



ANCHOR RESOURCES LIMITED

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ASX/MEDIA RELEASE

Tuesday, 17 May 2011

Update on Jinshunda Takeover Offer

Anchor Resources Ltd (ASX code: AHR) wishes to provide shareholders with a further update with respect to China Shandong Jinshunda Group Co Ltd's (**Jinshunda**) offer (as set out in the replacement bidder's statement dated 14 February 2011 and amended and supplemented by supplementary bidder statements dated 24 February 2011, 18 March 2011, 19 April 2011, 28 April 2011, 9 May 2011 and 13 May 2011) (**Jinshunda Offer**).

Your Board has previously advised shareholders to **ACCEPT** the Jinshunda Offer for Anchor shares, in the absence of a superior offer as soon as possible. Each of the Anchor directors has already accepted the Jinshunda Offer for all of their own shareholdings in Anchor.

On 13 May 2011, Jinshunda issued its seventh Supplementary Bidder's Statement which detailed a number of actions Jinshunda intends to undertake "with the objective of assisting anchor shareholders who retain their Anchor shares to enhance and realise the value of their investment in Anchor".

Whilst the Anchor Board believes that the actions outlined by Jinshunda are valid courses of action once Jinshunda has taken control of Anchor, they do not provide any new information relevant to Anchor shareholders' decision as to whether or not to accept the Jinshunda Offer. Furthermore, your Board wishes to respond to certain of these actions as they are subject to considerable risks and uncertainties. These particular Jinshunda actions and your Board's responses are summarised below.

<i>Jinshunda Action</i>	<i>"Increasing Anchor's antimony reserves and accelerating progress towards commercial production..."</i>
Response	Anchor currently has no reserves. Defining further resources and, potentially, reserves in the future will be subject to further exploration success. Jinshunda has not provided any new information with respect to the timeframe and capital cost for bringing these assets into production.
<i>Jinshunda Action</i>	<i>"...Sunstar Capital has recently entered into a Memorandum of Understanding with the owners of 3 separate antimony projects in Queensland... Sunstar Capital plans to add these projects to Anchor's existing portfolio."</i>
Response	Jinshunda has provided no details on the cost, size, prospectivity and history of development with respect to these assets. There is no guarantee that Jinshunda will be successful in

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	acquiring these assets on terms that will generate additional value for any remaining Anchor shareholders.
<i>Jinshunda Action</i>	<i>"...Anchor should prioritize the project containing the mining lease and expects to bring this advanced project into commercial production within approximately 2 years."</i>
Response	<p>Jinshunda has advised that it intends to bring an asset which it does not yet own into production "within approximately 2 years" but has not provided any information with respect to:</p> <ul style="list-style-type: none"> - The cost of acquiring the asset; - The anticipated capital cost of achieving commercial production; - The method or scale of mining to be employed; and - The returns shareholders can expect from bringing the asset into production. <p>In considering this Jinshunda action, shareholders should have regard to the significant risks and uncertainties outlined above.</p>
<i>Jinshunda Action</i>	<i>"Diversifying Anchor's capital structure by introducing local and international investors and expanding Anchor's retail and institutional shareholder base."</i>
Response	<p>Jinshunda has outlined their intention to dilute any remaining Anchor shareholders by introducing new shareholders to the Anchor register.</p> <p>Jinshunda has not, however, provided any information as to the timing, size or pricing of the dilution event referred to in this action.</p>

Your Board believes that the actions outlined in Jinshunda's seventh Supplementary Bidder's Statement are subject to considerable uncertainty and does not contain any new information that would require the Anchor Board to reevaluate its recommendation. Your Board reiterates its view that shareholders **ACCEPT** the Jinshunda Offer for the reasons previously communicated to shareholders, notwithstanding the uncertainty outlined above.

The Jinshunda Offer closes on 19 May 2011. In order to accept the Jinshunda Offer, shareholders must lodge their acceptance form before the close of the Jinshunda Offer.

Should you require a replacement acceptance form, these can be obtained through Link Market Services Limited, who can be contacted on **1300 794 682 (toll free within Australia)** or **+61 2 8280 7751 (outside Australia)**. Alternatively, you can email Link Market Services at gerald.deleon@linkmarketservices.com.au.

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If you have any questions about the Jinshunda offer, please call the Anchor Shareholder information line number **1300 373 874** between 8.30am and 5.30pm (Sydney time) Monday to Friday.

Further Information

For more information, please contact:

Grant Craighead – Chief Executive Officer
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Email: admin@anchorresources.com.au

Detailed information on the Company can be found at www.anchorresources.com.au

Declaration: *The information in this report relating to exploration results is based on information compiled by Grant Craighead BSc), MAusIMM. Mr Craighead is the Chief Executive Officer of Anchor Resources Limited. Mr Craighead 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 Craighead consents to the inclusion of the information in the report in the form and context in which it appears.*

Any forward looking statements included in this document involve subjective judgement and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and maybe unknown to, Anchor. In particular, they speak only as of the date of this document, they assume the success of Anchor's strategies, and they are subject to significant regulatory, business, competitive and economic uncertainties and risks. Actual future events may vary materially from the forward looking statements and the assumptions on which the forward looking statements are based.

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