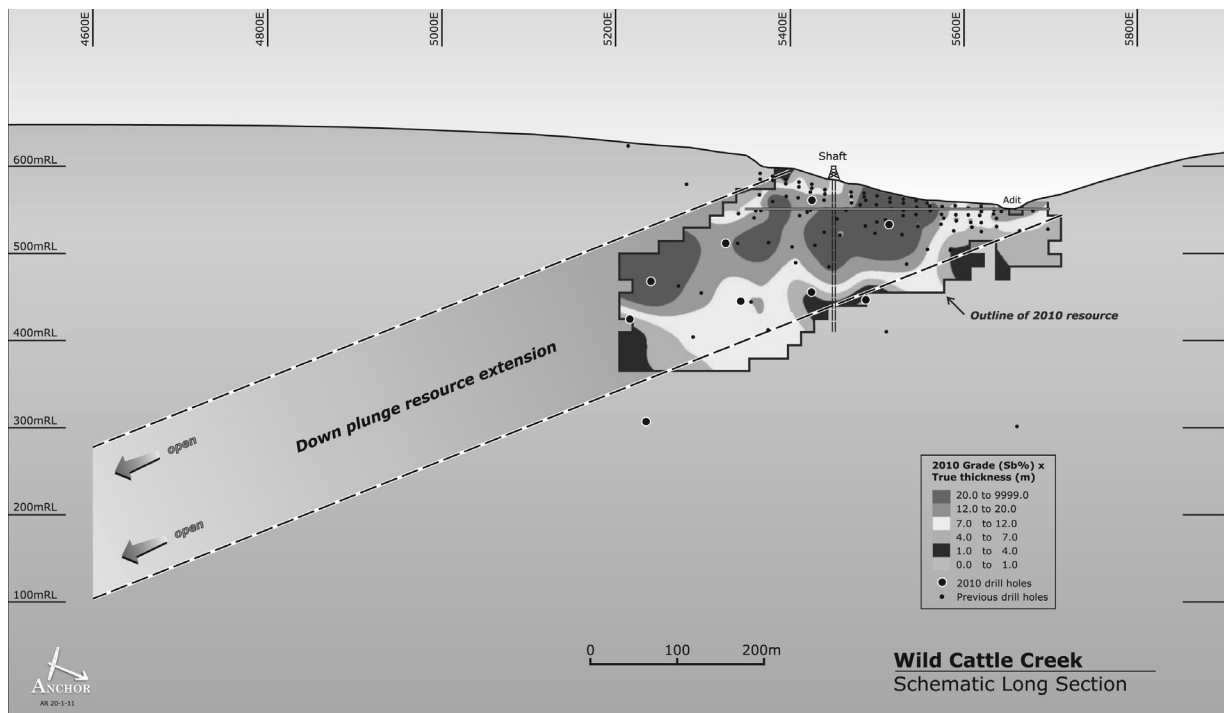


Figure 5: West Cattle Creek Long Section – Interpreted down plunge resource extension

With the objective of further increasing the resource base to over two million tonnes in order to support initiation of a prefeasibility study, Anchor is proposing a program of approximately 4,000 metres of reverse circulation (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 (Figure 5); and
- testing the continuity and orientation of the high grade Sb-W zone, discovered late in the 2010 drilling campaign. This zone has not been incorporated into the current resource estimate. Results reported previously were:
  - 10WRD16 1.4m at 17.07% Sb and 2.23% WO<sub>3</sub>
  - 10WRD16W 2.0m at 14.45% Sb and 1.06% WO<sub>3</sub>

Regional targets will also be addressed in the 2011 work program. Antimony deposits typically occur in clusters, so Anchor is confident that additional deposits will emerge in the tenement which, to date, has been significantly under-explored.

The regional testing will include a detailed evaluation of existing prospects and old workings along the length of the >6km long Bielsdown Fault. Additionally, a regional scale soil and rock chip sampling program will be conducted along, and adjacent to, the structure to identify other zones of anomalous antimony, gold, tungsten and associated minerals for further target assessment. Parallel structures requiring ground based follow-up have already been identified by Anchor from interpretation of aerial photography.

## 5.3 Other Assets

### (a) Thunderbolts and Munga Projects

The 100% owned Thunderbolts and Munga projects are attractive targets for antimony exploration, with the two licences covering two historical antimony producing areas in the highly prospective Bielsdown/Hillgrove region. Application for routine renewal of these two exploration licences is pending approval by the NSW Department of Industry and Investment, with Anchor required to provide information to support the approvals.

The Thunderbolts project is located 40km to the north-northeast of the Hillgrove mine or 95 km west of Coffs Harbour. An initial review of the exploration history indicates there has been very little exploration conducted in the area since 1972. However mining at Magword in the 1960s and early 1970s is reported to have resulted in the production of over 3,000 tonnes of antimony from a ~300m deep underground operation.

The Munga project is located 80km to the southeast of the Hillgrove mine or 75 km south-southwest of Coffs Harbour. The Munga Creek antimony district contains 23 known antimony deposits scattered along the length of the application area, most of which consist of historical workings. The Munga Creek deposit was mined in two phases between 1879-1884 and 1970-1974 and was a high producer of antimony in the New England. Over 1,100 tonnes of antimony metal in concentrates were shipped from this mine alone.

These two projects enhance the strength of Anchor's antimony portfolio which already boasts the significant antimony resource at the 100% owned Bielsdown project.

### (b) Blinks Project

The 100% owned Blinks gold and copper project is focused on two high priority prospects – the large mineralised gold system at the Tyringham prospect and the Dundurrabin copper prospect, to the west of Dorrigo in northeast New South Wales.

Initial Anchor drilling (RC) at Dundurrabin and Tyringham was completed mid 2008.

Of greatest interest is the reduced intrusion-related gold system at Tyringham discovered in 1999. Mineralisation at Tyringham is characterised by gold, bismuth and tungsten. At the time of its discovery, the style of mineralisation at Tyringham was not understood and a model for this deposit type was not developed. The widespread extent of broad zones of low grade gold mineralisation implies proximity to a large mineralised gold-bearing system. The Tyringham system is open in all directions and remains under explored. It is a high priority target.

The Tyringham gold prospect is part of a large mineralisation system extending through the centre of the licence area. This system includes copper, molybdenum, arsenic and gold at other prospects in the Dundurrabin valley.

In contrast, the copper mineralisation at the Dundurrabin copper mine, Dundurrabin North prospect and Day's gold prospect is fault-controlled. Historical drilling at Dundurrabin intersected significant copper mineralisation up to 33.9m at 1.2% copper. Little modern exploration has been completed throughout the Blinks project area despite its prospectivity to host a large mineralised system. The Tyringham gold discovery is testimony to the prospectivity of the area.

## 5. Profile of Anchor

### (c) Birdwood Project

Birdwood, a 100% Anchor owned project, boasts an extensive hydrothermal system of copper, molybdenum and minor gold mineralisation, located west of Wauchope, New South Wales.

A heli-borne geophysical survey (magnetics and radiometrics) was completed in 2007 and the Anchor reinterpretation suggests sheeted vein style mineralisation related to buried intrusions.

Work to date suggests that there are multiple intrusive and mineralisation events in the Birdwood prospect area. The copper-molybdenum mineralisation is separate from a more extensive pyrrhotite-pyrite-silicification mineralisation which is prominent in the geophysical results. A previously unnoticed zone showing elevated molybdenum geochemistry and electrical conductivity has been recognised in the centre of the Birdwood prospect area.

It is evident that the Birdwood prospect is part of a very large (more than 20 square kilometres) mineralised zone. Within this system there is the opportunity to develop large tonnages of copper-molybdenum mineralisation.

### (d) Canonba Project

The wholly owned Canonba project is a single exploration licence focussed on a corridor of copper mineralisation and is located adjacent to the operating Tritton copper mine in northwest New South Wales.

The mineralised corridor parallels the Darling River and Cobar-Inglewood Lineaments, both prominent structural features of the Cobar Belt, as well as other mineralised structures in the region.

Published data by Straits Resources Ltd indicates that much of the 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 Anchor's ground. Anchor's interpretation of aeromagnetic data for the Canonba licence has highlighted multiple anomalies with characteristics comparable to those associated with the Tritton and Girilambone mineralisation.

Anchor regards the Canonba area as highly prospective for copper and gold mineralisation and Anchor intends to use detailed geochemistry and geophysics to define drill targets.

### (e) Greenvale East Project

The 100% owned Greenvale East project is located northeast of Greenvale, Queensland. The project exhibits at least 10 areas of known mineralisation including gold, tin and tungsten.

Anchor has identified an extensive, unexplored alteration system around historical surface tin workings and also identified a magnetic anomaly coincident with previous gold workings.

First round drilling was completed in June 2008 and Anchor was successful in making a new gold-copper discovery at the Clayholes Dam prospect. Further geological mapping, soil and rockchip sampling was carried out in 2009/2010 focusing on the Wolfram Hill (tungsten), Perry Creek (tin-tungsten), Clayholes Dam (gold-copper) and Jacks Creek (gold-antimony) prospects.

Anchor's intention is to use geological mapping, geophysics and geochemistry to prioritise and drill further targets.

**(f) Chillagoe Project**

Anchor wholly owns the Aspiring licence near Chillagoe, Queensland, which is prospective for uranium mineralisation.

A high prospectivity for the discovery of economic uranium exists, based on analogies with the Maureen and Ben Lomond (both in Queensland), Spor Mountain and Marysville (USA) deposits, with several epithermal uranium showings and untested radiometric anomalies.

**5.4 Continuously disclosing entity**

Anchor is subject to regular reporting and continuous disclosure obligations. Anchor's recent announcements are available on the ASX. Anchor will provide a copy of any of the following documents free of charge, to any Shareholders who request a copy prior to the end of the Offer Period:

- (a) consolidated financial statements for the year ended 30 June 2010;
- (b) a copy of Anchor's constitution; and
- (c) any continuous disclosure notices given by Anchor after the lodgement with ASIC of the 30 June 2010 annual report and before lodgement for registration of this Target's Statement with ASIC.

These documents can also be accessed through Anchor's website at [www.anchorresources.com.au](http://www.anchorresources.com.au).

**5.5 No material litigation**

The Directors are not aware of any current material litigation involving Anchor.

**5.6 Issued capital**

As at the date of this Target's Statement, Anchor's issued capital consisted of 50,765,296 fully paid ordinary shares and the following Anchor Options:

- (a) 325,000 options exercisable at \$0.18 on or before 14 March 2013;
- (b) 125,000 options exercisable at \$0.07 on or before 13 March 2014; and
- (c) 1,400,000 options exercisable at \$0.25 on or before 27 September 2014.

**5.7 Substantial holders**

The following entities have (together with any of their associates) relevant interests in 5% or more of Anchor Shares:

Name	Anchor Shares	Relevant interest in Anchor Shares (%)
N K Watson	4,625,448	9.11%
Fallon Nominees Pty Ltd	4,506,796	8.88%
Gage Resources Pty Ltd	3,234,345	6.37%
Eastmin Pty Ltd	2,550,000	5.02%

## 6. Your choices as a Shareholder

**Your Directors recommend that you reject the Jinshunda Share Offer.**

As a Shareholder, you can respond to the Jinshunda Share Offer in three ways, as set out in Sections 6.1, 6.2 and 6.3 below.

### 6.1 Reject the Jinshunda Share Offer and do not sell your Anchor Shares

If you wish to reject the Jinshunda Share Offer and do not wish to sell your Anchor Shares, you should do nothing.

You should note that:

- (a) if Jinshunda acquires a relevant interest in 90% of the Anchor Shares it may be entitled to compulsorily acquire your Anchor Shares (notwithstanding that you did not accept the Jinshunda Share Offer (see Section 4.10 for further details)); and
- (b) if Jinshunda acquires more than 50% but less than 90% of the Anchor Shares and all other Conditions are satisfied or waived, you will be a minority Shareholder.

The Directors unanimously recommend that you reject the Jinshunda Share Offer.

### 6.2 Accept the Jinshunda Share Offer

If you choose to accept the Jinshunda Share Offer, you should follow the instructions in Section 8.3 of the Bidder's Statement and on the acceptance form accompanying the Bidder's Statement.

The Bidder's Statement advises you to read the Bidder's Statement carefully in full and consider the information provided on Jinshunda and Anchor. You should consult your broker, financial or other professional adviser if you are in any doubt about what action to take or how to accept the Jinshunda Share Offer. If you have any queries about the Jinshunda Share Offer you may also call the Shareholder information line set up by Anchor on 1 300 373 847.

The Jinshunda Share Offer may only be accepted for all of your Anchor Shares.

You will need to complete, sign and return the acceptance form accompanying the Bidder's Statement in accordance with the instructions on that form and deliver it or send it by post together with all other documents required by those instructions to the address indicated on the form so that they are received by Jinshunda's share registry, Link Market Services Limited, before the end of the Offer Period.

Jinshunda has stated that the Jinshunda Share Offer will remain open until 7.00pm on 23 March 2011. Jinshunda may choose to extend the Offer Period. See Section 4.4 of this Target's Statement for more information regarding the way in which Jinshunda can extend the Offer Period.

Your Directors recommend that you reject the Jinshunda Share Offer.

### 6.3 Sell your Anchor Shares

During the Offer Period, you can still sell your Anchor Shares for cash, provided you have not already accepted the Jinshunda Share Offer for those Anchor Shares.

If you choose to sell your Anchor Shares, you should be aware that you:

- (a) will lose the ability to accept the Jinshunda Share Offer and any higher offer for your Anchor Shares (which may or may not eventuate);
- (b) will lose the opportunity to receive future returns from Anchor; and
- (c) may be liable for capital gains tax on the sale (refer to Section 7 for further details).

## 7. Taxation consequences

### 7.1 Introduction

The following is a general summary of the potential Australian income tax consequences generally applicable to a Shareholder who disposes of Anchor Shares under the Jinshunda Share Offer. This summary is based on the law and practice in effect on the date this Target's Statement was lodged with ASIC.

The following summary is not intended to be an authoritative or complete statement of the tax law applicable to the specific circumstances of every Shareholder.

In particular the summary is only applicable to Shareholders that are Australian residents for income tax purposes and hold their Anchor Shares on capital account for income tax purposes. This summary does not apply to Shareholders that hold their Anchor Shares in the course of a business of trading or dealing in such securities.

All Shareholders are advised to seek independent professional advice regarding their particular circumstances and non-resident Shareholders should seek their own advice on the Australian and foreign taxation consequences associated with any sale of Anchor Shares.

### 7.2 CGT consequences on the disposal of Anchor Shares

If you accept the Jinshunda Share Offer you will be treated as having disposed of your Anchor Shares for tax purposes and the following consequences may apply to you.

You will make a capital gain on your Anchor Shares equal to the amount by which the Jinshunda Share Offer consideration exceeds the cost base for your Anchor Shares. Subject to the availability of the CGT discount (see below) and any losses available to be offset against the capital gain, this amount will be included in your assessable income.

Alternatively, you will make a capital loss on your Anchor Shares to the extent that the Jinshunda Share Offer consideration is less than your reduced cost base for your Anchor Shares. A capital loss may be used to offset a capital gain made in the same income year or be carried forward to offset a capital gain made in a future income year, subject to the satisfaction of certain loss recoupment tests applicable to companies and trusts.

The cost base of your Anchor Shares would generally be equal to the amount the relevant Shareholder paid to acquire the Anchor Shares which includes certain incidental costs (such as brokerage) associated with your acquisition and disposal of those shares. The reduced cost base of your Anchor Shares is typically determined in a similar, but not identical, manner.

However, there are special rules that may affect the way your cost base or reduced cost base is determined and we recommend that you obtain independent tax advice regarding the cost base or reduced costs base for your Anchor Shares.

### 7.3 CGT Discount

A Shareholder who is an individual, the trustee of a trust or a complying superannuation fund may be entitled to claim a discount (**CGT Discount**) in calculating any capital gain if they have held their Anchor Shares for at least 12 months (excluding the date of acquisition and the day of disposal). Where the CGT Discount is available, the capital gain may be reduced by 50% for a Shareholder who is an individual or the trustee of a trust or by 33⅓% for a Shareholder that is a complying superannuation fund. The CGT Discount is not available to a Shareholder that is a company and holds Anchor Shares legally and beneficially.

## 7. Taxation consequences

There are special rules that limit the availability of the CGT Discount and rules that may affect the time when you are taken to have acquired your Anchor Shares. You should seek your own advice as to whether you are entitled to the CGT Discount.

The above comments do not apply to you if you buy and sell shares in the ordinary course of business, or if you acquired your Anchor Shares for resale at a profit. In those cases, any gain you make may be taxed as ordinary income and you should obtain your own advice as to the tax consequences of accepting the Jinshunda Share Offer.

### 7.4 Non-resident Shareholder

If you are not a resident of Australia for tax purposes, you may not have to pay tax in Australia on any capital gain when you dispose of your Anchor Shares. However, the position may be different if you hold, or have held, your Anchor Shares as assets of a permanent establishment of yours in Australia. You should obtain independent tax advice if that is the case. The following comments are only applicable if you have never held your Anchor Shares as assets of a permanent establishment in Australia.

Generally, if you are a non-resident Shareholder you should not be taxed in Australia on any capital gain when you dispose of your Anchor Shares under the Jinshunda Share Offer, unless:

- (a) you hold a 'non-portfolio interest' in Anchor; and
- (b) your Anchor Shares pass the 'principal asset test'.

Broadly, you will hold a 'non-portfolio interest' in Anchor if you (together with your associates) own, or owned, throughout a 12 month period during the two years preceding the disposal of your Anchor Shares, at least 10% of Anchor's share capital.

Your Anchor Shares will pass the 'principal asset test' if, at the time you accept the Jinshunda Share Offer, the market value of Anchor's direct and indirect interests in Australian land (including leases and mining rights) is more than the market value of its other assets. This may require detailed calculations. If you hold a 'non-portfolio interest', you should contact Anchor to determine whether its interests in land exceed that threshold.

If you buy and sell shares in the ordinary courses of business, or you acquired your Anchor Shares for resale at a profit, any gain could be taxed in Australia as ordinary income and not as a capital gain (subject to any relief under a double tax treaty in force between Australia and your country of residence). You should seek your own advice in this regard.

We recommend that you obtain independent professional advice regarding the tax implications of accepting the Jinshunda Share Offer in your country of residence.

### 7.5 Obtain your own taxation advice

You should not rely on the comments or the statements contained in this Target's Statement or the Bidder's Statement as advice in relation to your own affairs. The taxation laws are complex and there could be implications in addition to those generally described in this Target's Statement and the Bidder's Statement.

Accordingly you should consult your own tax advisers for advice applicable to your individual needs and circumstances. To the extent permitted by law, Anchor does not accept any responsibility for tax implications for individual Shareholders.



## 8. Directors' interests

### 8.1 Directors' interests in Anchor Shares

At the date of this Target's Statement, the Directors or entities associated with them had relevant interests in the following Anchor Shares:

Director	Anchor Shares	% of Issued Capital
John Anderson	656,250	1.29%
Trevor Woolfe	1,140,500	2.25%
Grant Craighead	3,234,345	6.37%
Gary Fallon	4,506,796	8.88%

Each Director intends to reject the Jinshunda Share Offer in respect of the Anchor Shares held or Controlled by them in the absence of a superior offer.

### 8.2 Directors' recent dealings in Anchor Securities

In the four month period immediately preceding the date of this Target's Statement, the Directors have acquired the following Anchor Shares:

Director	Anchor Shares	Consideration Paid	Reason
John Anderson	656,250	\$144,250	50,000 options exercised at \$0.18 each 75,000 options exercised at \$0.07 each 500,000 options exercised at \$0.25 each 31,250 rights converted at \$0.16 each
Trevor Woolfe	547,500	\$84,000	200,000 options exercised at \$0.07 each 160,000 options exercised at \$0.25 each 187,500 rights converted at \$0.16 each
Grant Craighead	473,869	\$62,319	150,000 options exercised at \$0.07 each 323,869 rights converted at \$0.16 each
Gary Fallon	750,000	\$108,500	100,000 options exercised at \$0.18 each 150,000 options exercised at \$0.07 each 500,000 rights converted at \$0.16 each

### 8.3 Benefits and agreements

As a result of the Jinshunda Share Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from the Board of Anchor or related body corporate of Anchor.

## 9. Additional information

### 9.1 Consents

Each of the parties referred to below:

- (a) has not authorised or caused the issue of this Target's Statement;
- (b) does not make, or purport to make, any statement in this Target's Statement, nor is any statement in this Target's Statement based on any statement by any of those parties, other than as specified in this Section; and
- (c) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than a reference to its name and a statement included in this Target's Statement with the consent of that party as specified in this Section.

Gadens Lawyers has given and has not before the date of this Target's Statement withdrawn its consent to be named in this Target's Statement as legal advisor to Anchor in the form and context in which it is named.

Gryphon Partners has given and has not before the date of this Target's Statement withdrawn its consent to be named in this Target's Statement as financial advisor to Anchor in the form and context in which it is named.

Registries Limited has given and has not before the date of this Target's Statement withdrawn its consent to be named in this Target's Statement as the share registry to Anchor in the form and context in which it is named.

SRK Consulting has given and has not before the date of this Target's Statement withdrawn its consent to be named in this Target's Statement as an independent mining industry consultant to Anchor in the form and context in which it is named.

Core Process Engineering has given and has not before the date of this Target's Statement withdrawn its consent to be named in this Target's Statement as an independent mining industry consultant to Anchor in the form and context in which it is named.

### 9.2 Publicly available information

This Target's Statement contains statements which are made in, or based on statements made in, documents lodged with ASIC by Jinshunda.

As permitted by ASIC class order 01/1543, the consent of Jinshunda is not required for the inclusion of such statements in this Target's Statement. Any Shareholder who would like to receive a copy of those documents may obtain a copy free of charge during the Offer Period by contacting Anchor's Company Secretary on (02) 9279 1231.

As permitted by ASIC class order 03/635, this Target's Statement may include or be accompanied by certain statements:

- (a) fairly representing a statement by an official person; or
  - (b) from a public official document or published book, journal or comparable publication,
- and the consent of the persons to whom such statements are attributed is not required to be included in this Target's Statement.

### 9.3 Competent Person Statement

The information in this Target's Statement relating to Exploration Results is based on information compiled by Trevor Woolfe BSc(Hons), MAusIMM. Mr Woolfe is Managing Director and a 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 Target's Statement in the form and context in which it appears.

The information in this Target's Statement that relates to the Mineral Resources estimation approach at Wild Cattle Creek is based on information compiled by Mr Danny Kentwell, MSc, MAusIMM. Mr Kentwell is a Principal Consultant and full time employee of SRK Consulting (Australasia) Pty Ltd. 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 Target's Statement of the matters based on his information in the form and context in which it appears.

### 9.4 No other material information

This Target's Statement is required to include all of the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept or reject the Jinshunda Share Offer, but:

- (a) only to the extent to which it is reasonable for Shareholders and their professional advisers to expect to find this information in this Target's Statement; and
- (b) only if the information is known to any Director.

The Directors are of the opinion that the information that Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept or reject the Jinshunda Share Offer is:

- (a) the Bidder's Statement (to the extent that the information is not inconsistent with or superseded by information in this Target's Statement);
- (b) Anchor's annual reports and documents lodged by Anchor with ASIC prior to the date of this Target's Statement; and
- (c) this Target's Statement.

The Directors have assumed, for the purpose of preparing this Target's Statement, that the information contained in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, the Directors have had regard to:

- (a) the nature of Anchor Shares;
- (b) the matters Shareholders may reasonably be expected to know;
- (c) the fact that certain matters may be expected to be known to the professional advisers of Shareholders; and
- (d) the time available to Anchor to prepare this Target's Statement.

### 9.5 Directors' intentions

Each of the Directors who has an interest in Anchor Shares (as set out in Section 8.1) intends to reject the Jinshunda Share Offer in relation to their Anchor Shares in the absence of a superior proposal.

### 9.6 Approval of Target's Statement

This Target's Statement has been unanimously approved by a resolution passed by the Directors on 4 March 2011. No Director voted against the resolution authorising this Target's Statement.

Dated: 9 March 2011

A handwritten signature in black ink, appearing to read 'John Anderson', with a stylized flourish at the end.

John Anderson  
Chairman

# 10. Definitions and interpretation

## 10.1 Definitions

**Anchor Option** means an option to acquire an Anchor Share.

**Anchor** means Anchor Resources Limited ACN 122 751 419.

**Anchor Securities** means the Anchor Shares and Anchor Options.

**Anchor Share** means a fully paid ordinary share in Anchor.

**Announcement** means the announcement by Jinshunda on the Announcement Date regarding its intention to make the Jinshunda Share Offer and the Jinshunda Option Offer.

**Announcement Date** means the date Jinshunda made the Announcement, being 20 December 2010.

**ASIC** means Australian Securities & Investments Commission.

**ASX** means the Australia Securities Exchange Limited (ACN 008 624 691).

**Board** means the Anchor board of Directors.

**Bidder's Statement** means the replacement bidder's statement dated 14 February 2011 (replacing the bidder's statement dated 28 January 2011) which has been served on Anchor in relation to the off-market offer pursuant to section 633 of the Corporations Act and which contains the Jinshunda Share Offer.

**Closing Date** means 7.00pm (Sydney time) on 23 March 2011 (subject to the Jinshunda Share Offer being extended).

**Conditions** means the conditions precedent to the Jinshunda Share Offer set out in Section 8.7 of the Bidder's Statement.

**Control** has the meaning given to that term in section 50AA of the Corporations Act.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means all of the directors of Anchor.

**FATA** means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

**Jinshunda** means China Shandong Jinshunda Group Co Ltd or Sunstar Capital Pty Ltd (ACN 147 934 852) a wholly owned subsidiary of China Shandong Jinshunda Group Co Ltd as the context requires.

**Jinshunda Option Offer** means the offer by Jinshunda to acquire Anchor Options.

**Jinshunda Share Offer** means the offer by Jinshunda to acquire Anchor Shares, set out in Section 8 of the Bidder's Statement.

**Offer Period** means the period during which the Jinshunda Share Offer will remain open for acceptance in accordance with Section 8.2 of the Bidder's Statement.

**Offer Price** means the consideration payable by Jinshunda under the Jinshunda Share Offer.

**Optionholder** means a holder of an Anchor Option.

**Projects** means the projects of Anchor including, without limitation, the Blinks, Bielsdown, Birdwood, Canonba, Thunderbolts, Munga, Chillagoe and Greenvale East projects.

**Relevant Interest** has the meaning given in sections 608 and 609 of the Corporations Act.

**Section** means a section of the Target's Statement or Bidder's Statement, as the context requires.

**Shareholder** means a holder of one or more Anchor Shares.

**Target's Statement** means this document, being Anchor's target's statement.

## 10.2 Interpretation

In this Target's Statement, unless the context otherwise requires:

- (a) headings are for convenience and do not affect the interpretation;
- (b) words or phrases defined in the Corporations Act have the same meaning in this Target's Statement;
- (c) words importing the singular include the plural and vice versa;
- (d) a reference to a Section is a reference to a section of this Target's Statement or the Bidder's Statement, as the context requires;
- (e) where a term is defined, its other grammatical forms have a corresponding meaning;
- (f) a reference to a person includes an individual, a firm, a body corporate, a partnership, a joint venture, an unincorporated association and a government or statutory body or authority;
- (g) a reference to a statute, ordinance, code or other law includes regulations and other statutory instruments under it and consolidations, amendments, re-enactments or replacements of any of them; and
- (h) '\$' or 'dollars' is a reference to the lawful currency of Australia.

# Corporate Directory

## Anchor Resources Limited

ACN 122 751 419

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Fax: (02) 9279 2727

Email: [admin@anchorresources.com.au](mailto:admin@anchorresources.com.au)

## Directors

John Anderson - Chairman

Trevor Woolfe

Grant Craighead

Gary Fallon

## Executive management

Managing Director: Trevor Woolfe

Executive Director: Grant Craighead

Company Secretary: Ross Moller

## Lawyers

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**Gryphon Partners**

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Sydney NSW 2000

Tel: (02) 9252 3242

Fax: (02) 9252 3562

## Auditors/tax adviser

**Barnes Dowell James**

Level 13

122 Arthur Street

North Sydney NSW 2059

Tel: (02) 9956 8500

Fax: (02) 9929 7428

## Share registry

**Registries Limited**

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Royal Exchange NSW 1223

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