

26th October 2015

QUARTERLY ACTIVITY REPORT – SEPTEMBER 2015

Anchor focused on its Blinks project in the New England Fold Belt of north eastern New South Wales. The project is considered prospective for large multi-metal porphyry molybdenum-tungsten, porphyry copper-molybdenum and intrusion-related gold systems (IRGS).

A new exploration licence, EL 8398 (Gemini) was granted in October 2015, covering 100 units (approximately 300km²) in the Cobar Basin.

Directors

Mr Jianguang Wang
Mr Ian Price
Mr Vaughan Webber
Mr R N (Sam) Lees

Executive Chairman
Director
Director
Director

Address

6 Chepstow Drive CASTLE HILL NSW 2154

Investor & Media Enquiries

Mr Ian Howarth | Ph.: +61 407 822 319

Blicks Project, EL 6465 and EL 8100 (Anchor 100%)

New South Wales - molybdenum, tungsten, copper & gold

The Blicks project is located in the southern segment of the New England Fold Belt in northeast New South Wales, 90km northeast of the major regional center of Armidale. Anchor's key target areas and reported historic mineral occurrences within the Blicks project are shown in Figure 1.

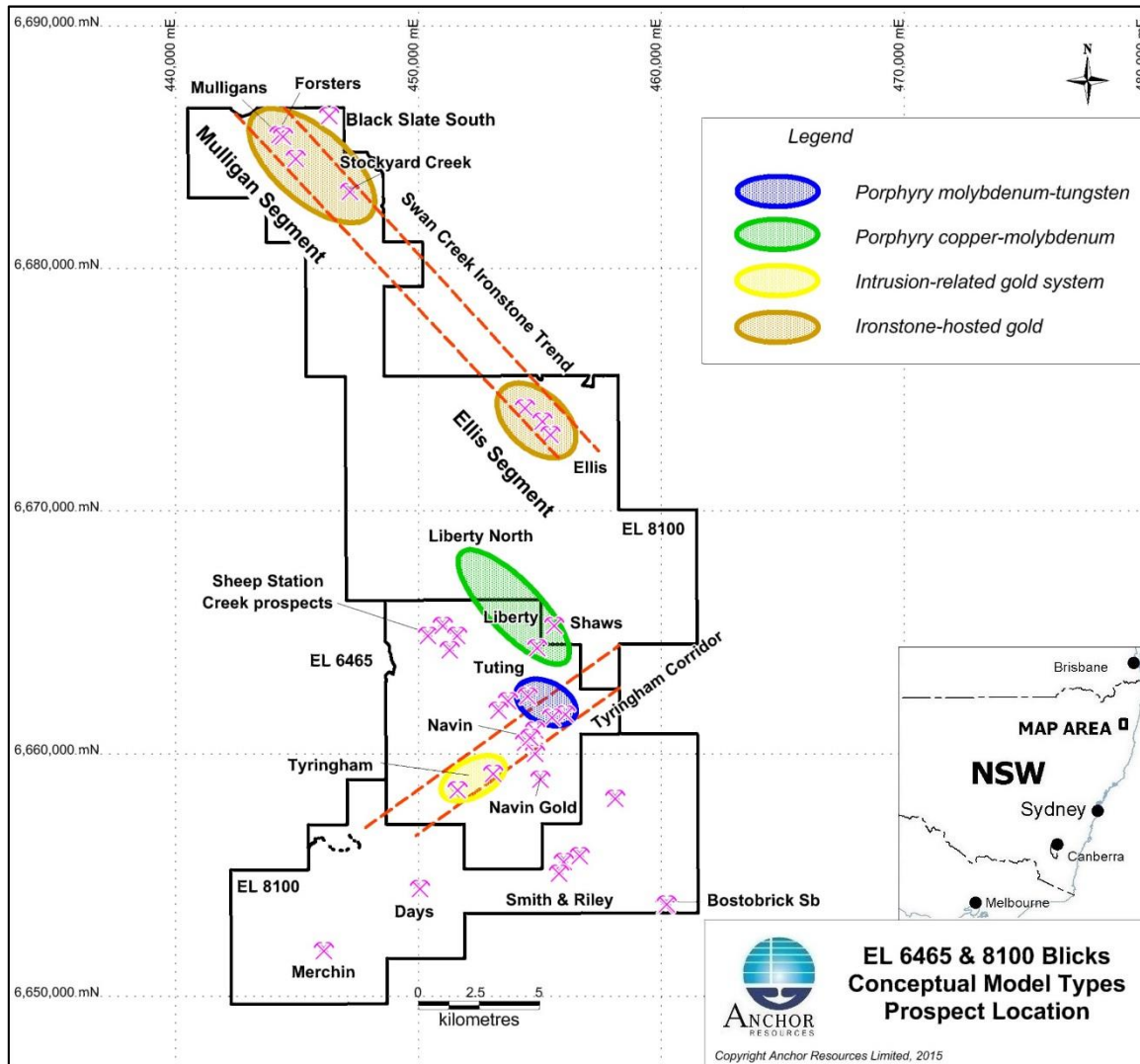


Figure 1: Blicks project showing Anchor's priority target areas and reported mineral occurrences

Liberty Copper-Molybdenum Prospect

The Liberty copper-molybdenum prospect is centred on a small elongate magnetic low anomaly within the Billys Creek Tonalite which is coincident with a strong linear magnetic high anomaly. Several peaks along this linear magnetic anomaly are targeted for future grid based soil sampling subject to regulatory approval. The magnetic low is interpreted as a younger, separate and distinct intrusion or possibly a breccia pipe. This younger intrusion may, or may not, be mineralised.

Anomalous copper and molybdenum stream sediment geochemical values reported in open file literature may be derived from the RTP magnetic high anomaly associated with pyrrhotite in the Billys Creek Tonalite rather than the magnetic low anomaly (Figure 2). Anomalous first and second order streams drain the magnetic highs on both sides of the magnetic low anomaly.

Initial soil sampling results from last Quarter suggest the RTP magnetic high values coincident with the Billys Creek Tonalite may be a more prospective exploration target than the smaller magnetic low anomaly. Sparsely disseminated chalcopyrite and molybdenite have been observed throughout the Billys Creek Tonalite during general roadside reconnaissance investigations. A systematic soil sampling program using a portable Niton XRF analyser is planned to cover the north and south extensions to the Billys Creek Tonalite (Liberty North and Liberty South respectively) with regulatory approval pending.

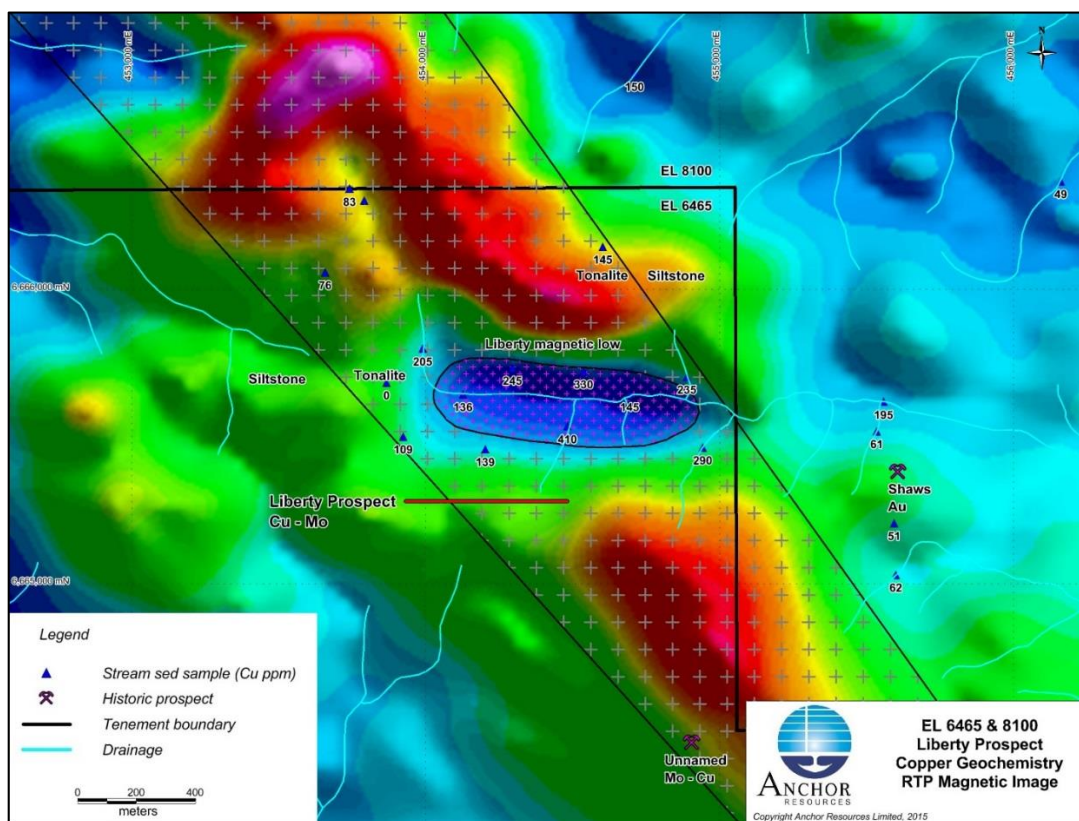


Figure 2: Liberty copper-molybdenum prospect stream sediment copper geochemistry overlying RTP magnetic low anomaly

A systematic soil sampling program using a portable Niton XRF analyser is planned to cover the north and south extensions to the Billys Creek Tonalite (Liberty North and Liberty South respectively) with regulatory approval pending.

Tuting Molybdenum-Tungsten±Copper Prospect

The Tuting prospect is a large molybdenum-tungsten soil geochemical anomaly coincident with an underlying elongate polyphase biotite monzogranite intrusion prospective for molybdenum, tungsten and copper.

Mineralisation at the Tuting prospect does not appear to be confined to a single rock type. Visible molybdenite and chalcopyrite appear in all rock types and is typically sporadically disseminated throughout the intrusive phases. Molybdenite and rare bismuth minerals also occur in quartz veins.

A reverse circulation drilling program at the Tuting prospect has been approved by the NSW Trade & Investment – Division of Resources & Energy (DRE). Drilling will proceed following Board approval.

Tyringham Gold Prospect

No field work was carried out during the Quarter.

Regulatory approval has been given to drill Tyringham.

GEMINI PROJECT, EL 8398 (Anchor 100%)

New South Wales – copper, lead, zinc, gold & silver

The Gemini project covers a prospective, under-explored area of the Cobar Basin and includes the Blue Mountain base metal (Zn-Pb-Cu) prospect. The EL area is considered prospective for Cobar-type base metal deposits.

An application for an exploration licence covering 100 units (approximately 300km²) incorporating the Blue Mountain zinc-lead-copper prospect, Echo magnetic anomaly and several other base metal prospects was granted in October 2015 (Figure 3).

The Blue Mountain zinc-lead-copper prospect, Mallee Bull copper-silver-gold deposit and Hera gold-silver-lead-zinc deposit all lie in close proximity to the northeast trending Nymagee-Wagga lineament. Anchor is currently consolidating all past exploration data to plan for future exploration work.

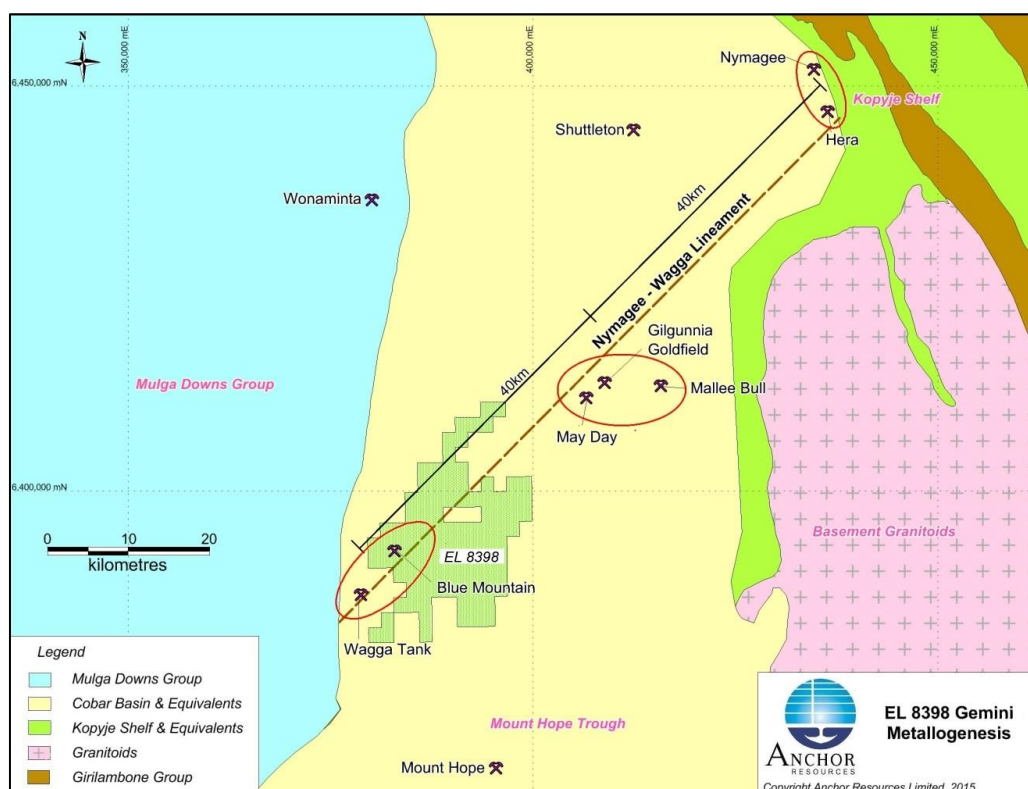


Figure 3: EL 8398 (Gemini) showing the Blue Mountain base metal prospect and regional metallogenesis along the Nymagee-Wagga lineament

Bielsdown Project, EL 6388 (Anchor 100%)

New South Wales - antimony

Land access to complete remediation at three former drill sites, as directed by the Environmental Sustainability Unit, Department of Trade & Investment in January 2012, is currently being negotiated with the landowner. The matter is currently under arbitration with results pending.

Birdwood Project, EL 6459 and EL 8295 (Anchor 100%)

New South Wales – copper, molybdenum, tin & gold

The Birdwood project is located in the southern portion of the New England Fold Belt in northeast New South Wales, centred 50km west of Port Macquarie. It is prospective for porphyry copper-molybdenum style mineralisation.

Anchor's key target areas and reported historic mineral occurrences in the Birdwood project are shown in Figure 4.

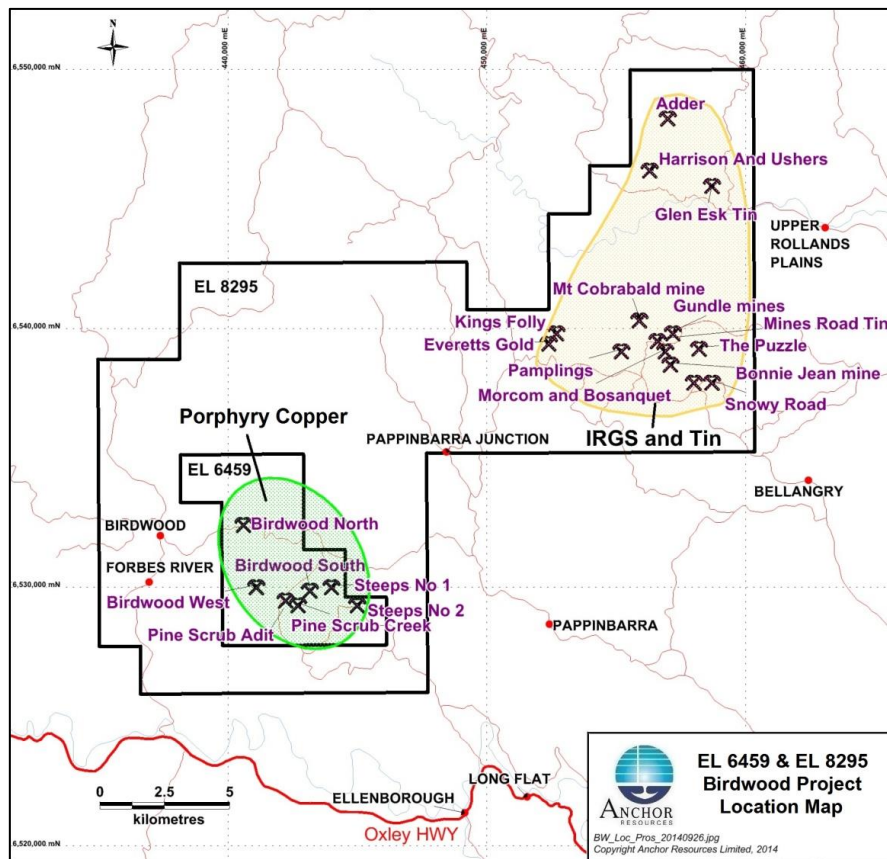


Figure 4: EL 6459 (Birdwood) and EL 8295 (Birdwood Extended) showing location of known mineral occurrences and target areas

No field work was carried out during the Quarter.

Aspiring Project, EPM 19447 and EPMA 25958 (Anchor 100%)

Queensland – copper, gold, silver, lead & zinc

The Aspiring project is located in the Chillagoe mining district which forms part of the Hodgkinson Province in Far North Queensland.

The Company lodged EPM 25958 application (Walsh River) covering approximately 162.4 km² on 1 June 2015 (Figure 5) with the application's work program approved in the current Quarter.

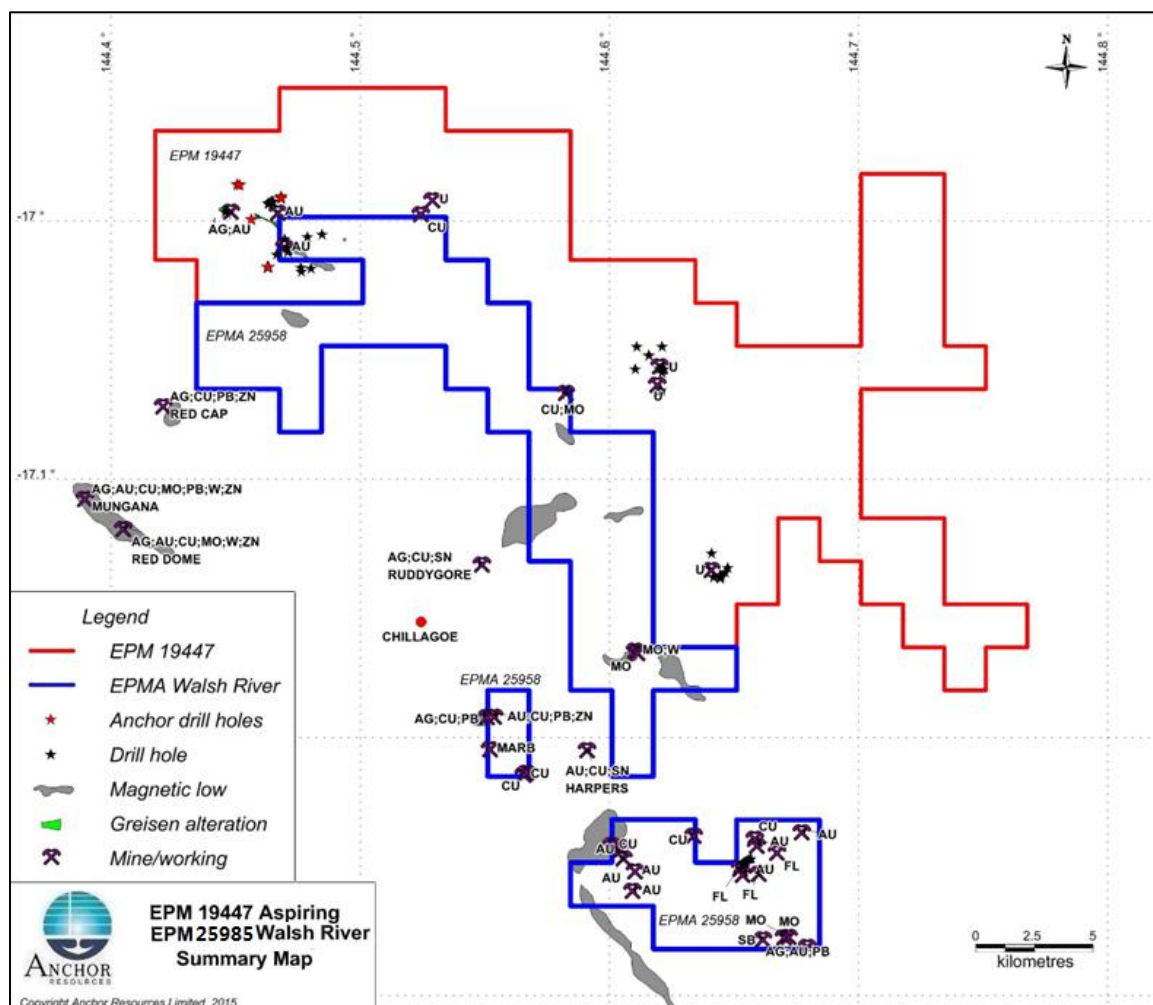


Figure 5: EPM 19447 Aspiring and EPMA 25958 Walsh River showing negative remanent magnetic anomalies of interest and recorded mineral occurrences

The EPM application area is contiguous with the southern boundary of EPM 19447 (Aspiring) and covers potential extensions to mineralised structures and lineaments extending beyond the tenement boundary of EPM 19447 (Aspiring). This includes extensions to the Doolan Creek gold prospect and nearby greisen alteration zone areas, and a number of other mineral prospects, including the Aspiring Cu-Mo prospect, an unnamed molybdenum-tungsten prospect, a number of copper-gold, gold, antimony and fluorite prospects and several negative remanent magnetic lows ("pothole" magnetic anomalies).

In the southern non-contiguous block a small cluster of prospects comprising, an unnamed copper prospect and four gold prospects (Confidence, Magnificent, Lucrative and Mildura) and are hosted by the Almaden Granodiorite (Figure 6).

Further east the Perseverance Lode (fluorite), an unnamed fluorite prospect and the Federal Flag gold prospect are coincident with a northeast trending curvilinear structure which could be extrapolated further southwest to the Mildura gold prospect. The structure from Perseverance Lode to Federal Flag is 3.05km long and if extended from the Perseverance Lode to the Mildura gold prospect it is an additional 4.7km long.

This structure and the associated gold and fluorite prospects are considered prospective for epithermal style gold-silver mineralisation. The nearby Harpers gold-copper prospect 8km northwest of this structure, and outside the Walsh River EPMA area, has been reported as having both epithermal and porphyry style characteristics.

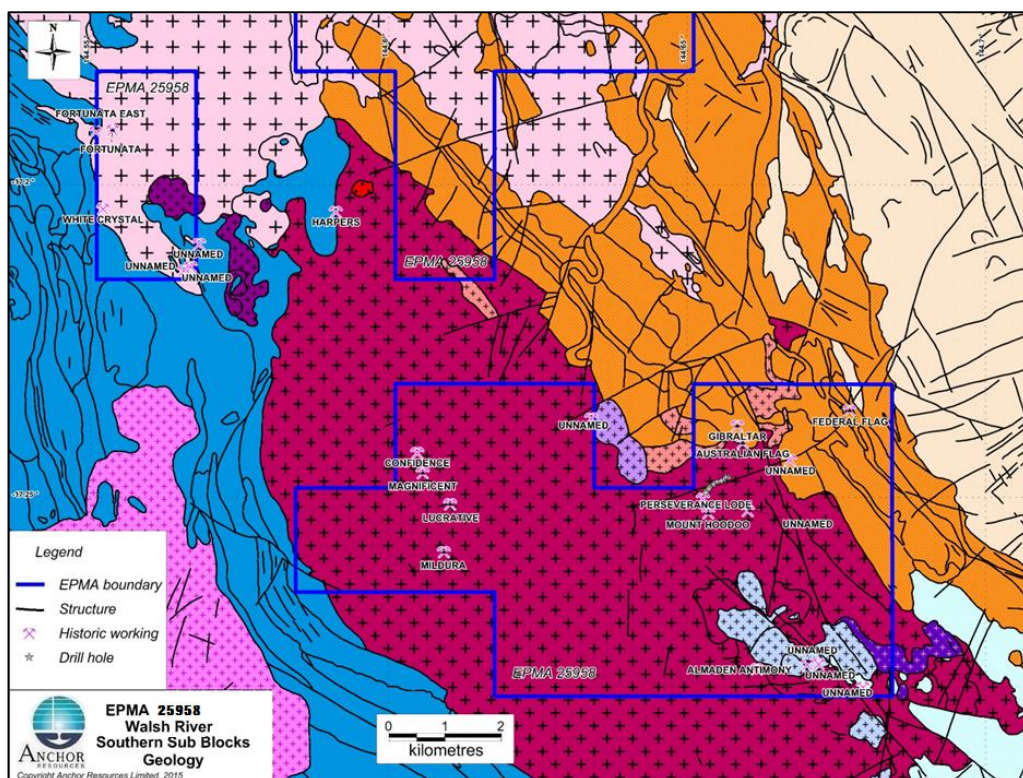


Figure 6: Expanded view of EPMA Walsh River southern group of sub-blocks showing geology and reported mineral occurrences

The additional blocks, if granted, would provide Anchor with strategic access to an area contiguous with its current EPM 19447 that is geologically prospective for the development of mineralisation with good evidence inferred from historic reports recording gold and copper mineralisation associated with hydrothermal alteration systems close to the current Anchor EPM boundary.

New Ventures

The generally subdued level of exploration activity has continued throughout Australia and Anchor continues to review opportunities to acquire an interest in new ventures.

Corporate

Ian Price retired as Managing Director and remains on the Board as a Non-Executive Director. Mr Jianguang Wang assumed the role of Executive Chairman pending appointment of a new Managing Director.

Ian L Price
Director
Anchor Resources Limited
+61 438 937 644

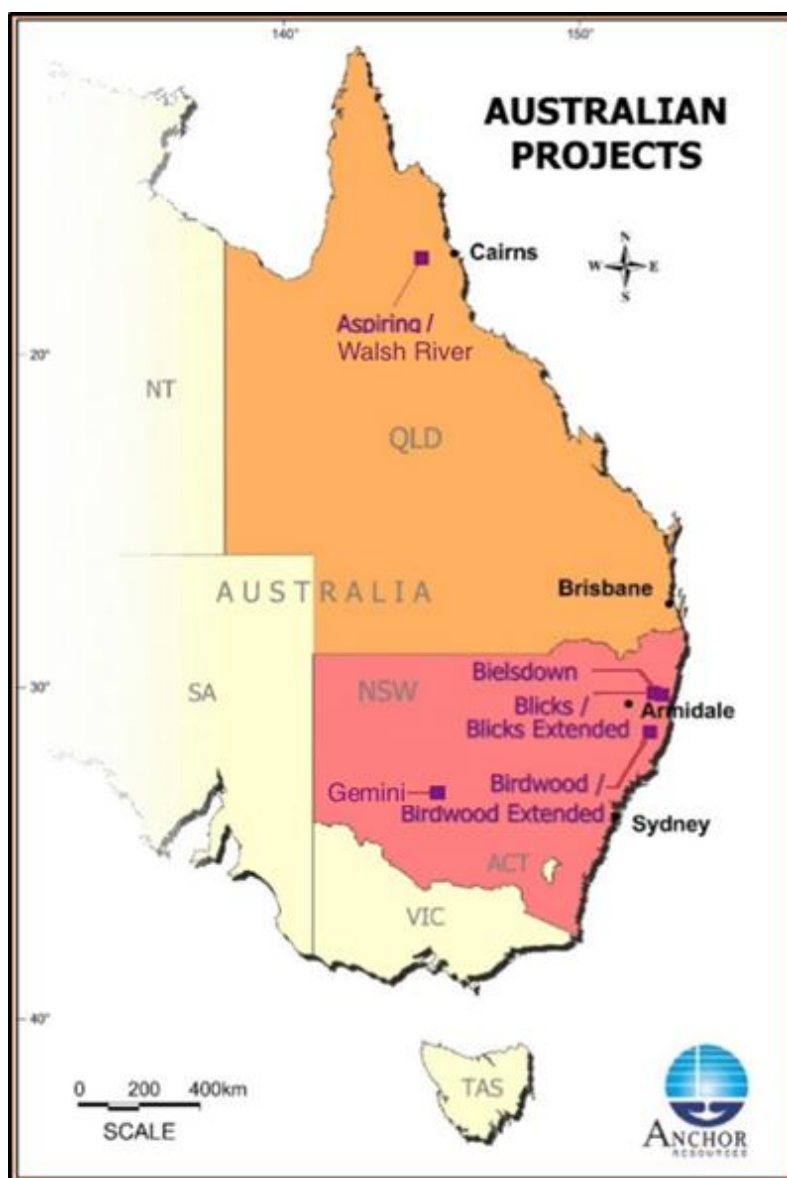
Competent Person Statement

The information relating to the Exploration Results and geological interpretation for the Blinks project, Gemini project, Bielsdown project, Birdwood project and Gemini project in New South Wales and Aspiring project in Queensland is based on information compiled by Mr Graeme Rabone, MAppSc, FAIG. Mr Rabone is Exploration Manager for Anchor Resources Limited and provides consulting services to Anchor Resources Limited through Graeme Rabone & Associates Pty Ltd. Mr Rabone has sufficient experience relevant to the assessment and of these styles 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 (2012)". Mr Rabone consents to the inclusion of the information in the report in the form and context in which it appears.

TENEMENT SCHEDULE as at 23 October 2015

TENEMENT NUMBER	NAME	LOCATION	HOLDER	DATE OF GRANT	DATE RENEWED	TERM OF RENEWAL	AREA km ²
EL 6388	BIELSDOWN	NSW	Anchor Resources Limited	04.03.05	08.07.13	3 Years	35
EL6465	BLICKS	NSW	Scorpio Resources Pty Ltd	29.09.05	06.11.13	3 Years	80
EL 8100	BLICKS EXTENDED	NSW	Scorpio Resources Pty Ltd	11.06.13	-	3 Years	299
EL 6459	BIRDWOOD	NSW	Scorpio Resources Pty Ltd	08.08.05	Renewal Pending	-	36
EL 8295	BIRDWOOD EXTENDED	NSW	Scorpio Resources Pty Ltd	12.08.14	-	2 years	293
EL 8398	GEMINI	NSW	Scorpio Resources Pty Ltd	07.10.15	-	3 years	300
EPM 19447	ASPIRING	QLD	Sandy Resources Pty Ltd	08.07.13	-	3 Years	291
EPMA 25958	WALSH RIVER	QLD	Sandy Resources Pty Ltd	Pending	-	-	162

Note: Scorpio Resources Pty Ltd and Sandy Resources Pty Ltd are wholly owned subsidiaries of Anchor Resources Limited



Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ANCHOR RESOURCES LIMITED

ABN

49 122 751 419

Quarter ended ("current quarter")

30 September 2015

Consolidated statement of cash flows

		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration & evaluation	(199)	(199)
	(b) development		
	(c) production		
	(d) administration	(207)	(207)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2	2
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(404)	(404)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (security depositl)	(10)	(10)
	Net investing cash flows	(10)	(10)
1.13	Total operating and investing cash flows (carried forward)	(414)	(414)

1.13	Total operating and investing cash flows (brought forward)	(414)	(414)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	450	450
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	Net financing cash flows	450	450
	Net increase (decrease) in cash held	36	36
1.20	Cash at beginning of quarter/year to date	447	447
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	483	483

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

		Current quarter
		\$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	66
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors fees, salaries, and consulting fees on normal terms and conditions.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
Loan facility with China Shandong Jinshunda Group	13,000	9,900
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	200
Total	400

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	48	47
5.2 Deposits at call	435	400
5.3 Bank overdraft	-	-
5.4 Other (bills receivable and bank accepted bills)	-	-
Total: cash at end of quarter (item 1.22)	483	447

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Note (a)			
6.2 Interests in mining tenements acquired or increased	Note (a)			

Note (a) Since the end of the quarter ELA 5180 Gemini was granted on 14 October 2015 as EL 8398 Gemini

Issued and quoted securities at end of current quarter*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter	Nil			
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	52,535,296	52,535,296		
7.4 Changes during quarter	Nil			
(a) Increases through issues - exercise of options				
(b) Decreases through returns of capital, buy-backs				
7.5 Convertible debt securities <i>(description)</i>	Nil			
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
- Unquoted Options (ESOP)	1,590,000	Nil	\$0.305	20 Nov 2016
7.8 Issued during quarter				
- Unquoted Options (ESOP)	Nil	Nil		
7.9 Exercised during quarter				
- Unquoted Options (ESOP)	Nil	Nil		
7.10 Expired during quarter				
- Unquoted Options (ESOP)	Nil	Nil		
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

For personal use only

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date:

26-Oct-15

(Director/Company Secretary)

Print name: Grahame Clegg

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.