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Quarterly Report - June 2010

Report to shareholders for the three months ended 30 June 2010
ASX code: AHR

HIGHLIGHTS

Exploration

* Resource expansion drilling campaign completed
* Resource modelling at Wild Cattle Creek underway
* Scoping study to be completed in second half of 2010
* New high grade antimony-tungsten zone discovered
* Excellent antimony widths and grades:
  - 10WRD15 – 51.2m at 1.7% Sb (incl. 5.5m at 4.8% Sb)
  - 10WRD16 – 1.4m at 17.1% Sb and 2.23% WO_3 (new zone)
  - 10WRD17 – 3.0m at 6.15 %Sb and 0.60 g/t Au
* Antimony price remains near record levels – up ~50% in 2010

Corporate

* As at 30 June, Anchor held $626,000 in cash and equivalents

Managing Director, Trevor Woolfe, commented that *"A successful round of drilling at Wild Cattle Creek in 2010 has moved forward into the resource modeling and upgrade phase. A scoping study has commenced to investigate the parameters and costs associated with key mining and processing options. While the main focus will be on the core breccia-hosted antimony mineralisation, we will also evaluate the potential economic upside from peripheral "stringer" mineralisation that incorporates tungsten and gold as well as antimony."*

NEW SOUTH WALES

Bielsdown Project (antimony) (EL 6388) 100% Anchor

The Bielsdown project is located 12kms north of Dorrigo in NE New South Wales. It is the key to Anchor's antimony focus in that region, in close proximity to the Hillgrove antimony-gold mine, recently developed by Straits Resources.

Background

The Bielsdown project includes the old Wild Cattle Creek antimony mine which was first drilled in the 1960s and then later in the mid 1990s. A compilation of historical data by Anchor in 2007 led to the first round of resource drilling by Anchor Resources in 2009.

The mineralisation consists of a quartz-stibnite rich ***high grade breccia core***, and is surrounded by an envelope of stringer stibnite-wolframite (a tungsten mineral) vein type mineralisation. This ***stringer zone*** also contains encouraging antimony values (>1%). Importantly, the stringer zone recorded significant tungsten assay results up to 16.6m at 0.26% W as detailed in the September 2009 quarterly report. Tungsten had not previously been recorded in the historic drilling of this deposit.

Following Anchor's initial ten-hole drilling campaign at Wild Cattle Creek (WCC) in 2009, SRK Consulting completed a 3D model and antimony (Sb) resource estimate focused only on the main antimony-bearing breccia zone, as detailed in an ASX announcement dated 23 November 2009. The main zone resource is reported in accordance with the JORC Code (2004) and is outlined in the following table at various cut-off grades.

Cutoff grade (%Sb)	*Tonnes (t)*	*Grade (%Sb)*	*Contained Sb (t)*
0.5	**880,000**	**1.99**	**17,500**
1.0	**718,000**	**2.27**	**16,300**
1.5	**546,000**	**2.59**	**14,100**

Wild Cattle Creek Inferred Resource (SRK, 2009)

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

- Completion of the 2010 round of ten RC/diamond holes at Wild Cattle Creek
- Discovery of new high grade antimony and tungsten zone
- Geological logging and sampling
- Multi-element geochemical analysis
- Regional mapping and sampling
- Soil orientation sampling and analysis
- Commencement of resource modelling and estimation phase
- Progress towards scoping study

2010 drilling – Wild Cattle Creek

Drillholes in Anchor's 2009 program targeted down plunge extensions to the main breccia mineralisation (Figure 1) and demonstrated a robust and continuous system. The mineralisation remained open at depth and along strike.

In addition to testing the down dip and along strike positions, in the recently completed 2010 campaign, selected areas previously drilled in the 1960s and 1990s were also targeted to provide greater confidence in historical drill analyses, as well as quantifying gold and tungsten levels, which was discovered in the 2009 Anchor campaign.

Around 2,000 metres of reverse circulation pre-collar and diamond tails were drilled in the latest 10-hole program completed in May (Table 1). An additional "wedge" hole was also drilled from one of the diamond holes.

While results from the first four holes were reported in Anchor's March quarterly report, all later results have now been received. They were first reported in an announcement via the ASX on 8 July.

All holes intersected the target mineralised breccia confirming the robustness and continuity of the host structure and continuing to improve the confidence in the geological model formulated by Anchor's technical team.

Hole 10WRD15 intersected the widest zone of anomalous antimony mineralisation to date: 51.2m at 1.69% Sb (Table 2), representing approximately 22m true width. This zone consists of a high grade stibnite breccia core – **5.5m at 4.80% Sb** - surrounded by consistent lower grade peripheral stringer type mineralisation, both

uphole and downhole. The high grade core also contains gold credits (5.5m at 0.44g/t Au). Peripheral tungsten mineralisation immediately adjacent, both uphole and downhole, was also recorded - **2.8m at 0.32% WO_3** and **7.7m at 0.61% WO_3**.

Anchor's deepest hole to date - **10WRD16** – was drilled to test the extensions of the zone encountered in 10WRD15, almost 150m deeper. However, before reaching the main structure a new 1.4 metre zone of massive, high grade, coarse grained stibnite was intersected. In addition to the contained antimony, this zone also returned excellent tungsten grades – **1.4m at 17.1% Sb and 2.2% WO_3**. This interval represents the discovery of a new high grade Sb/W zone.

Following completion of hole 10WRD16, a short secondary "wedge" hole was drilled to test continuity and orientation of this new high grade antimony/tungsten zone. Wedge hole **10WRD16W** intersected the high grade target zone, returning further exciting results – **2.0m at 14.5% Sb and 1.1% WO_3**. The orientation of the new high grade zone is interpreted to be sub-parallel to the main zone however this will be determined by follow up drilling. This new zone lies approximately 35 metres to the north of the main breccia and remains open at depth and along strike.

At depth, hole 10WRD16 successfully encountered the main breccia zone approximately 300m below surface. The structure has shown that it can pinch and swell both along strike and down dip. At this position antimony values were low, while the zone was characterised by elevated gold values of 4.2m at 0.9 g/t Au. This intersection confirms the continuity of the main antimony breccia at depth, and also reaffirms our theoretical deposit model in which the antimony rich zone has a shallow westerly dip (Figure 1) and pinches out in the lower "keel" position.

Drillhole **10WRD17** targeted the main breccia zone higher in the system where grade x thickness contouring indicated low grade antimony mineralisation (Figure 1). However, the zone returned very encouraging results of **8m at 2.75% Sb**, with a higher grade core of **3m at 6.14% Sb**. Individual tungsten results were up to **0.60% WO_3** in the peripheral stringer zone in this position.

10WRD18 and **10WRD19** also targeted the lower "keel" position of the plunging mineralised structure to better define the extremities of the zone. As we have come to expect from the geological model, the breccia in this position tends to become narrower, arsenopyrite is more prominent, stibnite levels decrease, but gold is still a feature. For example, hole 10WRD19 intersected **2.55m of 1.61% Sb and 1.28 g/t Au**. Hole 10WRD18 was located below the 2009 resource outline and hence was lacking stibnite but reported anomalous gold.

The final hole - **10WRD20** – intersected the breccia zone down plunge to the west of the deposit with **3.1m at 1.15% Sb** along with anomalous gold, proving once again the 'pinch-and-swell' nature of this very productive antimony mineralised system.

Resource upgrade

The results from the latest drilling program provide justification for a re-appraisal of the **JORC compliant resource** contained in the Wild Cattle Creek deposit. A number of holes have successfully expanded the known mineralisation, while further confidence in results from old holes has been provided by recent drill checking.

Previous resource modelling, including Anchor's latest estimate in November 2009, focused primarily on the main core breccia zone hosting antimony mineralisation, however the discovery by Anchor of tungsten, lower grade antimony and gold in the peripheral "stringer" zone immediately adjacent to the main zone also merits incorporation into the model to assess its potential economic benefit.

Internal geological interpretation and modelling has commenced as the first step towards the upgrade of the independent, JORC compliant, 3-D modelling and resource estimation for the Wild Cattle Creek deposit. The new resource estimate is expected to be available by the end of the third quarter 2010.

Scoping study

Following recent drilling success at Wild Cattle Creek, Anchor is finalising the selection of consultants for a scoping study based on possible development of the Wild Cattle Creek deposit. The study is designed to evaluate facets of the geology, mining and process options, and provide indicative capital and operating cost structures. It will also incorporate a review of historical metallurgical testwork with new testing aimed at assessing a broader range of economic products.

While geological modeling and a historical metallurgical review are underway, the bulk of the scoping study will follow completion of the resource upgrade and results of additional metallurgical testing. Anchor anticipates that the scoping study will be completed during the fourth quarter of 2010.

Regional Exploration

The Wild Cattle Creek resource is situated within a linear regional structure that is interpreted to extend for at least four kilometres to the east and west. Anchor is assessing the potential for extensions or repetitions of the Wild Cattle Creek antimony-tungsten-gold mineralisation along this structure.

Anchor reported (December/March quarterly reports) field reconnaissance and drilling results along this structure, 400m east of the Wild Cattle Creek resource on the **Jezebel prospect**. Sampling of outcrops at Jezebel returned results up to 6.0% Sb, 1.63g/t Au and 0.47% WO_3. A small number of scout drillholes were drilled along this structure in the 1960s, including DDH36 at the Jezebel prospect which intersected 1.3m at 11.8% antimony.

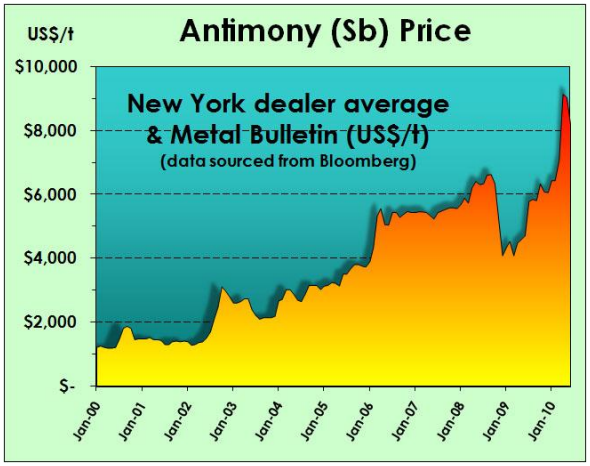
Soil sampling - During the June quarter, a soil orientation line was sampled close to the Wild Cattle Creek deposit to provide feedback on size fractions, sampling methodology and geochemical variations from a known mineralised zone. The multi-element analyses confirmed the importance of arsenic, gold and, not surprisingly, antimony, in the soil profile adjacent to known mineralisation. Lessons learnt from this important exercise will be incorporated into future regional soil programs along strike from the main mineralisation.

A regional soil sampling program has been designed and is scheduled for the second half of 2010. In addition to traditional analysis methods, a hand-held XRF analyser is to be utilised for more immediate field response, particularly for arsenic and antimony.

Antimony price surge

The antimony price continued its record breaking performance during the period. Since early April prices leapt from around US$7,000/t with some reported trades reaching **around $9,800/t**, equivalent to ~US$4.40/lb. This is up a staggering 55% since the start of the year.

While pricing dropped back to around $8,000/t in June, prompt "on-the-ground" antimony had reversed upwards again by mid July with European prices quoted at $9,400/t - driven higher by the lack of offers from key supplier country, China.



European Commission report – In mid June, an expert group chaired by the European Commission released results of a study indicating 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.

Antimony was highlighted as one of these critically undersupplied commodities. Specifically it states that the emerging technologies that are driving demand for antimony are the use of antimony tin oxide (application in LCD displays and photovoltaic cells) and micro-capacitors.

The study indicated that a key factor behind the shortages was a concentration of production sources. For example in the case of antimony, over 90% is produced from 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.

Other commodities facing critical shortage in the report include tungsten, rare earths, indium, tantalum and cobalt.

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

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

During the ***June quarter***:

- No field work was undertaken on these projects.

A surface mapping and soil sampling program is expected to commence later in 2010 to delineate the lateral extent of the structures hosting the mineralisation and any potential along strike extensions to the antimony-rich zones. These projects complement Anchor's focus on developing its antimony inventory in the New England region of New South Wales.

Canonba Project (copper-gold) (EL 6928) 100% Anchor

The Canonba licence is situated in a corridor of copper-gold mineralisation to the north and west of Nyngan in northwestern New South Wales that also includes Straits Resources' Tritton and Girilambone copper operations.

During the ***June quarter***:

- No field work was carried out on the projects during the period.

Anchor has identified numerous geophysical targets on the Canonba tenement. These are being prioritised for follow-up during the current year in order to refine drill targets.

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 sediment-hosted intrusions.

During the ***June quarter***:

- No field work was undertaken during the period.

A large mineralising system has been interpreted to be related to a multi-phase acid intrusive system, forming a mineralised breccia pipe with sheeted veins in the Birdwood North prospect area. Prospective drill sites have been identified to test this reinterpretation.

Potential joint venture partners are being sought to advance the drilling phase of this large scale target.

Blicks Project (copper-gold) (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 ***June quarter***:

- Results of re-sampling of historic drilling were received
- No field work was undertaken on the project during the period

The **Tyringham gold prospect** drilling program may re-commence later in 2010 to follow up on potential large tonnage gold mineralisation. Re-sampling of historic RC chips provided further encouragement with the existence of copper-tungsten-molybdenum-bismuth associated with gold mineralisation.

Discussions are underway with **potential joint venture partners** to advance the drilling phase of this large scale gold and copper project.

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 ***June quarter***, activities included:

- No field work was undertaken during the period.
- Review of potential drill targets
- Discussions with potential joint venture partners

Results from rockchip and soil sampling in the past year identified high grade zones of gold, antimony and tungsten on four separate prospect areas.

Another round of mapping and ground based sampling is scheduled for the coming quarter to further refine target zones for drilling on some of the gold prospects including Jacks Creek.

Already a number of **drill targets** have been identified and are expected to be programmed for testing later in the current year.

Discussions are underway with **potential joint venture partners** to advance to the next drilling phase of this large scale gold and copper project.

Chillagoe Uranium Project (uranium) (EPM 14752) 100% Anchor

The Chillagoe Uranium Project comprises the Aspiring (EPM 14752) licence, located in far north Queensland.

During the ***June quarter***:

- No field work was undertaken during the period.

The Featherbeds 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.

Potential **joint venture partners are being sought** to advance this project with drilling of the various identified uranium targets.

CORPORATE REVIEW

During the quarter, Anchor has continued to focus its human and financial resources on the expansion of resources at its Wild Cattle Creek antimony deposit, particularly as the antimony price continues to surge beyond previous record highs. The company continues the search for quality joint venture partners to unlock the value of lower priority projects in the portfolio. Discussions are continuing with a number of groups on this front.

The Anchor team is advancing its **strategy to pursue advanced project opportunities**, both within Australia and offshore, with the potential to move the company closer to producer status. Anchor has submitted applications for a number of advanced project opportunities in **New Caledonia** that await approval. New Caledonia is renowned as one of the world's top nickel producing nations.

During the quarter Anchor moved into new offices. The new company details can be found on the following page. As at 30 June, Anchor Resources held **$626,000 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

Issued Share Capital

At 30 June 2010, issued capital was:

39,259,237	ordinary shares
2,300,000	unlisted options

Major Shareholders *(at 28 July 2010)*

Fallon Nominees Pty Ltd	9.57%
N K Watson	8.21%
Gage Resources Pty Ltd	6.99%
Eastmin Pty Ltd	5.20%
St Jude Exploration Pty Ltd	4.74%

Quarterly Price Activity

AHR - Ordinary shares

High:	24 cents
Low:	12 cents
Last (28/7/10):	13.5 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.*

The information in this report that relates to the Mineral Resources estimation approach at Wild Cattle Creek is based on information compiled by Mr Danny Kentwell, MSc, MAusIMM. Mr Kentwell is a Principal Consultant and full time employee of SRK Consulting (Australasia) Pty Ltd. He has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity which he is undertaking, 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". He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Date released: 30 July 2010

For further information contact Trevor Woolfe on 02 9279 1231 or by email to:
trevorw@anchorresources.com.au

An electronic version of this report, and further company details, are available at**:**
www.anchorresources.com.au

		MGA (WGS84)				
Hole	**Prospect**	**Easting**	**Northing**	**Dip**	**Azimuth**	**Depth (m)**
10WDD11	**WCC**	473,018	6,656,197	-55	180	75.0 EOH
10WDD12	**WCC**	472,917	6,656,164	-60	0	68.8 EOH
10WRD13	**WCC**	472,892	6,656,275	-75	180	182.6 EOH
10WDD14	**WCC**	472,896	6,656,274	-75	174	234.3 EOH
10WRD15	**WCC**	472,783	6,656,311	-60	190	240.0 EOH
10WRD16	**WCC**	472,784	6,656,315	-70	190	377.1 EOH
10WRD16W	**WCC**	472,784	6,656,315	-66.4	192.6	148.7 EOH[#]
10WRD17	**WCC**	472,829	6,656,283	-53	172	144.0 EOH
10WRD18	**WCC**	472,964	6,656,111	-60	0	170.1 EOH
10WRD19	**WCC**	472,898	6,656,100	-60	0	195.0 EOH
10WRD20	**WCC**	472,785	6,656,313	-60	208	267.0 EOH

[#] *10WRD16W – wedge hole commenced at 88.5m down hole 10WRD16*

Table 1 2010 Wild Cattle Creek drillhole details

Drillhole	From (m)	To (m)	Interval	Antimony (Sb %)	Tungsten ($W0_3$ %)	Gold (Au g/t)
10WDD11	39.5	58.2	**18.7m**	**4.46**	0.10	0.10
(incl.)	44.6	48.5	3.9m	3.88	0.24	-
	51.4	56.6	5.2m	9.83	-	0.21
and	58.2	64.5	6.3m	0.31	0.18	-
10WDD12	36.3	50.4	**14.1m**	**2.31**	-	0.22
(incl.)	44.2	48.9	4.7m	4.73	-	0.52
10WRD13	105.0	106.0	1.0m	1.03	-	0.20
10WDD14	165.0	168.0	3.0m	2.38	-	0.94
	202.4	203.4	**1.0m**	**8.22**	-	0.19
10WRD15	154.8	206.0	**51.2m**	**1.69**	**-**	**-**
(incl.)	174.6	192.6	18.0m	3.27	**-**	0.29
(incl.)	182.5	188.0	**5.5m**	**4.80**	**-**	0.44
and	189.6	197.3	7.7m	-	0.61	-
10WRD16	133.3	137.7	4.4m	5.83	0.78	**-**
(incl.)	134.3	135.7	**1.4m**	**17.07**	**2.23**	**-**
	348.8	353.0	4.2m	-	-	0.89
10WRD16W	133.5	135.5	**2.0m**	**14.45**	**1.06**	**-**
10WRD17	106	114	**8m**	**2.75**	**-**	**-**
(incl.)	106	110	4m	0.86	0.31	**-**
and	111	114	**3m**	**6.14**	-	0.60
10WRD18	154.1	158.8	4.7m	-	-	0.21
10WRD19	169.3	171.85	2.55m	1.61	-	**1.28**
10WRD20	216.3	219.4	3.1m	1.15		0.31
	226.9	234.0	7.1m	-	-	0.49
	238.0	241.0	3.0m	-	0.12	-

Note: Hole 10WRD16W is a wedge off the 10WRD16 parent hole

Table 2 Results from 2010 Wild Cattle Creek drill program

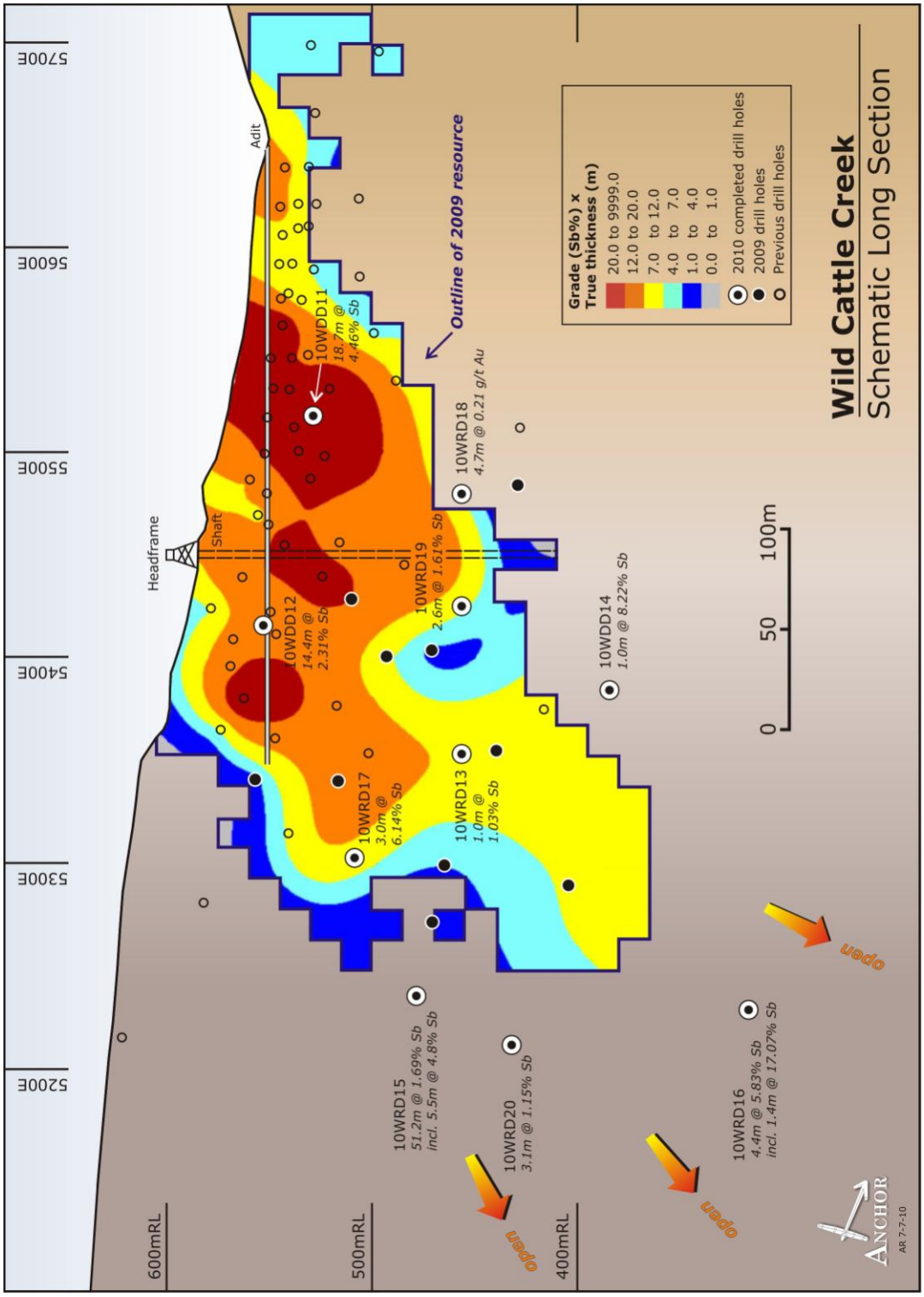

Figure 1 Wild Cattle Creek deposit long section – Sb grade x thickness contours and 2010 drilling