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Quarterly Report - December 2008

Report to shareholders for the three months ended 31 December 2008

ASX code: AHR

HIGHLIGHTS

Exploration

- * Initial drilling at Windella copper prospect completed
- * Gold, tin and tungsten results enhance prospectivity at Greenvale East (Qld)
- * Proposal submitted for drill funding under Qld Collaborative Drilling Initiative (#3) at Perry Creek Tin prospect
- * Continued assessment of advanced project opportunities - domestically and offshore

Corporate

- * As at 31 December, Anchor Resources held \$1.60 million in cash and equivalents

Managing Director, Trevor Woolfe, commented that "During the current global financial crisis, Anchor has continued to explore its highest priority projects while actively minimising its cash outflows. Our antimony assets will remain a focus with drilling anticipated in the first half of 2009. Promising targets at Greenvale East will also be followed up after the wet season. "

NEW SOUTH WALES

Canonba & Collaroy Projects (copper-gold) (ELs 6928 & 6929) 100% Anchor

The Canonba and Collaroy leases are situated in a corridor of copper-gold mineralisation to the north and west of Nyngan in northwestern New South Wales. The zone encompasses the old Canbelego mine, as well as Straits Resources' Tritton and Girilambone mines (Figure 1).

During the *December quarter* activities included:

- Drilling of 2 reverse circulation holes at the Windella prospect;
- Multi-element geochemical analysis of RC samples;
- Soil sampling on areas adjacent to the Windella prospect;
- No field work was carried out on the Collaroy Project during the period.

Windella Drilling - During the quarter, approval was given by the NSW DPI for Anchor to undertake the first ever drilling program on the Windella target. In early December 2008, the short program, consisting of two reverse circulation holes was completed with a total of 305m drilled. Details of the two holes are shown in Table 1.

The Windella prospect is based on a buried geophysical target – an EM conductor - that displays similarities with the geophysical response at the nearby Tritton copper mine. The Tritton orebody does not outcrop and commences over 100m below the surface. The Windella target is also expected to be at depth, with transported cover material masking the geology.

After drilling through up to 25 metres of transported cover material, both of the drillholes intersected significant lengths of quartz-sericite schists, interpreted to be part of the Girilambone Group sediments. The weathered profile extended down to 45-50 metres downhole.

Little variation in lithology was encountered downhole, with the main variant being quartz veining. Traces of pyrite and possibly pyrrotite were observed in the lower parts of each hole, however did not reach significant quantities.

Samples were collected each metre. The samples from the overlying transported cover material and commencement of basement were

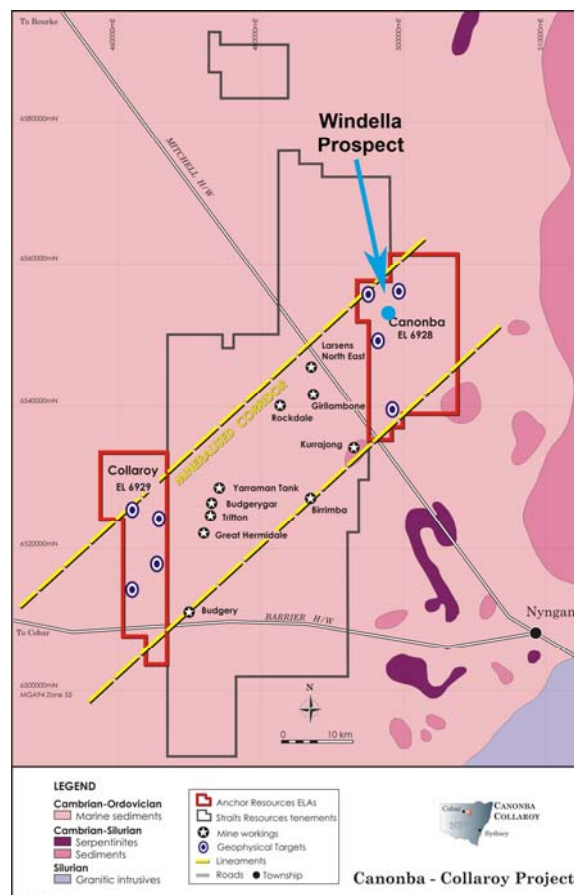


Figure 1 Canonba-Collaroy Project Locations

analysed at 1m intervals to gain a better understanding of the geochemical variations and possible pathfinder elements within the weathered/transported profile. This information will be used to aid further geochemical exploration in the area. The last 40-50m of each hole were also assayed at 1m intervals to assess the impact of weak sulphide mineralisation. The remaining intervals were assayed as 4 metre composites.

Samples were analysed by ALS in Orange for gold using fire assay-AA finish (AA23) and 35 elements by aqua regia-ICP (ICP41).

Results of the drilling were disappointing with highest copper value of 150ppm, zinc 236ppm (4m comp) and lead 66ppm.

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A program of downhole EM geophysical testing is being planned for the holes as an additional method of locating the interpreted buried EM conductor.

Windella Soil Sampling – A 400m x 100m grid of soil sampling was completed, pushing westwards from the transported cover above the Windella target to the immature soils of the outcropping

hills immediately to the west. The effectiveness of soil sampling is being tested for future use as an exploration tool in this variable regolith terrain.

Samples of at least 2kg were collected from the B horizon, and sieved to -80 mesh prior to assay. Results of multi-element analyses have been received and are currently being compiled and plotted for review and interpretation.

Hole	East_MGA94	North_MGA94	Azimuth (mag deg)	Dip	Length (m)
08WRC01	498,044	6,554,469	305	-60	150
08WRC02	498,179	6,554,644	305	-60	155
TOTAL					305m

Table 1 Windella Drillhole Details

Bielsdown Project (antimony)

(EL 6388)

100% Anchor

The Bielsdown antimony project is located in the New England Fold Belt region of NE New South Wales, 12kms north of Dorrigo. It is the key to Anchor's antimony focus in that region, in close proximity to the Hillgrove antimony-gold mine (Figure 3), currently operated by Straits Resources.

The Wild Cattle Creek antimony deposit at Bielsdown contains a total JORC compliant resource (Indicated and Inferred) of 459,000 tonnes at 3.0% antimony, using a 1.0% cutoff grade, as estimated by Anchor's 2007 resource study. The study highlighted the scope for resource expansion by further drilling, both along strike and down dip. Resources are reported to around 120m below surface. Scout holes indicate continuation of the mineralisation at depth.

During the *December quarter*, activities included:

- Negotiation of a landholder access agreement for drilling to commence;
- Planning of a drill program to expand the current resource base;
- Global antimony market research;
- No field work during the quarter.

Anchor made progress during the quarter on negotiations for an access agreement with the landholders at the old Wild Cattle Creek antimony mine. Anchor anticipates completion

of an agreement in the March quarter that will allow the commencement of RC and diamond drilling. The planned drilling will aim to expand the current resource inventory both down dip and along strike.

Antimony Pricing

Anchor's belief in the long term prospects for the antimony market is supported by robust global antimony prices. While demand and prices for the base metal complex plummeted in 2H08, antimony prices have remained relatively resilient finishing the year at US\$5842/t compared to US\$5886/t at end 2007. The graph below (Figure 2) shows the price history for antimony over the past ten years.

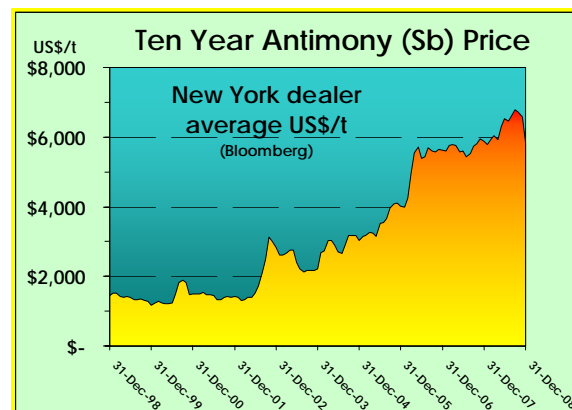


Figure 2 Antimony price history – past ten years

Thunderbolts & Munga (antimony) (ELs 7184 & 7185) 100% Anchor

The Thunderbolts and Munga projects (Figure 3), are held 100% by Anchor and cover old antimony producing areas of northeastern NSW and, as such, are highly prospective for antimony.

During the *December quarter*, activities included:

- Report into landholder, environmental, cultural heritage and native title issues;
- Literature review of previous exploration over the Thunderbolts project area;

- No field work during the period.

The Thunderbolts Project includes the high grade Magword antimony mine. Records indicate that the mine was worked until 1966.

The vein/shear filling stibnite mineralisation is subvertical and cuts into the side of a steep 170m high ravine, where a number of adits have been opened to access the ore. Assessment of the old mine records is being undertaken with the view to planning a drill program below the workings to assess the remaining resource.

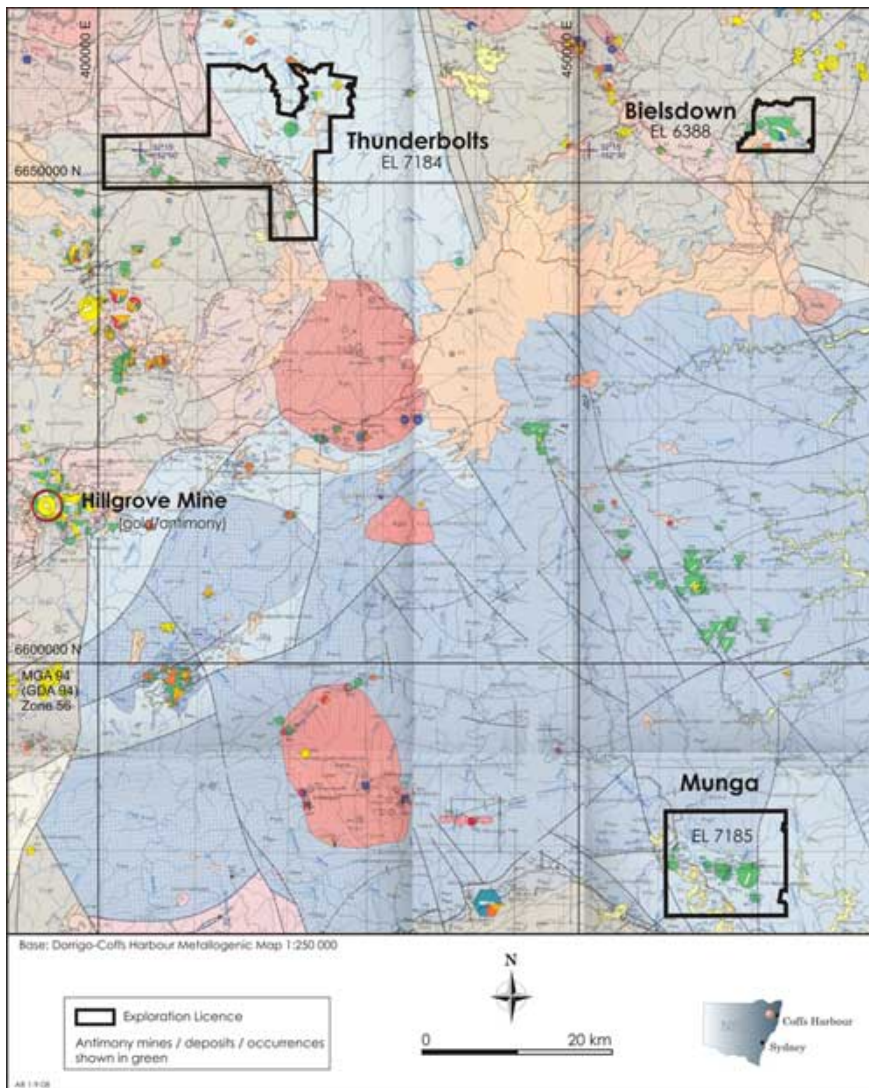


Figure 3 Location of Anchor's Bielsdown, Thunderbolts and Munga antimony projects

Blicks Project (copper-gold-molybdenum) (EL 6465) 100% Anchor

The Blicks copper-gold project is located in the New England Fold Belt region of northeastern New South Wales.

During the *December quarter*, activities included:

- Rehabilitation of drill sites.

Reverse circulation (RC) drilling at the **Tyringham gold prospect** was undertaken midway through 2008, with the program ultimately being shortened due to persistent inclement weather conditions. Anchor is currently assessing whether the remaining proposed holes will be prioritised for drilling in 2009.

The 100m x 50m soil sampling grid at the **Dundurrabin copper prospect** was extended to the west and south during the previous quarter. A large zone of anomalous soils was revealed some 500-700m southeast of the Dundurrabin copper mine. The zone, which is around 500 x 500m in extent and open to the southeast, shows coincident anomalies in copper, iron, lead and arsenic with lesser zinc and gold. Preliminary mapping indicates that it corresponds to the contact between a granodiorite body intruding Paleozoic metasediments. This zone is being reviewed for further assessment.

Birdwood Project (copper-gold-molybdenum) (EL 6459) 100% Anchor

The Birdwood copper-gold-molybdenum project is located in the New England Fold Belt region of northeastern New South Wales. Anchor Resources interprets the mineralisation to be related to a complex of intrusions of which the most prospective are not exposed at the surface or in old drill core.

During the *December quarter*, activities included:

- Field checking of historical drill locations and access;

- Geological reinterpretation of the mineralisation.

A review and reinterpretation of historic and recent stream sediments, soil sampling, rockchip sampling and drilling is currently underway. This data is being assessed in conjunction with airborne geophysical data and known geology to prioritise targets for follow-up during 2009.

QUEENSLAND

Greenvale East Project (gold-tin-tungsten) (EPM 14646) 100% Anchor

The Greenvale East gold-tin-tungsten project is located 170km west-northwest of Townsville. The licence contains numerous old workings that have produced modest volumes of tin, tungsten and gold.

During the *December quarter*, activities included:

- Rehabilitation of Clayholes Dam drillhole sites;
- Reconnaissance rockchip sampling at Clayholes Dam and the Perry Creek tin prospect;

- First reconnaissance visit and rockchip sampling at Wolfram Hill tungsten prospect;
- Proposal for Perry Creek drilling grant submitted to Qld DME.

During a drill site rehabilitation visit, a number of reconnaissance rockchip samples were taken from three prospects at Greenvale East – Clayholes Dam, Perry Creek and Wolfram Hill.

The **Clayholes Dam** rockchips returned anomalous gold (to 0.25g/t), copper (440ppm), zinc (546ppm) and tungsten (490ppm) results.

These samples, associated with quartz veining and sulphide development (oxidised) on a hill, provide significant encouragement that the zones of mineralisation discovered in drilling during 2008 may extend further to the south. These new samples are some 250m south-southeast of the drilled zone.

Wolfram Hill is known historically as a tungsten prospect with a number of old workings. However initial sampling was taken from surface outcrops away from the old diggings. Quartz veined and gossanous material returned significant tungsten values in the range 130-780ppm, bismuth from 98-442ppm, copper up to 163ppm, lead to 410ppm and zinc up to 326ppm.

The **Perry Creek** samples provided continued support for greisen related tin mineralisation within the contact zone of a granodiorite body. Tin results from rockchips were up to 189ppm.

Following Anchor's successful receipt of a grant from the Qld Department of Mines and Energy (DME) to half fund drilling at Clayholes Dam in 2008, Anchor has submitted another proposal for funding at Greenvale East. Under the third round of the DME's Collaborative Drilling Initiative, Anchor hopes to obtain part funding for drilling of the Perry Creek tin prospect in 2009.

Further geological follow-up is anticipated for the Clayholes Dam and Wolfram Hill prospects following the current wet season.

Chillagoe Uranium Project (uranium) (EPM 14752/15631/15987) 100% Anchor

The Chillagoe Uranium Project comprises the contiguous Aspiring (EPM 14752), Featherbeds (EPM 15631) and Hot Springs (EPM 15987) tenements located to the north and east of Chillagoe.

The Featherbeds Volcanic Cauldron Complex is highly prospective for uranium (U) of the U-molybdenum-fluorite deposit type. This deposit type is well known globally with significant local

examples including Ben Lomond and Maureen, also in Queensland.

During the **December quarter**, activities included:

- Relinquishment of 50% of the area of the Aspiring tenement (EPM 14752);
- No field work was undertaken during the period.

CORPORATE REVIEW

The ongoing **global financial crisis** has had a profound impact on us all. Midway through 2008, the Anchor Board recognised that exploration companies would face serious challenges in raising capital and consequently vowed to preserve its cash position, while responsibly continuing to advance exploration on its highest priority projects.

This will remain Anchor's direction in the foreseeable future. In addition, Anchor will be continually assessing its portfolio and all possible options to advance exploration programs on existing projects while minimising the direct cost to the company.

The Anchor team continues to evaluate **project opportunities**, both within Australia and offshore, with the potential to move the company closer to producer status.

Following Anchor's second annual general meeting in November 2008, an additional 140,000 ordinary shares and 450,000 unlisted options in the company have been issued. This brings the total number of ordinary shares on issue to 30,820,000.

As at 31 December, Anchor Resources held **\$1.6 million in cash** and equivalents.

Corporate Information

Board Members

John Anderson	Chairman
Trevor Woolfe	Managing Director
Grant Craighead	Executive Director
Gary Fallon	Non-executive Director
Ross Moller	Company Secretary

Registered and Principal Office

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Website: www.registries.com.au

Stock Exchange Listing

Ordinary shares ASX code: AHR
Options (expiry 31/3/10) ASX code: AHRO

Issued Share Capital

At 31 December 2008, issued capital was:
30,820,000 ordinary shares
15,304,688 listed options
2,100,000 unlisted options

Major Shareholders (at 27 January 2009)

Fallon Nominees Pty Ltd	7.91%
Gage Resources Pty Ltd	7.36%
Troppo Resources Pty Ltd	5.76%
St Jude Exploration Pty Ltd	5.03%
Eastmin Pty Ltd	3.89%

Quarterly Price Activity

AHR - Ordinary shares
High: 9 cents
Low: 4 cents
Last (14/11/08): 6 cents

AHRO - Options expiring 31/3/10
No trades in the December quarter
Last (5/08/08): 1.1 cents

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 consultant to 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.*

Date released: 29 January 2009

For further information contact Trevor Woolfe on 02 9279 1231 or by email to:

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An electronic version of this report, and further company details, are available at:

www.anchorresources.com.au