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ASX/MEDIA RELEASE

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Anchor Upgrades Antimony Resource

Anchor Resources Ltd (ASX code: AHR) is pleased to announce the results of its 2010 JORC compliant resource upgrade at the Wild Cattle Creek antimony (Sb) deposit in northeastern New South Wales.

Highlights are:

- ✓ **Increase in antimony metal inventory**
- ✓ **Upgrade of ~60% of the JORC resource to "Indicated" status**
- ✓ **Incorporation of peripheral stringer mineralisation**
- ✓ **Quantification of initial tungsten and gold resources**
- ✓ **Latest high grade antimony-tungsten zone not included in this estimate**
- ✓ **Antimony price hits another record above US$12,000/tonne**

Managing Director, Trevor Woolfe, commented *"Anchor's 2010 drilling campaign increased the confidence and size of the JORC compliant resource at the Wild Cattle Creek antimony deposit at a time of surging antimony prices. Importantly, Anchor has also defined the initial tungsten (W) and gold (Au) resources associated with the deposit."*

2010 Wild Cattle Creek resource upgrade

SRK Consulting (Australasia) Pty Ltd ("SRK") has completed a three dimensional model and resource estimate for the Wild Cattle Creek antimony deposit, located in northeastern New South Wales. The deposit is located within Anchor's 100% owned Bielsdown Project (EL 6388).

The resource incorporates historical drilling from the 1960s and 1990s, as well as two 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 according to the following table:

Sb % Cut-off Grade	Tonnage (kt)*	Sb Grade (%)	Au Grade (g/t)	W Grade (g/t)	Sb Metal (t)
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

**Indicated and Inferred*

Table 1 Wild Cattle Creek antimony deposit – mineral resource estimate (SRK, 2010)

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During 2010 Anchor geologists further enhanced their understanding of the geology of the Wild Cattle Creek antimony deposit. The deposit is hosted by a sub-vertical fault breccia within a sequence of meta-sediments. The high grade antimony-rich core of the structure is contained within a cemented (silicified) stibnite-arsenopyrite breccia (see Figure 1), and is surrounded by a lower grade incohesive breccia. In Anchor's 2009 resource estimate, these zones were modeled together as a single mineralised zone, but in the current estimate they have been modeled separately. On both sides of the fault structure, lower grade antimony can be found in stockwork (or stringer) style vein mineralisation along with tungsten, primarily in the form of wolframite.

In addition to extending the resource down plunge, during 2010, a number of holes were targeted in areas of historical drilling to confirm the grade and thickness represented by historical assay results. The success of these confirmatory holes, combined with the incorporation of historical sampling results from an underground adit and improved confidence in the geological model, has allowed approximately 60% of the estimated resource (based on contained Sb metal) to be upgraded to the Indicated category (Table 2).

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:

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.*

Table 2 Wild Cattle Creek – Indicated and Inferred resource tables

Another of Anchor's 2010 objectives was to increase the data covering W and Au in the mineralised breccias and the peripheral stringer mineralisation. Historical assays focused almost exclusively on antimony and were restricted in general to the main fault breccia. Consequently, Anchor now provides a resource estimate that (1) incorporates the peripheral stringer mineralisation, and (2) also provides the first gold and tungsten resource estimates for the Wild Cattle Creek deposit (see resource tables above).

Peripheral stringer mineralisation

As discussed previously, the peripheral stringer mineralisation consists of a stibnite-wolframite stockwork style vein system (Figure 1) and is found on both the north and south sides of the high grade stibnite fault breccia. While the antimony grades in this zone are on average lower than in the fault breccia, and the stockwork style distribution is less consistent, the individual grades are significant and have the added potential from visible accessory wolframite.

For the first time, Anchor has modeled the peripheral stringer mineralisation. Due to a lower geological predictability and smaller data population than the fault breccia, this mineralisation is predominantly classified as Inferred. Its contribution to the metal inventory is best seen at cut-off grades of 0% and 0.2% Sb where resource tonnage increases appreciably, but average Sb grade decreases.

Tungsten and gold

The data for gold supports the Anchor geologists' theory that better gold grades are associated with the high grade antimony breccia. As the Sb cut off grade is lowered the average Au grade also decreases from a high of 0.32g/t at a 1.0% Sb cut-off grade (Table 1).

Conversely, the data for tungsten supports Anchor's observations that tungsten is generally less abundant in the high grade antimony breccia, but is elevated in the lower grade antimony peripheral stringer zone (see above). Where the Sb cut-off grade is highest (1.0% Sb), the average tungsten grade is lowest (at 269ppm W), whereas at lower Sb cut-off grades the average tungsten grade is consistently above 310ppm W (Table 1).

As described in the section above, the contribution of the wolframite rich peripheral stringer veins to the metal inventory is best demonstrated at lower Sb cut-off grades in the Inferred category. Not surprisingly, the highest average tungsten grade in Table 2 - 423ppm W - is thus found at the 0.2% Sb cut-off grade in the Inferred category.

Upside potential

- ✓ The Wild Cattle Creek antimony deposit remains open down plunge.
- ✓ The high grade Sb-W zone discovered late in the 2010 drilling campaign has not been incorporated into the current resource estimate. Results reported previously (ASX announcement 3 June 2010) were:

  10WRD16 1.4m at 17.07% Sb and 2.23% WO_3
  10WRD16W 2.0m at 14.45% Sb and 1.06% WO_3

- ✓ The Sb potential of regional prospects within the licence area has already been demonstrated by Anchor during 2010 and merits definition of drill targets

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Scoping study
SRK is concurrently undertaking a scoping study on the Wild Cattle Creek deposit for Anchor. Many aspects of the scoping study rely directly on outputs from the resource model which, following frustrating and unplanned delays, is now complete. With handover of the 3-D resource modeling and estimation, results of the scoping study are expected pre-Christmas.

The scoping study is designed to assess the merits of, and parameters affecting, both underground and open pit mining options. The inclusion of lower cutoff grades, the tighter geological modelling criteria for the breccia and the modelling of the peripheral stringer mineralisation in this 2010 resource estimate will aid the assessment of these options.

Details of the 2011 program will be finalised after specific outcomes and recommendations from the current scoping study are received. Anchor has previously stated its objective of targeting a JORC compliant resource of at least 2 million tonnes at Wild Cattle Creek and commencement of a prefeasibility study.

Record antimony price
The antimony sector is an extremely attractive market at this time, with antimony prices hitting a record U$12,350/t (or U$5.60/lb) in recent weeks. This reflects a rise of over 100% in the year to date. Buyers are reported to be scrambling for metal in the lead up to Christmas and for delivery prior to the Chinese New Year – a time of traditional supply shortage.

The Chinese government recently announced antimony as a "strategic" commodity and that it would impose reduced output quotas on its producers for the immediate future. Expectations of ongoing tightness in the Chinese antimony market further into 2011 should continue to support the price.

This is in addition to a statement, in June 2010, that the European Union is facing a shortage of 14 critical raw materials needed for mobile phones and emerging technologies, such as solar panels and synthetic fuels. The study indicated that a key factor behind the shortages was a concentration of production sources in China, which also has the capacity to regulate supply to the remainder of the world. In addition the supply risk is compounded by low substitutability and low recycling rates.

For further information, contact Trevor Woolfe (Managing Director) at Anchor Resources Limited in Sydney on ***02 9279 1231****.*

Yours sincerely
ANCHOR RESOURCES LIMITED

Trevor Woolfe - Managing Director

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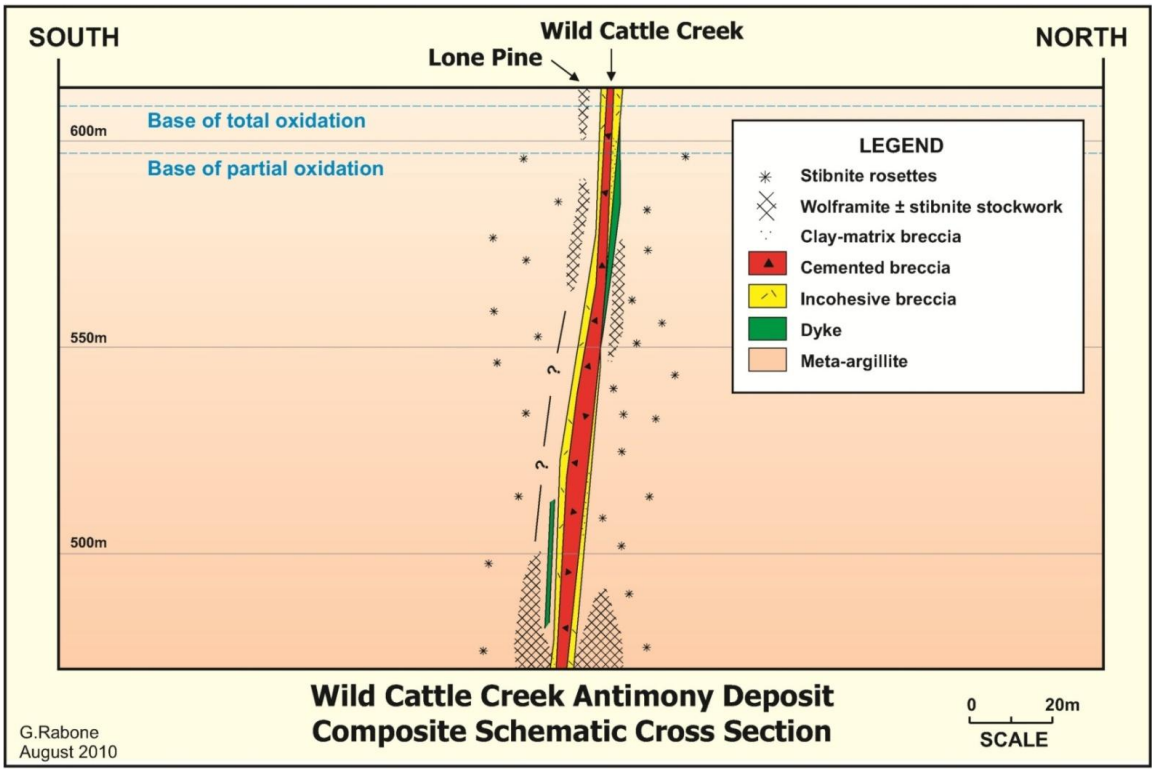

Figure 1

Declaration and JORC Compliance: *The information in this report relating to Exploration Results is based on information compiled by Trevor Woolfe BSc(Hons), MAusIMM. Mr Woolfe is Managing Director and 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 report in the form and context in which it appears.*

The information in this report that relates to the Mineral Resources estimation approach at Bielsdown is based on information compiled by Mr Paul Hunter, BSc, MSc, MAusIMM. Mr Hunter is a Senior Consultant and full-time employee of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the assessment of this style of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code". Mr Hunter consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.