



Quarterly Activities Report

June 2014

ASX ANNOUNCEMENT

DATE: 24th July 2014

Anchor Resources Limited

ASX Code: AHR

ABN 49 122 751 419

Anchor Resources Limited is an Australian company listed on the Australian Securities Exchange. It is exploring for copper, gold, antimony and other metals in eastern Australia.

Key Projects

Aspiring, Qld; gold, base metals

Bielsdown, NSW; antimony

Blicks, NSW; gold, tungsten, molybdenum, copper

Birdwood, NSW; copper, molybdenum

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Blicks project: porphyry tungsten molybdenum (copper) deposits and intrusion-related gold systems

Tuting: tungsten-molybdenum (copper) anomaly identified and further definition of anomaly in progress to optimise drill targets

Birdwood project: porphyry copper deposits

Birdwood North: conceptual pipe-like porphyry copper target defined

Aspiring project: porphyry and skarn copper-gold-silver deposits

Gold and base metal bearing structures identified at several locations

Blicks Project, EL 6465 and EL 8100 (Anchor 100%) New South Wales - gold, tungsten, molybdenum, copper

The Blicks project is located in the southern portion of the New England Fold Belt in northeast New South Wales, centred 90km northeast of Armidale and has been identified as an area hosting porphyry tungsten-molybdenum±copper deposits and intrusion-related gold systems.

Four large mineralised centres have been identified through systematic grass roots exploration by Anchor within EL 6465 (Figure 1) and consist of:

- Tuting tungsten-molybdenum±copper prospect;
- Navin Intrusive Complex anomalous in arsenic-bismuth-tin±copper and lead;
- Tyringham East gold prospect; and
- Tyringham West gold prospect.

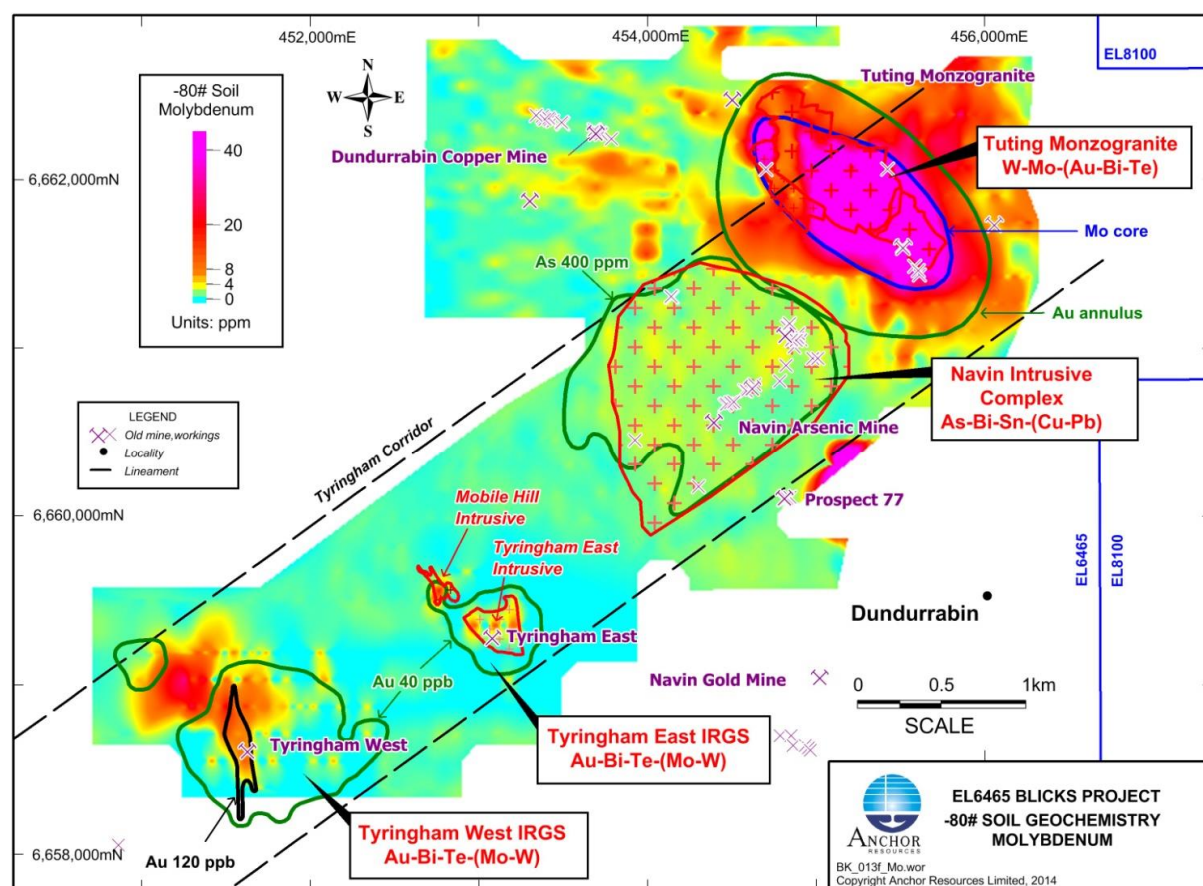


Figure 1: Tyringham Corridor soil molybdenum geochemistry outlining four significant mineralised centres

Tuting Tungsten-Molybdenum±Copper Prospect

The Tuting tungsten-molybdenum±copper prospect is a strong -80 mesh B-C horizon soil tungsten-molybdenum geochemical anomaly coincident with a small elongate partially outcropping biotite monzogranite (Figure 2) located at the northeast end of the Tyringham Corridor. Work during the current quarter has confirmed high tungsten values in soil and the area has been identified as a quality porphyry tungsten-molybdenum±copper target following the recognition of disseminated molybdenite and chalcopyrite within outcropping monzogranite. Quartz veins with molybdenite are also found at Tuting. The Tuting tungsten-molybdenum±copper prospect is a new discovery and has never been drilled.

Tungsten values are contoured at 20ppm W, 40ppm W and 100ppm W intervals (Figure 2) and define a strong tungsten anomaly with the lower 20ppm W contour being more than 13 times higher than the average abundance of tungsten in the Earth's crust.

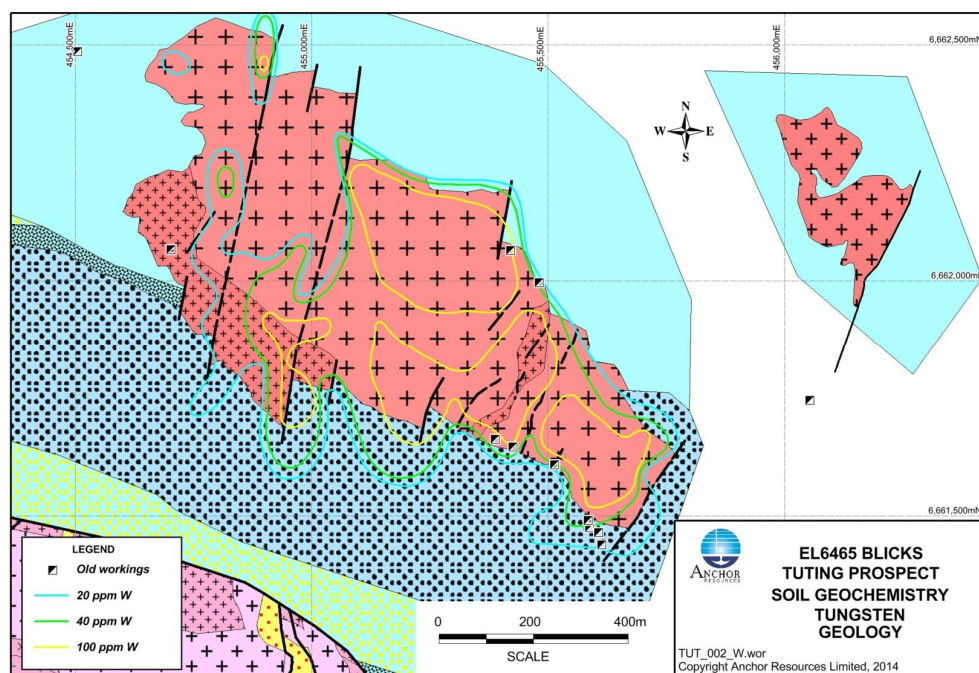


Figure 2: Tuting W-Mo±Cu prospect -80 mesh B-C horizon soil tungsten geochemistry contoured at 20ppm, 40ppm and 100ppm

Molybdenum values are contoured in 40ppm Mo, 60ppm Mo and 80ppm Mo values (Figure 3) and define a strong molybdenum anomaly coincident with the tungsten anomaly. The lower 40ppm Mo contour is more than 25 times higher than the average abundance of molybdenum in the Earth's crust.

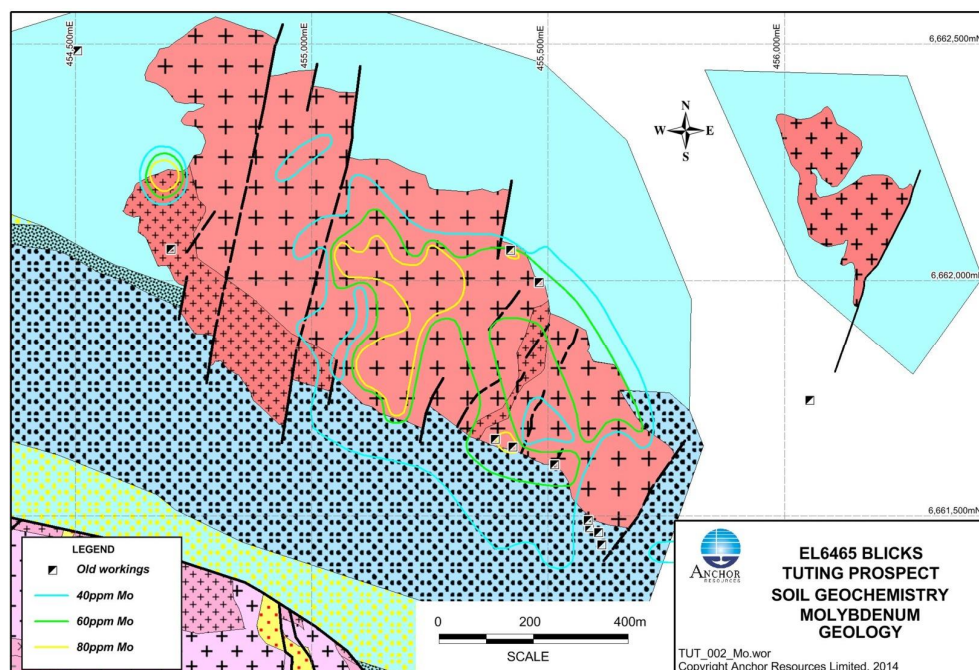


Figure 3: Tuting W-Mo±Cu prospect -80 mesh B-C horizon soil molybdenum geochemistry contoured at 40ppm, 60ppm and 80ppm

A cohesive soil copper anomaly is juxtaposed on the western flank of the coincident tungsten and molybdenum anomalies. The copper anomaly is contoured at 200ppm Cu and 300ppm Cu (Figure 4). The average abundance of copper in the Earth's crust is 50ppm.

The copper anomaly is elongated north-south and is underlain by the western portion of a monzogranite. A smaller copper anomaly overlies the monzogranite on the eastern margin of the monzogranite. The spatial association of the copper anomalies peripheral to the inner tungsten-molybdenum anomalies suggests copper metal zonation exists within the monzogranite.

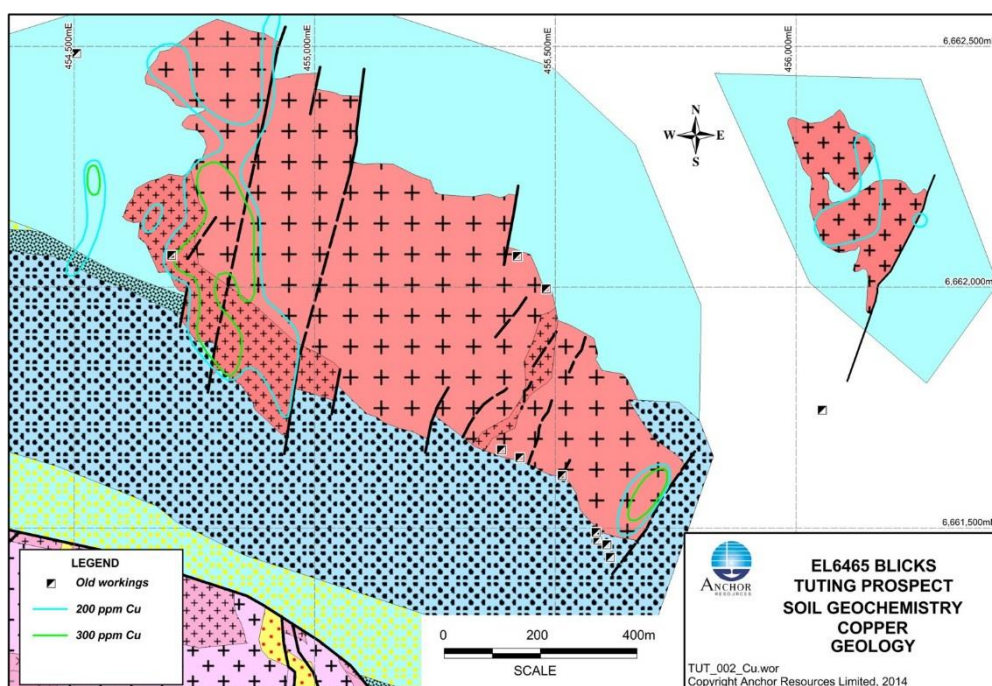


Figure 4: Tutung W-Mo±Cu prospect -80 mesh B-C horizon soil copper geochemistry contoured at 200ppm and 300ppm suggesting copper metal zonation peripheral to the W-Mo anomalies

The coincident tungsten-molybdenum anomalies and peripheral copper geochemical anomalies are underlain by biotite monzogranite containing sparse disseminated molybdenite and chalcopyrite. Quartz veins containing minor visible molybdenite flakes have also been observed within the monzogranite and straddling the intrusive contact with metasediments. The metasediments host a random stockwork of thin quartz veins and veinlets. Several shallow prospecting pits are found along the monzogranite-metasediment contact where historic prospecting activity has been focused on quartz veins with minor arsenopyrite.

A north-northeast trending fault partially displacing the western third of the biotite monzogranite separates the copper anomaly and coincident tungsten-molybdenum anomalies (Figures 2, 3 and 4).

During the Quarter infill -80 mesh B-C horizon soil sampling was completed to better define the multi-element soil geochemical anomalies and optimise target selection prior to RC drill testing. Assay results are pending. Completed infill -80 mesh B-C horizon soil sample locations are shown in Figure 5 as blue dots.

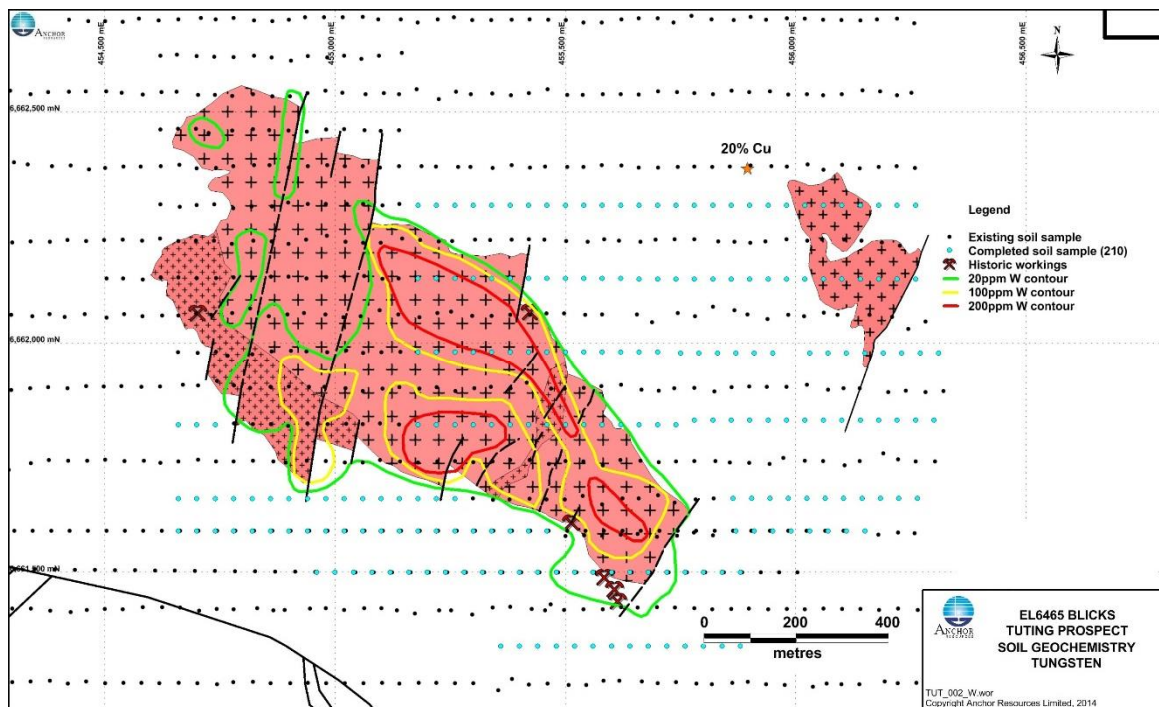


Figure 5: Tuting W-Mo±Cu prospect showing contoured W values at 20ppm, 100ppm and 200ppm. Completed infill -80 mesh B-C horizon soil samples shown as blue dots

Tyringham East Gold Prospect

At Tyringham East a second infill -80 mesh B-C horizon soil sampling program is recently completed. Contouring gold assay results at the 100ppb Au value using gold values from the first infill soil sampling program defines a strong coherent sub-circular gold anomaly with a peak value of 962ppb Au (Figure 6). High gold values at the eastern end of some of the infill soil lines prompted further infill sampling. Assay results for these additional samples are pending.

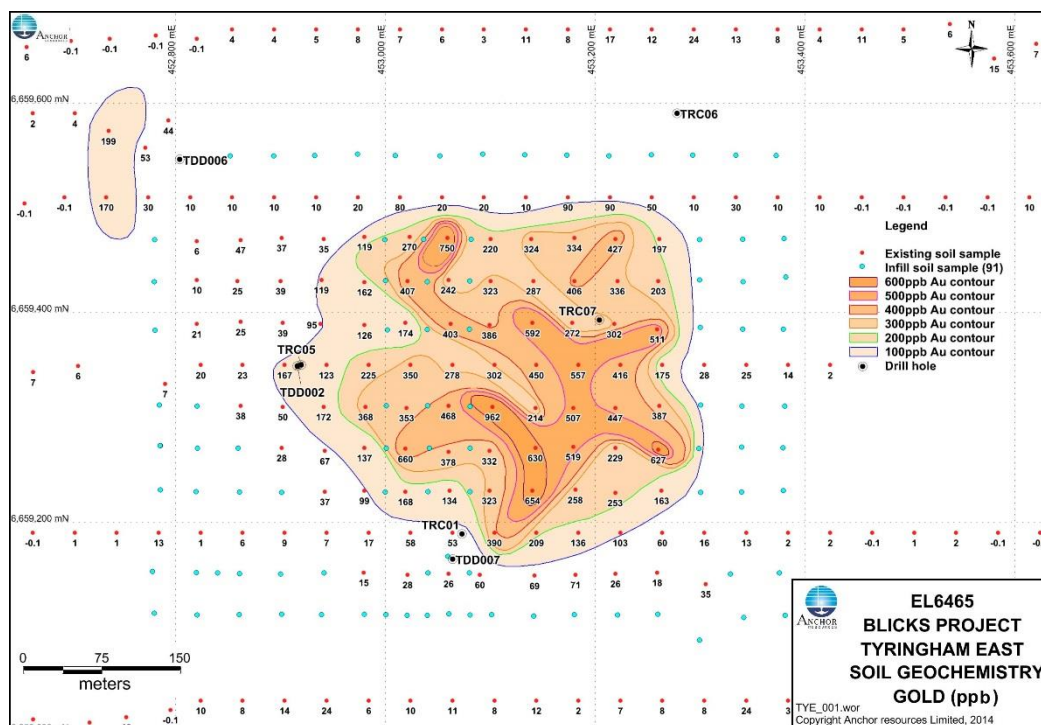


Figure 6: Tyringham East infill -80 mesh B-C horizon soil gold geochemistry showing completed infill soil sampling

The gold geochemical anomaly is underlain by a small granodiorite pluton intruded into fine grained metasediments. Breccia and a small intrusive porphyry occur along the southern margin of the granodiorite.

Tyringham West Gold Prospect

At Tyringham West an infill -80 mesh B-C horizon soil sampling program was completed. Contouring of gold results at the 120ppb Au value defined a gold anomaly with a more east-west trend than was expected (Figure 7). The previous soil sample line spacing of 160m is now considered too wide spaced to confidently define the optimum drill target.

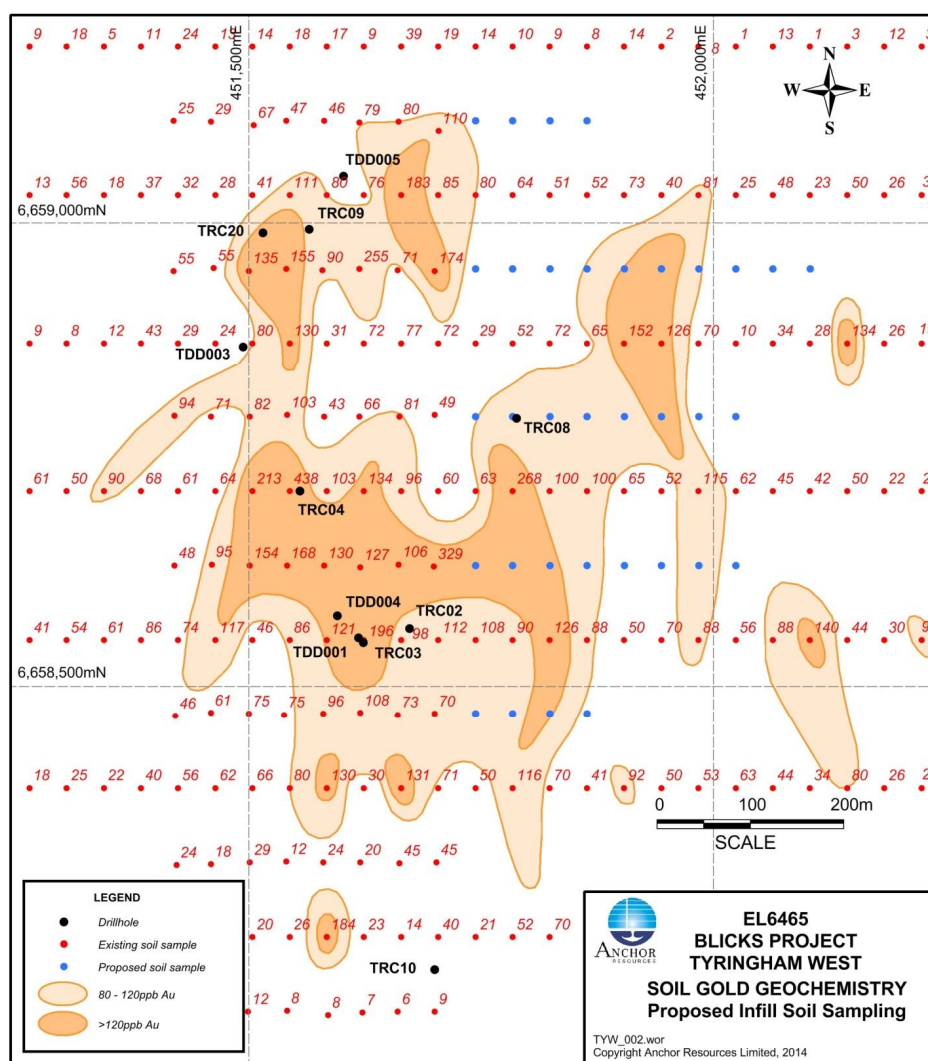


Figure 7: Tyringham West B-C horizon -80 mesh soil gold geochemistry

A small infill -80 mesh B-C horizon soil sampling program is planned to cover unexpected strongly anomalous gold values on the eastern end of three of the previous infill lines. The Tyringham West gold anomaly is underlain by fine grained metasediments. A felsic dyke has been intersected in drilling.

Eleven samples were selected for $^{206}\text{Pb}/^{238}\text{U}$ zircon age dating with age dates determined from 150 zircon analyses. This work found the age dates cluster into three age groups; there is an Early Permian 285 Ma age magmatic event corresponding to the Dundurrabin Granodiorite (confirming other published age dates), a Permo-Triassic 250 Ma age magmatic event for the Tuting biotite monzogranite, and a Middle to Late Triassic 237 Ma age magmatic event for the suite of Tyringham intrusions which are now all confirmed to be of a similar age.

A Surface Disturbance Notice (SDN) for drilling at the Tuting tungsten-molybdenum±copper prospect was lodged with the NSW Trade & Investment Division of Resources and Energy (DRE) and has been accepted.

Further details of the Blinks exploration results, in accordance with the JORC Code 2012, is contained in the Company's announcement to the ASX on 21 February 2014.

Future Work Program

At the Tuting tungsten-molybdenum±copper prospect rock chip sampling over outcropping monzogranite and quartz veined metasediments along the granite contact is planned. This work will assist in optimising drill target selection.

At the Tyringham East and Tyringham West gold prospects further work, including -80 mesh B-C horizon infill soil sampling and a full interpretation of all geological mapping, geochemical analyses, geophysical information and drilling results, is planned with the objective of optimising drill targets.

Regional exploration throughout the Blinks tenements (ELs 6465 and EL 8100) is planned in the next Quarter including prospecting activities, and geological mapping together with soil and rock chip sampling and geochemistry.

North American University and Gold Mine Visit

Representatives of Anchor visited the Mineral Deposit Research Unit at the University of British Columbia in Vancouver, Canada and the Fort Knox gold mine Alaska, USA to discuss the latest research and developments regarding intrusive-related gold systems. This visit resulted in an increase in the Company's knowledge and understanding of the intrusion-related gold system exploration model and has enabled the Company to transfer this knowledge and further develop and refine its exploration strategies in the search for intrusion-related gold systems in Australia.

Birdwood Project, EL 6459 and ELA 5012 (Anchor 100%) New South Wales – copper, silver, molybdenum

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 includes the Birdwood North copper prospect and several other base metal mineral occurrences.

The Birdwood project is prospective for concealed pipe-like porphyry copper deposits of the Ridgeway and Northparkes types. Previous core drilling at the Birdwood North prospect intersected chalcopyrite-rich stringer veins and quartz-molybdenite veins interpreted as 'leakage' mineralisation derived from a concealed mineralised porphyry intrusion.

There has been a considerable increase in knowledge and understanding of the Birdwood project within the first and second quarters of 2014. The completion of a field program to validate historic data, advances in the understanding of porphyry copper deposits and a reassessment of existing data has enabled a conceptual drill target to be identified at Birdwood North.

The target is a concealed pipe-like porphyry copper deposit possibly at a depth >300 metres below the peak copper (and molybdenum) soil anomaly and magnetic low anomaly (Figure 8).

Success in this program would prompt a re-evaluation of a number of 'second order' targets identified in the area during recent office studies which, after field work, is likely to generate further targets for drill testing.

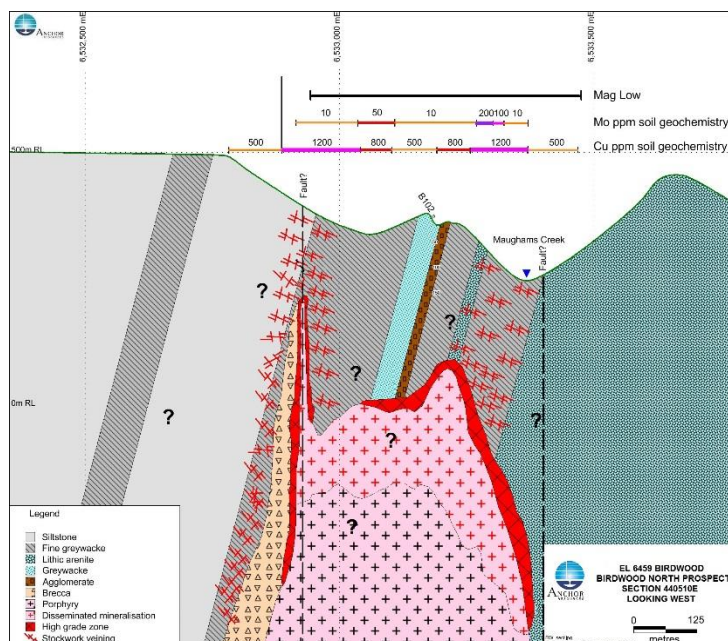


Figure 8: Schematic cross section showing Birdwood North conceptual pipe-like porphyry copper target at depth below copper-molybdenum geochemical anomalies and a magnetic low

An application for a new exploration licence (ELA 5012, Birdwood Extended) surrounding the existing EL 6459 (Birdwood) tenement is pending (Figure 9). An offer to grant has been received from the NSW Trade & Investment Division of Resources and Energy (DRE).

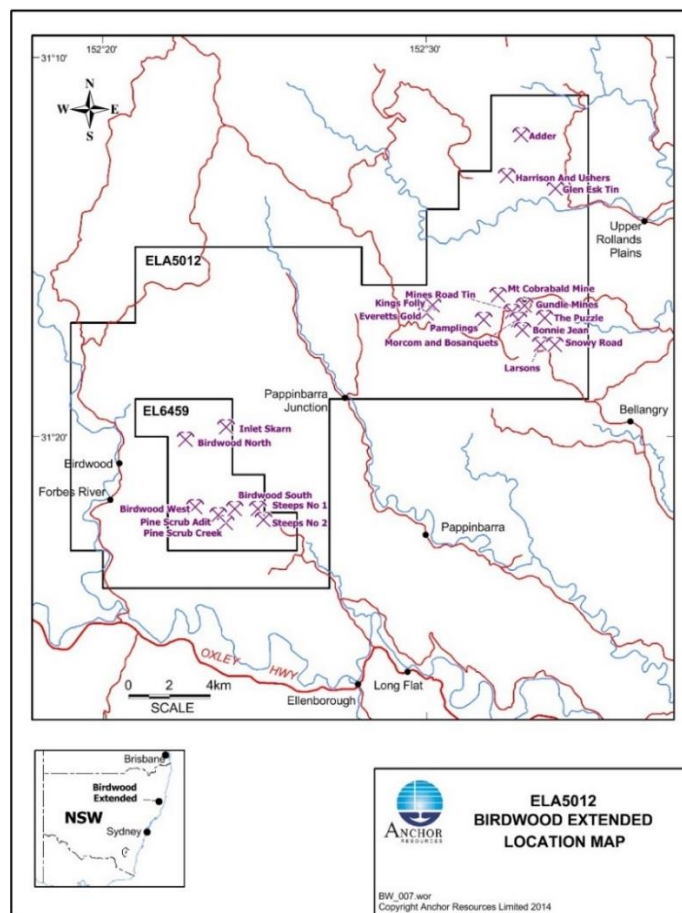


Figure 9: EL 6459 and ELA 5012 (Birdwood Extended) showing known mineral occurrences

Further details on all recent exploration work at the Birdwood project are reported, in accordance with the JORC Code 2012, in the Company's announcement to the ASX lodged on 10 April 2014.

Future Work Program

A drilling program consisting of one deep, inclined diamond core hole is planned, subject to Board and statutory approvals, to test the coincident copper-molybdenum geochemical anomaly and magnetic low anomaly at a depth greater than 300m below surface. The target is a concealed pipelike porphyry copper deposit.

Bielsdown Project, EL 6388 (Anchor 100%) New South Wales - antimony

Land access to complete remediation, as directed by the Environmental Sustainability Unit, Department of Primary Industries in January 2012, is currently being negotiated with the landowner. Anchor plans to complete this remediation work once access is agreed. A further land access arrangement will then be negotiated with the landowner to allow exploration to be carried out to test the down plunge extension of the known mineralisation at the Wild Cattle Creek deposit.

Aspiring Project, EPM 19447 (Anchor 100%) Queensland - gold, silver, copper, lead, zinc

The Aspiring project is located in the Chillagoe mining district northeast of the Red Dome (0.96 Moz gold produced plus a 1.40 Moz gold resource) and Mungana (1.1 Moz gold resource) porphyry-skarn deposits. The Ruddygore porphyry copper deposit and Redcap skarn deposit provide further evidence of intrusion-related type mineralisation in the area.

Several areas considered prospective for gold-silver-copper-silver-lead-zinc mineralisation in the Aspiring tenement were selected for detailed field follow-up. This work consisted of detailed geological mapping, grid based portable Niton XRF analysis of soil, orientation -80 mesh B-C horizon soil sampling for conventional laboratory analysis and selective rock chip sampling along mineralised structures. Orientation soil and selective rock chip samples were analysed by 50g fire assay AA finish and four acid digest ICP-AES analytical procedures. These areas of interest cluster in the northwest portion of the tenement and are the focus of the current exploration program (Figure 10).

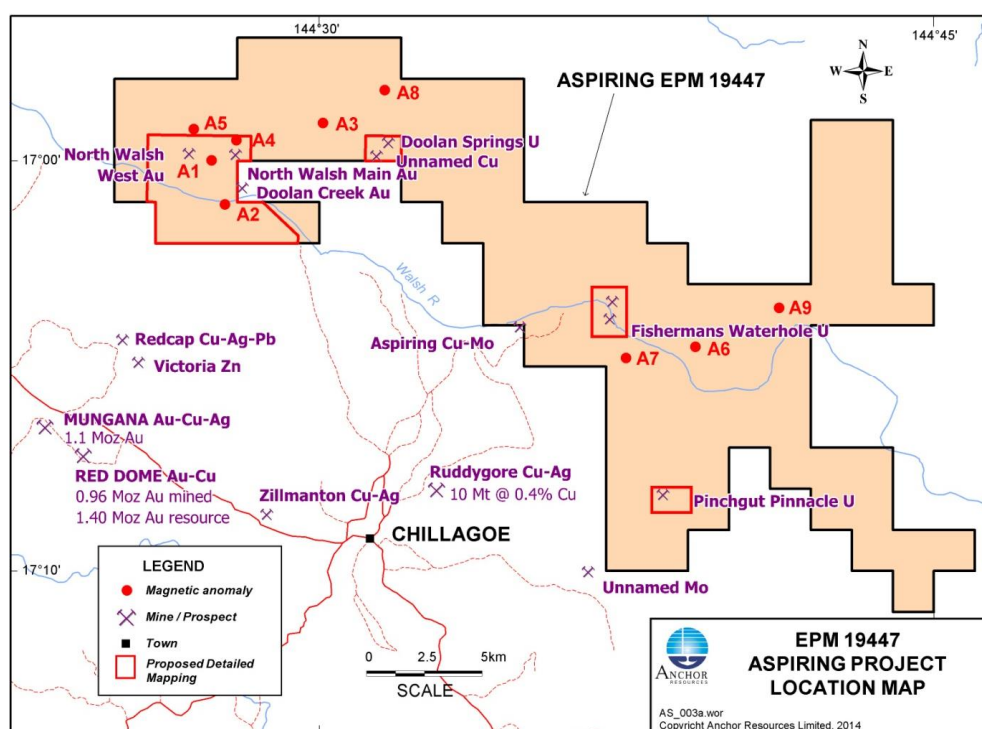


Figure 10: Aspiring project field program target areas

Preliminary results from this recent work program have identified five gold mineralised structures over which additional north-south grid based -80 mesh B-C horizon soil sampling is planned. All these structures trend north-easterly.

Orientation -80 mesh B-C horizon soil sampling was completed across mineralised zones of interest identified during the regional geological and supporting portable Niton XRF analysis program. A few sporadic low order gold values were identified over three structures, including Grenough, Doolan North West and Hillside prospects (Figure 11). Significant assay results include a single peak value of 196ppb Au at Hillside, two high values of 128ppb Au and 200ppb Au on different lines at Grenough, and a single peak value 513ppb Au at Doolan North West. The Hillside prospect appears to have limited strike extent.

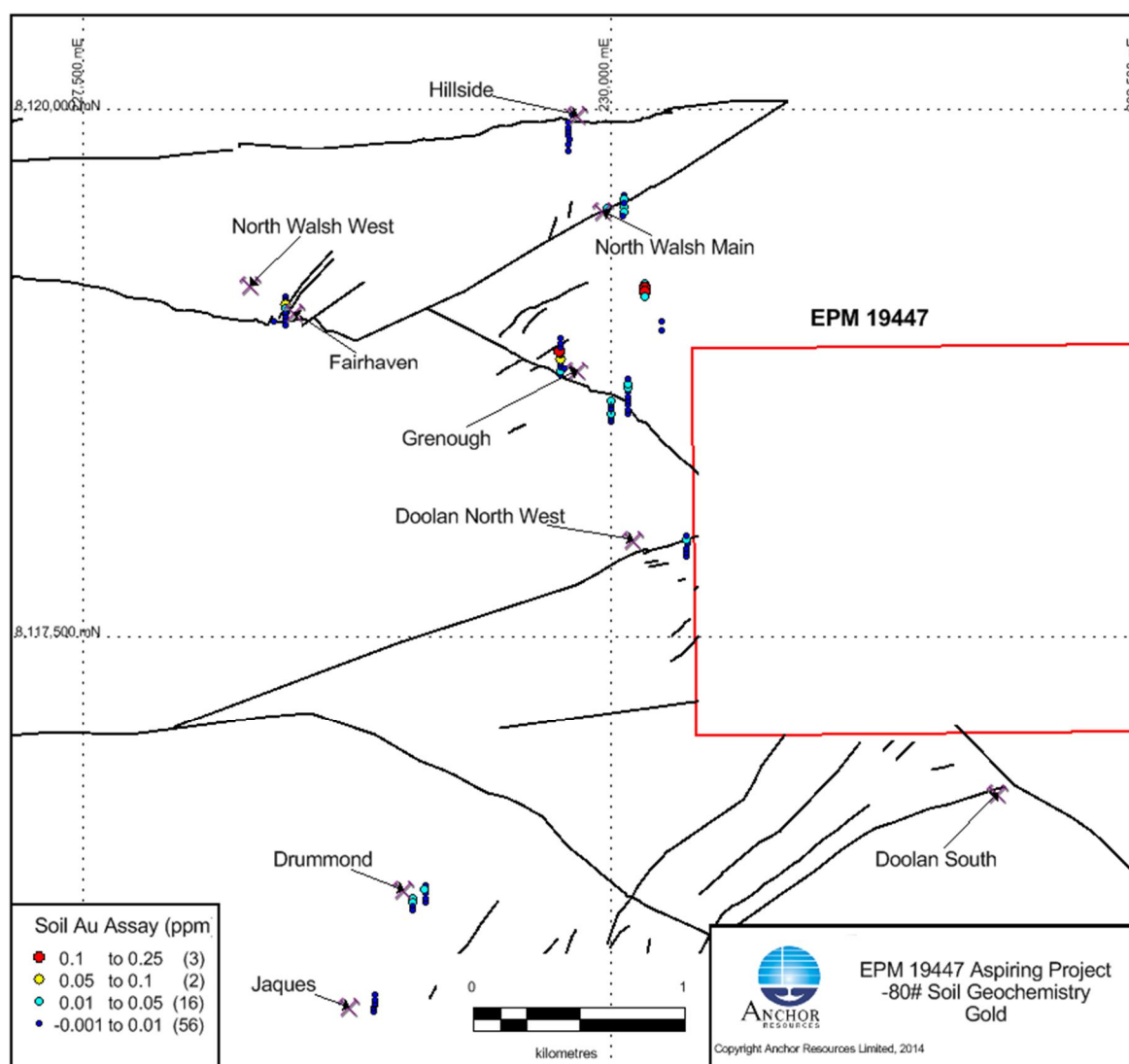


Figure 11: Aspiring orientation -80 mesh B-C horizon soil sampling program across mineralised structures showing gold values

Rock chip sampling was completed along the most significant mineralised structures identified by geological mapping and portable Niton XRF analysis to assess the gold potential of the structures. Conventional analytical methods were used to determine the gold potential of these structures. A number of samples returned strong gold values ranging from 3 to 14g/t Au (Figure 12) with the highest values reported at North Walsh Main and North Walsh West. Doolan North West and Drummonds returned moderately anomalous gold values. Doolan South has been drilled previously and was not selected for detailed soil sampling follow-up in the current program.

Rock chip sampling also confirms the highest gold bearing veins/structures trend north-easterly.

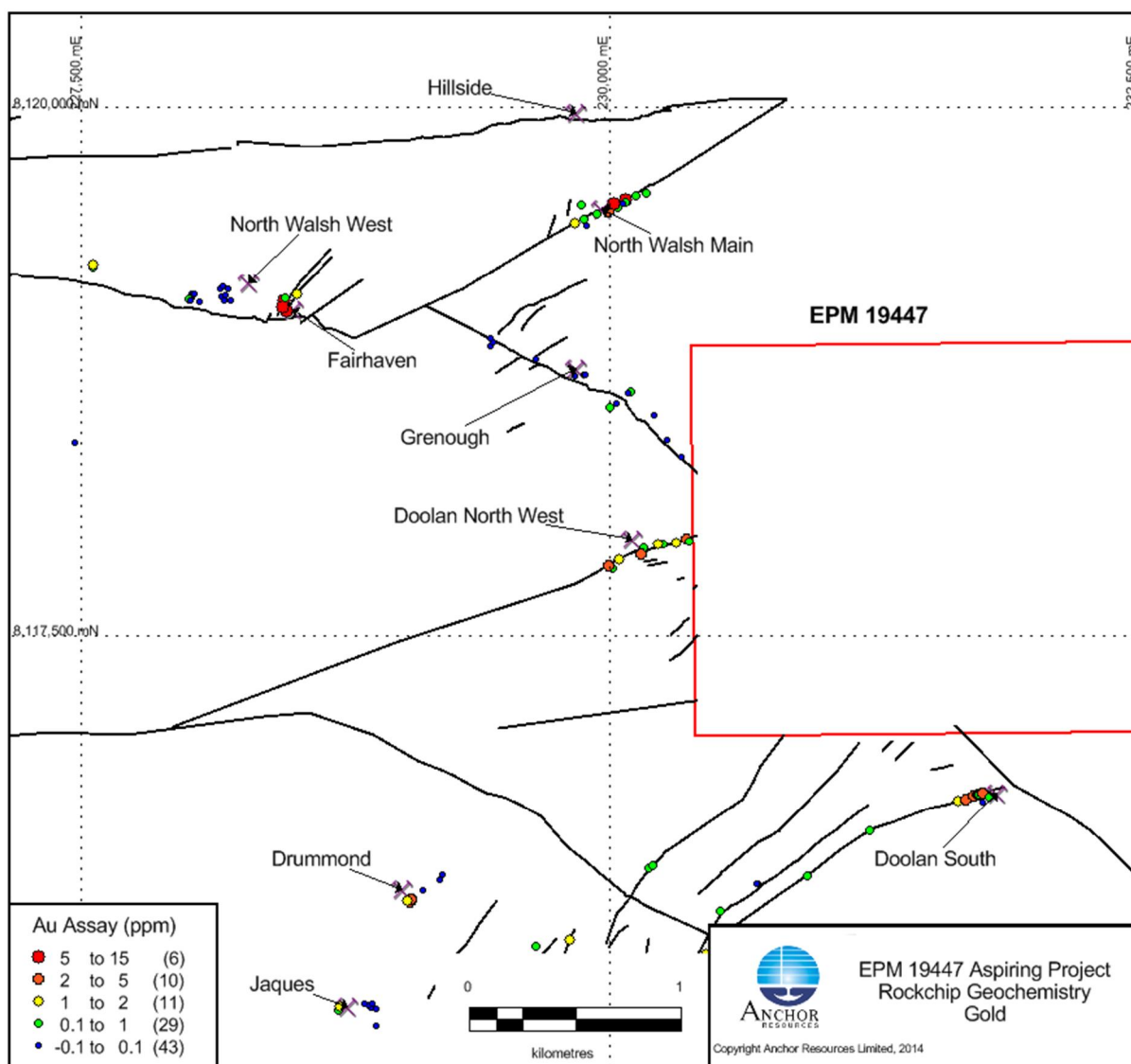


Figure 12: Aspiring rock chip sampling program along mineralised structures showing gold values thematically

Gold values >1ppm together with corresponding silver, antimony, arsenic, bismuth, copper, lead and zinc values are shown in Table 1.

Table 1: Aspiring Rock Chip Geochemistry - Samples with >1g/t Au

Aspiring Rock Chip Geochemistry Samples > 1 ppm Au									
Sample Number	Prospect	Au ppm	Ag ppm	As %	Bi ppm	Cu ppm	Pb %	Sb ppm	Zn ppm
72372	Doolan North West	2.07	728	1.66	20	300	1.40	3090	340
72374	Doolan North West	1.02	39	2.67	30	620	0.47	610	1500
72376	Doolan North West	1.39	131	3.02	100	360	3.44	1240	130
72378	Doolan North West	3.83	160	4.04	40	450	5.18	10450	260
72379	Doolan North West	1.97	119	4.09	120	210	1.45	1850	300
72380	Doolan North West	3.00	149	3.87	40	210	4.74	760	170
72358	Doolan South	1.92	68	1.79	100	290	1.51	370	420
72359	Doolan South	2.52	87	6.11	40	210	1.24	1160	250
72360	Doolan South	4.23	95	2.61	120	810	2.20	720	680
72365	Doolan South	2.33	123	4.12	110	760	2.42	630	720
72367	Doolan South	4.29	200	4.70	150	1240	2.03	820	500
72320	Doolan South West	1.93	105	3.21	150	530	3.12	420	350
72310	Drummonds	3.25	263	19.40	790	1470	6.86	830	360
72362	Drummonds	2.36	313	17.00	2190	1650	8.85	980	510
72363	Drummonds	1.14	1015	7.55	1960	3150	6.99	980	5710
72355	Jaques	1.12	78	14.45	540	2500	1.44	500	1210
72327	North Walsh Main	5.91	144	4.98	110	890	3.07	3100	550
72332	North Walsh Main	3.32	43	3.45	140	470	0.36	480	110
72336	North Walsh Main	1.38	22	1.63	30	700	0.34	730	40
72339	North Walsh Main	11.4	35	5.77	50	1340	0.75	1920	170
72340	North Walsh Main	13.8	310	6.22	150	450	1.32	5490	180
72341	North Walsh West	1.47	29	5.38	200	2060	0.37	330	110
72342	North Walsh West	5.80	791	4.91	80	440	2.79	7730	470
72343	North Walsh West	8.99	244	8.42	180	990	2.53	6450	370
72345	North Walsh West	9.05	341	4.41	410	650	3.91	9080	540
72314	Unnamed 1	0.99	132	2.67	110	210	0.38	580	80
72315	Unnamed 1	1.56	246	3.98	90	560	8.75	1480	1650
72349	Unnamed 2	1.11	63	2.95	130	90	2.30	390	340

Gold-bearing samples are typically vein quartz with abundant secondary scorodite (arsenic) and pyromorphite (lead) staining. The veins are commonly brecciated. Geochemically the select quartz vein samples collected during the rock chip sampling program contain strongly anomalous gold to 14g/t, high silver values to 1,015g/t, high lead values to 8.85%, and high arsenic values to 19.4%. Antimony values are often >500ppm in samples >1g/t gold while bismuth values are typically >100ppm in samples >1g/t gold. Sporadic high copper values >0.5% are often associated with high arsenic values >2% however gold values are usually low in these samples being <1g/t Au. Thus these quartz veins typically have a gold-silver-arsenic-bismuth-lead-antimony±copper geochemical association. Zinc values are generally low.

In a comparison between rock chip samples with high gold values and soil samples collected close to these gold-bearing rock chip samples, it was found that gold values in soil samples were very low, and not anomalous.

Future Work Program

Field work during the quarter identified nine geochemical anomalies through geological mapping, and soil and rock chip analysis. Some of these anomalies have been further investigated by rock chip sampling and conventional -80 mesh B-C horizon soil sampling with four areas identified for further work. Follow up field work will be focused on three anomalies where high gold values in rock chip samples are reported, including Doolan North West, North Walsh Main and Fairhaven-North West Walsh, and one soil gold anomaly in the Grenough area. This follow-up work consisted of grid based soil sampling. Approximately 200 -80 mesh B-C horizon soil samples will be collected along north-south lines covering these four geochemical gold anomalies which are coincident with northeast trending structures (Figure 13).

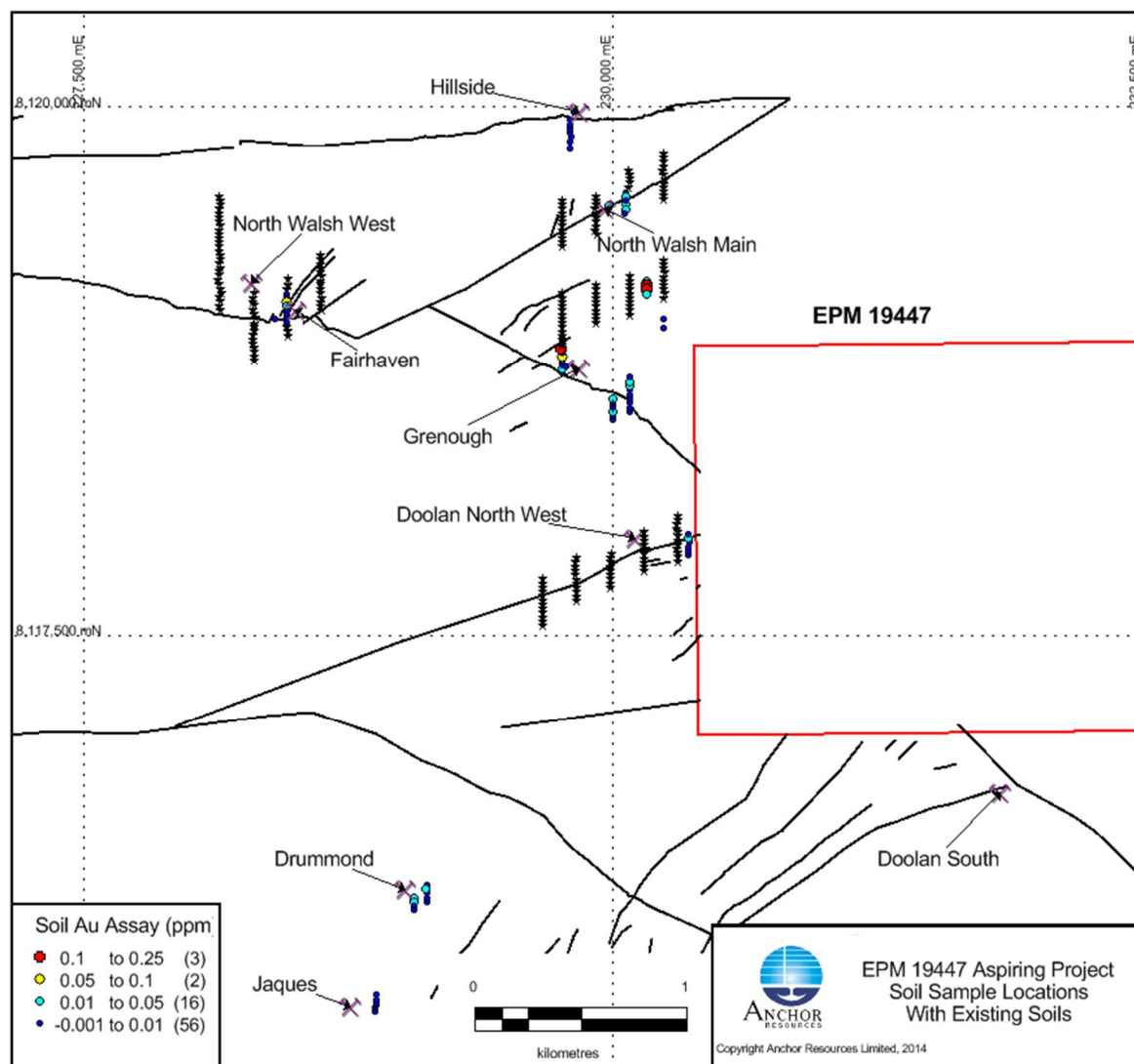


Figure 13: Aspiring planned -80 mesh B-C horizon soil sampling program along north-south lines across gold mineralised structures together with original orientation lines

Reporting of exploration results for the Aspiring exploration project is contained in Table 1 of the JORC Code below.

Ian L Price
Managing Director
Anchor Resources Limited

Competent Person Statement

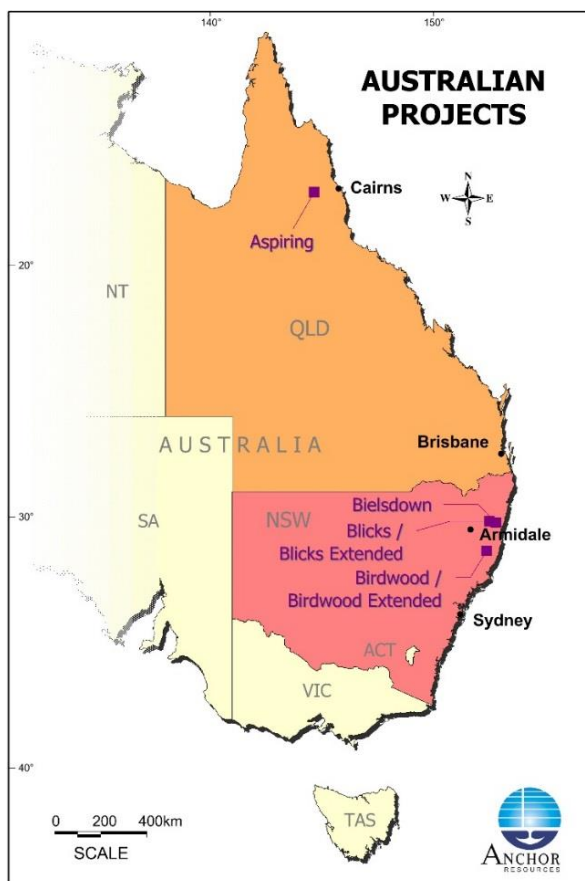
The information relating to the Exploration Results and geological interpretation for the Blinks project, Bielsdown project, Birdwood project and Aspiring project is based on information compiled by Mr Graeme Rabone, MAppSc, FAIG. Mr Rabone is Exploration Manager for Anchor Resources Limited and provides 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 in 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 22 July 2014

TENEMENT NUMBER	NAME	LOCATION	HOLDER	DATE OF FIRST 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	30.10.13	2 Years	36
ELA 5012	BIRDWOOD EXTENDED	NSW	Scorpio Resources Pty Ltd	Pending	-	-	293
EPM 19447	ASPIRING	QLD	Sandy Resources Pty Ltd	08.07.13	-	3 Years	291

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

Location Map of Projects



Reporting of Exploration Results - Aspiring Project

JORC Code, 2012 Edition – Table 1 Report

The following section is provided to ensure compliance with the JORC (2012) requirements for the reporting of Exploration Results for the Aspiring project.

Section 1 - Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- Surface rock chip and B-C horizon -80 mesh soil samples were collected for standard analysis at a commercial laboratory. Soil samples collected by Anchor have been systematic and grid based on regional north-south soil sampling lines to follow up anomalous areas identified using a portable Niton XRF analyser. - Soil samples are representative and collected in a consistent manner at each sample location. Sample locations were surveyed using a hand held GPS unit. Sampling was carried out by two experienced field technicians and supervised by an experienced geologist in accordance with Anchor protocols and QAQC procedures as per industry best practice. - B-C horizon soil samples collected manually using a pick and shovel to sample ~200g of uncontaminated material generally 10-20 cm below surface obtained by sieving to -80 mesh on site. Samples were then securely bagged. Samples were sent to the ALS laboratory in Townsville to be dried at 105°C and pulverised to produce a sub-sample for analysis. Sample analysis for 48 elements followed a four acid near total acid digestion on a 1g sub-sample while gold was determined on a 50g sample.
Drilling techniques	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	n/a.
Drill sample recovery	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples.	- n/a. - n/a.

Criteria	JORC Code Explanation	Commentary
Drill sample recovery (continued)	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	n/a.
Logging	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. - The total length and percentage of the relevant intersections logged.	- All rock chip samples have been described. - Rock chip samples are routinely qualitatively described by an experienced exploration geologist at the point of sample collection. - n/a.
Sub-sampling techniques and sample preparation	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	- n/a. - n/a. - Soil samples are sieved to -80 mesh (-180µm) on site then oven dried at 105°C in the laboratory prior to sample dissolution for assay. - Field QAQC procedures involve the use of standard reference material with a range of assay values as analytical standards and blanks randomly inserted into the sample stream. - Sampling is considered representative of <i>in situ</i> material collected. No field duplicate soil or rock chip samples have been collected. - Sample size is considered appropriate given the style of mineralisation and previous success in discovering gold mineralisation in bedrock at this region.
Quality of assay data and laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.	ALS, Townsville. ALS Geochemistry is a leading full-service provider of analytical geochemistry services to the global mining industry. ALS Geochemistry is accredited to ISO/IEC 17025:2005 and ISO 9001:2001. For soil samples gold determination on a 50 gram fire assay with ICP-AES finish, and 48 other elements determined following a four acid near total digestion on a sample size of 1 gram with ICP-MS finish (technique for low level determination).

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests (continued)	- For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	For rock chip samples gold determination on a 50 gram fire assay with ICP-AA finish, and 48 other elements determined following a four acid near total digestion on a sample size of 1 gram with ICP-AES finish (technique for higher grade samples). - A handheld XRF instrument was used initially to locate potential areas of interest however no handheld XRF analyser results are quoted in this report. - Anchor has used a small number of certified reference materials inserted blindly and randomly into all batches of soil and rock chip samples. Laboratory QAQC involves the use of internal laboratory standards using certified reference material and blanks as part of their in house procedures.
Verification of sampling and assaying	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	- Graeme Rabone & Associates Pty Ltd has supervised the soil and rock chip sampling program. - n/a. - Primary data is recorded electronically into hand held GPS units and downloaded onto a PC each night. Data back-up is completed on a routine basis. - No adjustments are made to assay data.
Location of data points	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	- Sample points located by GPS with a ± 5 meter error. - Anchor data is in MGA94 Zone 56. - Coordinate information includes easting, northing and elevation.
Data spacing and distribution	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	- Orientation soil sampling completed at either 10 meter, 20 meter or 40 meter sample centres along north-south lines across the main areas of interest and provides good definition of gold and base metals in the underlying bedrock. Rock chip sampling undertaken along structures to determine gold content of structures. - Soil data spacing is sufficient for reconnaissance exploration and detection of large mineralised systems for potential further work.

Criteria	JORC Code Explanation	Commentary
	Whether sample compositing has been applied.	No sample compositing has been undertaken.
Orientation of data in relation to geological structure	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- Soil sampling achieves unbiased sampling of possible structures. Rock chip sampling along veins and structures used to determine potential of veins and structures to host gold mineralisation. - Soil sample grid layout not considered to bias results.
Sample security	The measures taken to ensure sample security.	Chain of custody is managed by experienced geologist. Samples are transported securely to a TNT freight depot in Cairns as soon as possible. Samples are then delivered by TNT road freight to ALS (Townsville). All samples are submitted to the laboratory using a standard ALS Sample Submittal Form.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audit or review completed.

Section 2 – Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	- Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. - The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	- Exploration Permit for Minerals 19447 (Aspiring project) is held 100.0% by Sandy Resources Pty Ltd, a wholly owned subsidiary of Anchor Resources Limited. The tenement is located 230km west of Cairns in Far North Queensland. - The company has a signed land access arrangement with the relevant landowners. - Tenement is current and in good standing
Exploration done by other parties	Acknowledgement and appraisal of exploration by other parties.	Historic work completed by prospectors. Current tenure explored by Anchor with no other parties involved.
Geology	Deposit type, geological setting and style of mineralisation.	Porphyry skarn and intrusion-related gold system exploration models.
Drill hole Information	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	- Historic drill hole data not compiled. Current work not undertaken in areas of previous drilling. - Exploration completed to date is grass roots in nature. Historic drilling does not relate to current work areas.
Data aggregation methods	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	- n/a. - n/a. - No metal equivalents used.

Criteria	JORC Code Explanation	Commentary
<i>Relationship between mineralisation widths and intercept lengths</i>	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	- n/a. - n/a. Geometry of mineralised zones is currently not known. - n/a.
<i>Diagrams</i>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Plan of work areas shown in current report.
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Reporting of exploration results is balanced and comprehensive.
<i>Other substantive exploration data</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Soil sampling has proved to be a successful technique in locating gold in bedrock. Geological mapping, structural analysis and geophysical survey results are used in conjunction with soil geochemical results and are important attributes in selecting potential targets.
<i>Further work</i>	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	- Follow up work is planned to determine the prospectivity of the preliminary targets identified. Additional regional soil sampling is planned to identify additional prospective areas. - Insufficient work completed to determine possible mineralisation extensions.

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

Quarter ended ("current quarter")

49 122 751 419

30 June 2014

Consolidated statement of cash flows

		Current quarter	Year to date (12 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	(429)	(2,162)
	(b) development		
	(c) production		
	(d) administration	(271)	(964)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4	15
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
Net Operating Cash Flows		(696)	(3,111)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(29)	(175)
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 deposit)	-	23
Net investing cash flows		(29)	(152)
1.13	Total operating and investing cash flows (carried forward)	(725)	(3,263)

1.13	Total operating and investing cash flows (brought forward)	(725)	(3,263)
	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	1,050	3,800
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	Net financing cash flows	1,050	3,800
	Net increase (decrease) in cash held	325	537
1.20	Cash at beginning of quarter/year to date	494	282
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	819	819

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	141
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	7,900
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	250
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	190
Total	440

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	5	16
5.2 Deposits at call	364	358
5.3 Bank overdraft	-	-
5.4 Other (bills receivable and bank accepted bills)	450	120
Total: cash at end of quarter (item 1.22)	819	494

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	Nil		
6.2	Interests in mining tenements acquired or increased	Nil		

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)	20,000	Nil	\$0.25	27 Sep 2014
- Unquoted Options (ESOP)	1,990,000	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)	275,000	Nil	\$0.38	22 May 2014
7.11 Debentures <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

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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:

24-Jul-14

(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.