



ANCHOR RESOURCES



Anchor Resources Limited

Annual General Meeting 2010

Operational Overview

Managing Director: Trevor Woolfe

For personal use only



Board of Directors

Chairman

Managing Director

Executive Director

Non-executive Director

John Anderson

Trevor Woolfe

Grant Craighead

Gary Fallon



Company Secretary

Ross Moller

Company Auditor

Barnes Dowell James

- Tony Dowell

- Michael Nakkan



Highlights 2009/10

- **Successful rights issue raised around \$1 million**
- **Maintained tight company structure**
- **Significant advancement of Bielsdown antimony project to scoping study**
- **Antimony price continues to hit record highs**
- **Renewed expectations for Blinks and Greenvale East projects**
- **Continued search for advanced “near production” projects**
- **Record high share price of 28c attained**

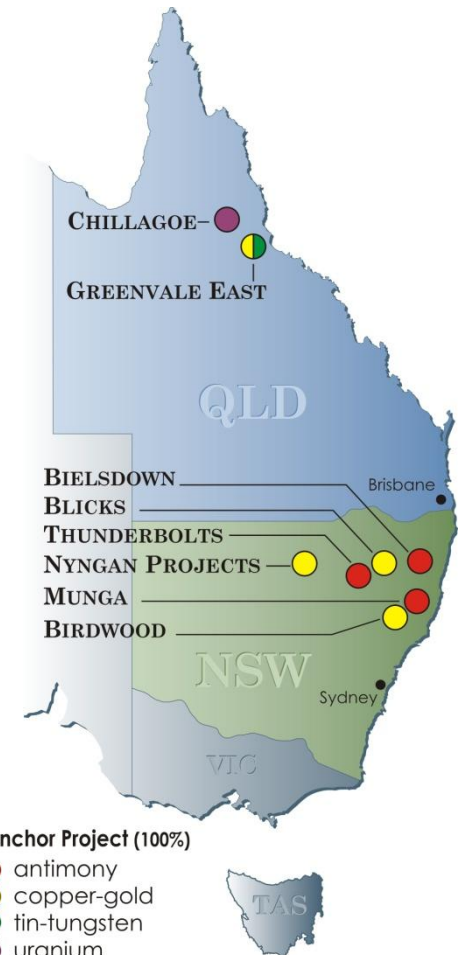


Anchor Resources Strategy

Pursuing advanced projects with the potential to lead to producer status

Focus on advancement of the emerging Wild Cattle Creek (Bielsdown) antimony deposit

Utilising the Group's offshore experience to assess opportunities (for example in the Pacific region)





Outline of presentation

Why ANTIMONY?

The emerging Wild Cattle Creek antimony deposit

Company info - Anchor Resources Ltd

Rights issue announced today





Why Antimony (Sb)?

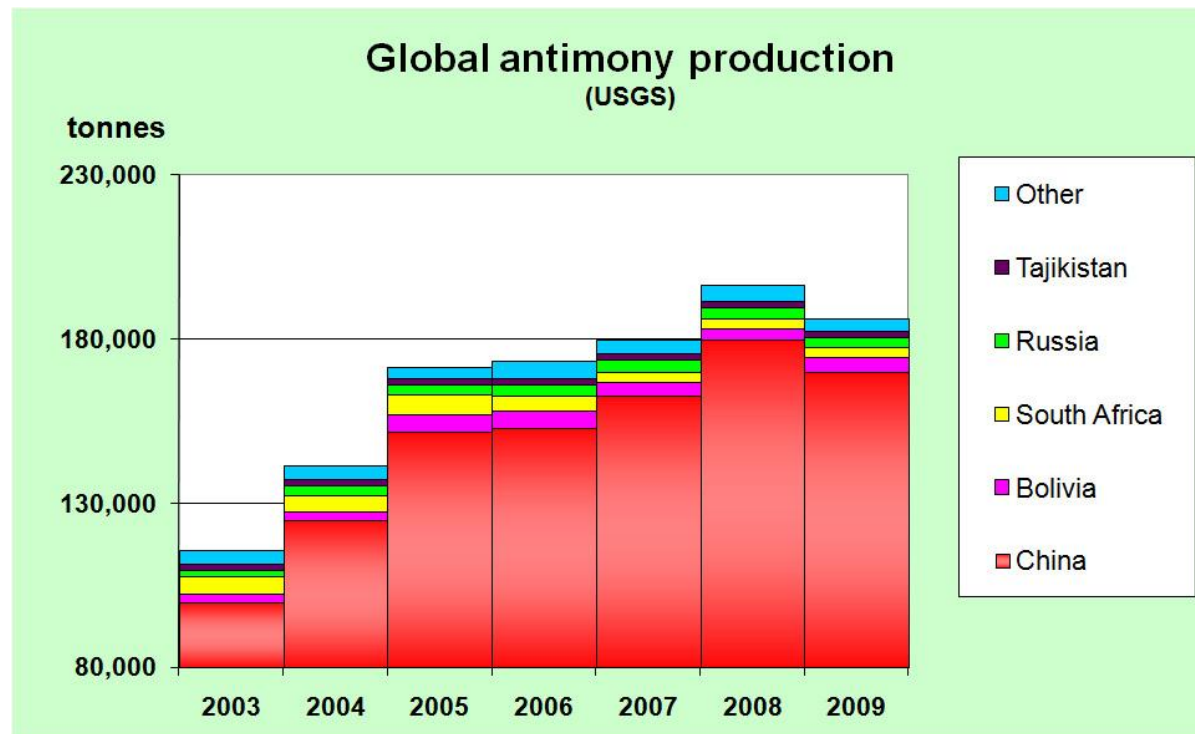
- **Antimony has sex appeal!!**
- **Antimony is a metal increasing in demand**
- **Global output up 70% over recent years**
- **Production is dominated by the Chinese**
- **Price continues surging to record highs**
- **Price has leapt >150% in past 18 months**





Global antimony production

- Global output rose almost 70% from 2003 to 2008
- China dominates global production (~91% in 2009 - USGS)
- Remainder of output from high sovereign risk countries
- Increasing supply in response to higher global demand
- 2009 weakness due to Chinese mine closures and GFC





Aussie deposits and antimony uses

- **Major Australian deposits include:**

Hillgrove (NSW) – Straits Resources

Costerfield (Vic) – Mandalay Resources
(Canadian-listed)

- **Uses** – fire retardant agent
 - hardening/strengthening agent for lead and zinc alloys
 - lead batteries, ammunition
 - catalyst in PET (plastics) production
 - ceramics





Antimony Pricing

- Price surging to record highs

- Sb recently traded at around

- US\$5.00/lb or US\$11,000/t

- Up 81% already in 2010 !!

- Up 165% in past 18 months

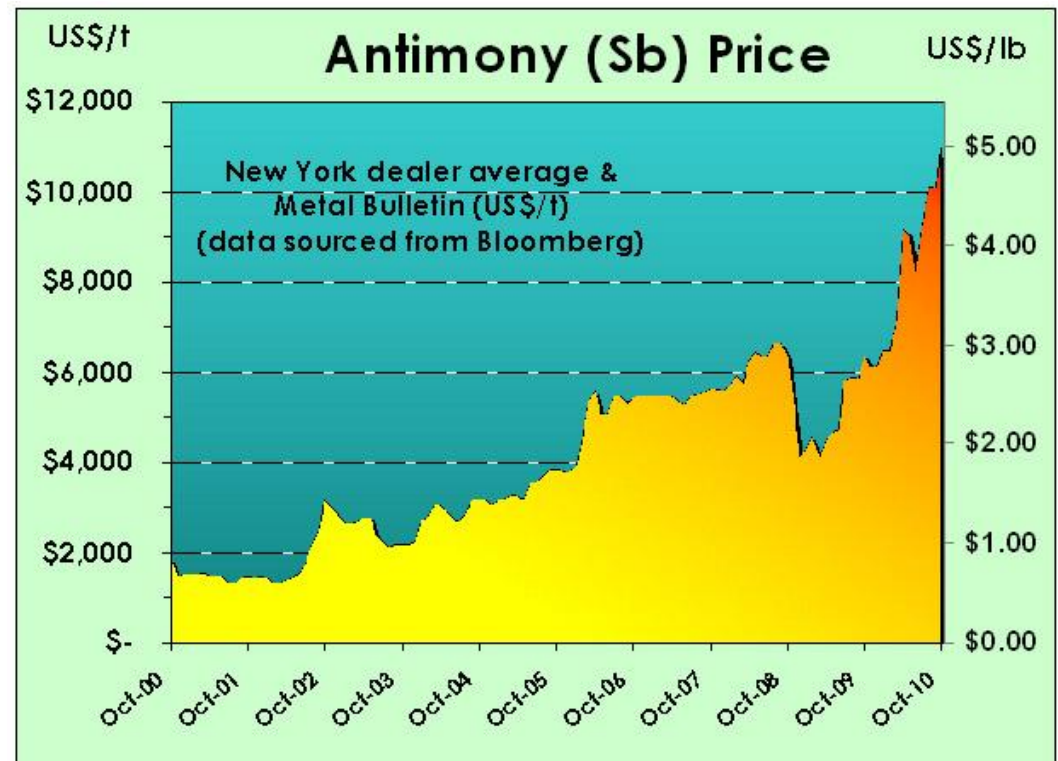
- Rising price factors:

- China
 - freeze on new mines
 - environmental and safety crackdown
 - forced closures

- **Nov 3 report...**

- "...China plans to build strategic reserves in 10 minor metals including antimony..."*

- "...plans to reduce export quotas by 2-3% per year..."*





Antimony Pricing Comparison

Sb currently

- US\$5.00/lb or US\$11,100/t

Compares to:

zinc US \$1.13/lb

lead US \$1.17/lb

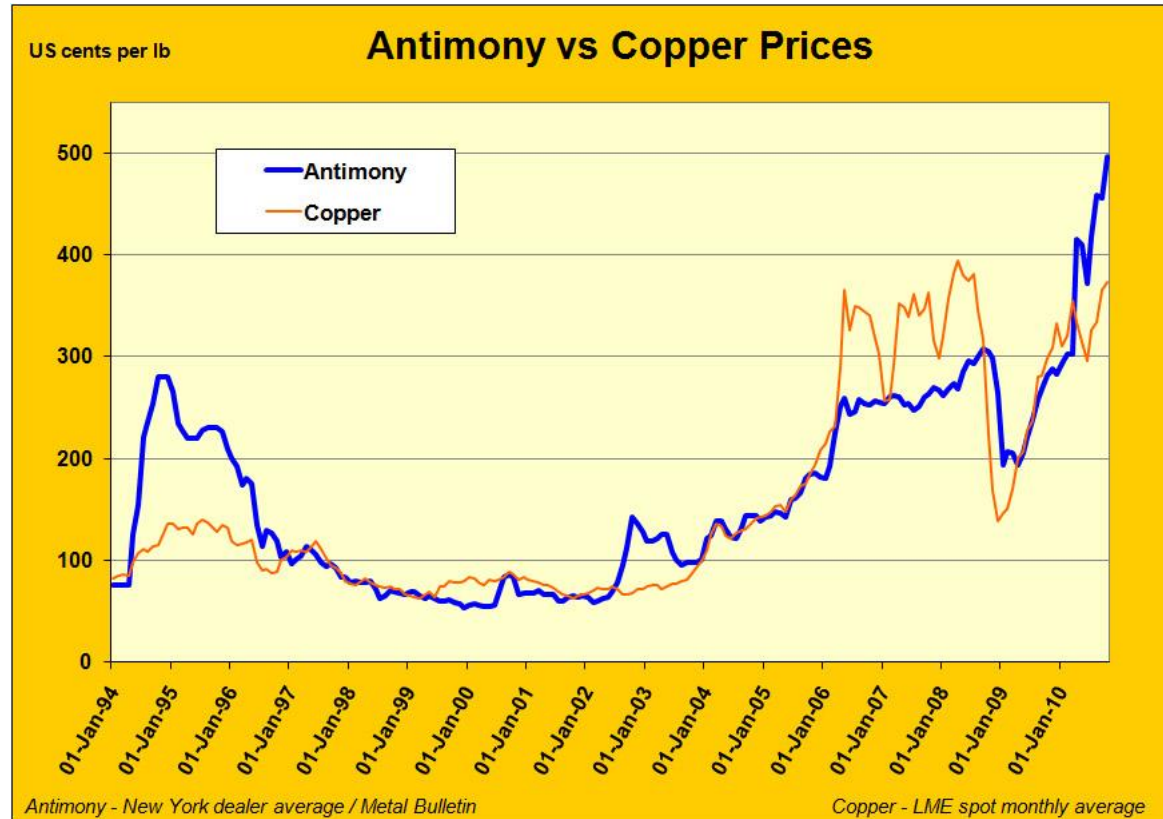
copper US \$3.98/lb

Gold equivalent

(Au at U\$1,400/oz)

1% Sb = ~2.5g/t Au

(Recoveries not estimated)



Comment: Strong historical correlation between absolute copper and antimony prices



Outline of presentation

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- **The emerging Wild Cattle Creek Sb deposit**
- Company info - Anchor Resources Ltd
- Rights issue announced today



Tenement Portfolio

New South Wales

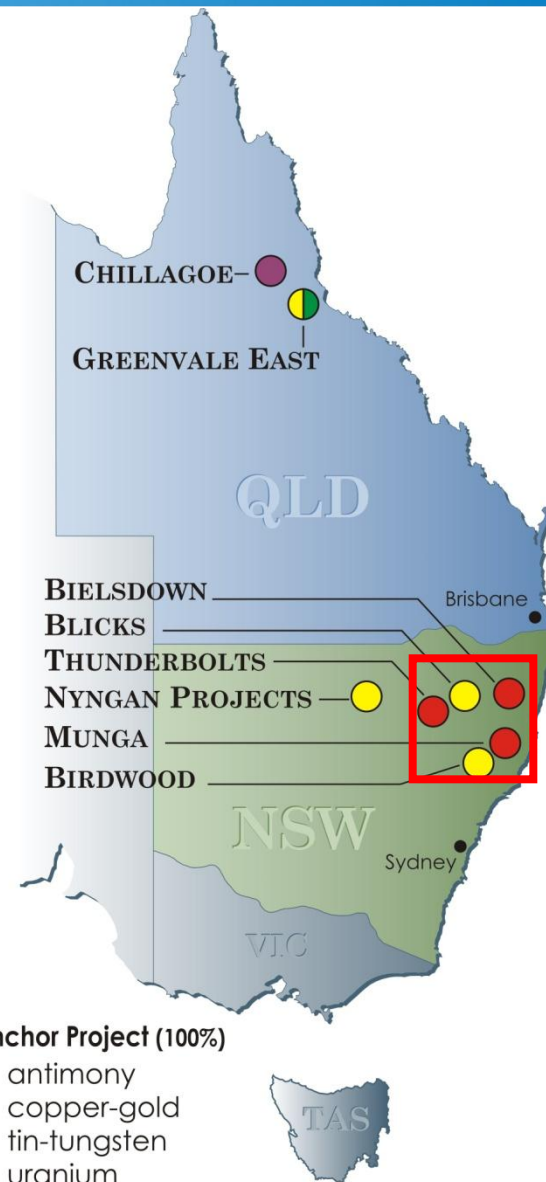
- **Bielsdown** (antimony, gold)
- **Thunderbolts** (antimony)
- **Munga** (antimony)

- **Nyngan Project** (copper, gold)
- **Blicks** (copper, gold)
- **Birdwood** (copper, gold, moly)

Queensland

- **Greenvale East** (tin, tungsten, gold)

- **Chillagoe Project** (uranium)





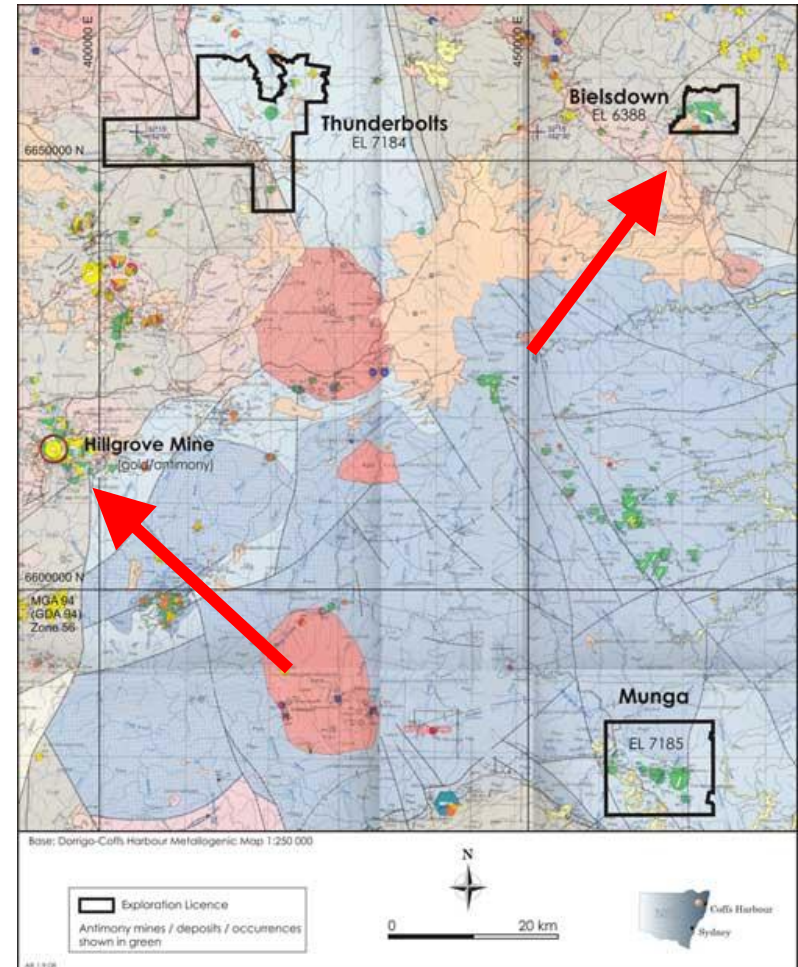
Antimony in the New England

Hillgrove Sb-Au mine

- Straits Resources re-commenced mining 2008
- Suspended operations late 2009
(due to significant processing problems after its decision to produce Sb metal rather than concentrates)
- Considering corporate options
- Located ~80km SW of Bielsdown project

Anchor antimony projects

- **Bielsdown** (antimony, gold)
- **Thunderbolts** (antimony)
- **Munga** (antimony)





Bielsdown project (AHR 100%)

Focus on old Wild Cattle Creek mine and resource

Sub-vertical stibnite breccia zone

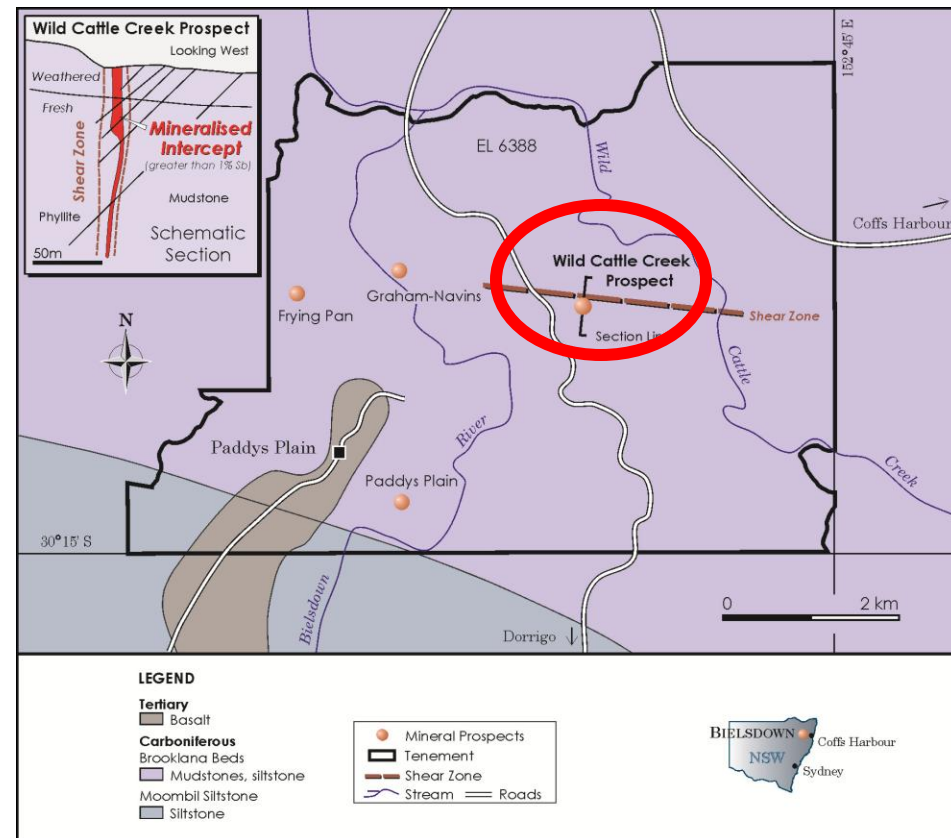
Previously drilled : 1960s & 1990s

Shallow 300m long surface pit

>300m adit below pit

Headframe and shaft to 165m

No evidence of additional u/g development or stoping





Anchor's 2009 antimony resource

- **Wild Cattle Creek – Inferred JORC Resource (Nov 2009)**

Cutoff Grade (% Sb)	Tonnes (t)	Sb grade (%)	Contained Sb (t)
0.5	880,000	2.0	17,500
1.0	718,000	2.3	16,300
1.5	546,000	2.6	14,100

*Refer ASX announcement dated 23 November for details on resource (SRK Consulting)

- 3D model and resource only incorporated breccia core zone
- Mineralisation open down plunge
- Current Sb price US\$11,000/t In ground value US\$192 million (at 0.5% cutoff)
- Insufficient data to include peripheral Sb-W-Au stringer zone in 2009 resource



2010 drilling – results

Drillhole	From (m)	To (m)	Interval	Antimony (Sb %)	Tungsten (WO 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
10WDD12	36.3	50.4	14.1m	2.31	-	0.22
(incl.)	44.2	48.9	4.7m	4.73	-	0.52
10WDD14	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	134.3	135.7	1.4m	17.07	2.23	-
10WRD16W	133.5	135.5	2.0m	14.45	1.06	-
10WRD17	106	114	8.0m	2.75	-	-
(incl.)	111	114	3.0m	6.14	-	0.60
10WRD19	169.3	171.85	2.6m	1.61	-	1.28
10WRD20	216.3	219.4	3.1m	1.15		0.31

- Drilled from February to May

- 12 holes
- ~2,200m
- RC with diamond tails

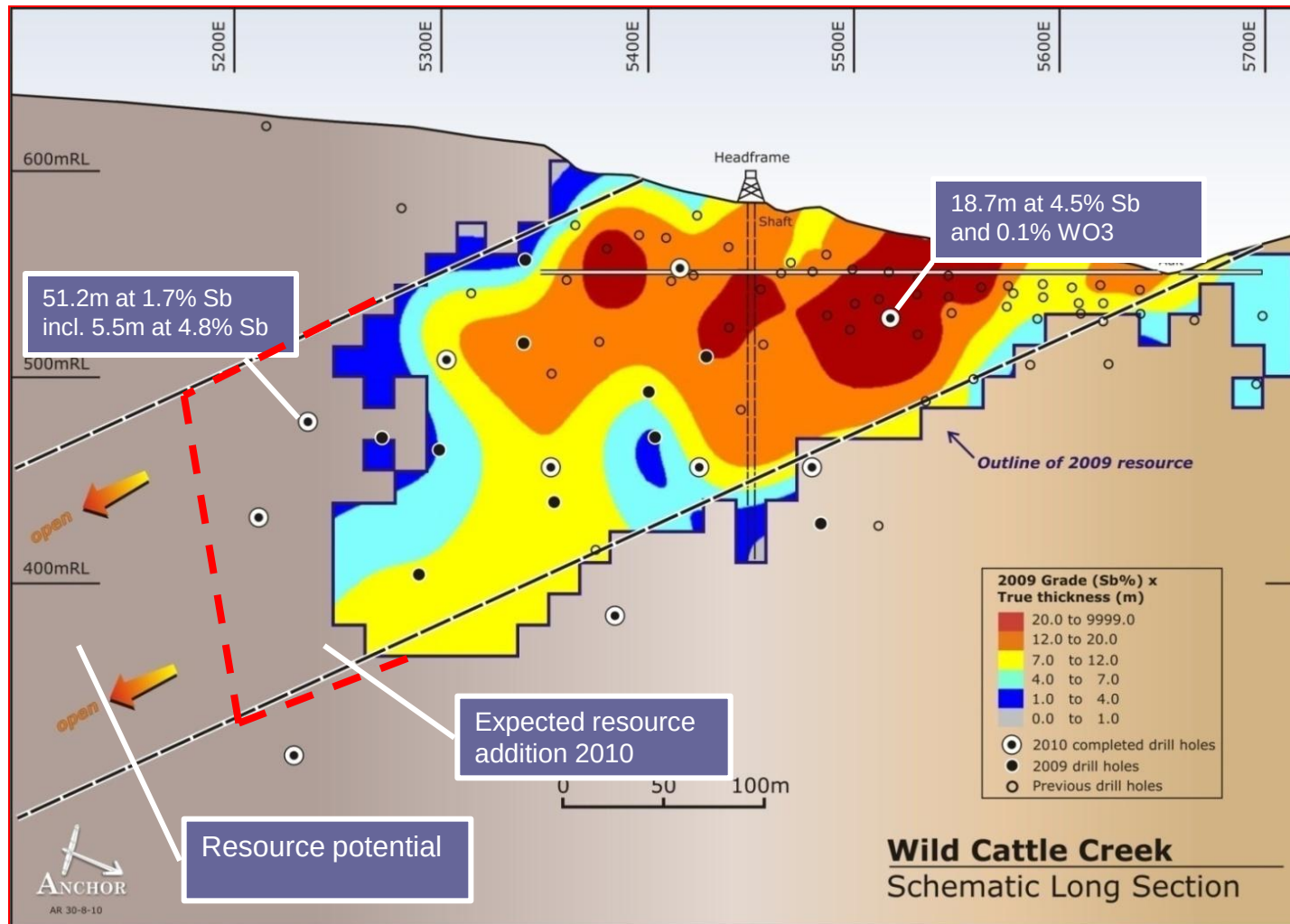
- Tested:

- extensions down plunge
- confirm previous results
- reconnaissance areas

*** 2010 resource upgrade pending



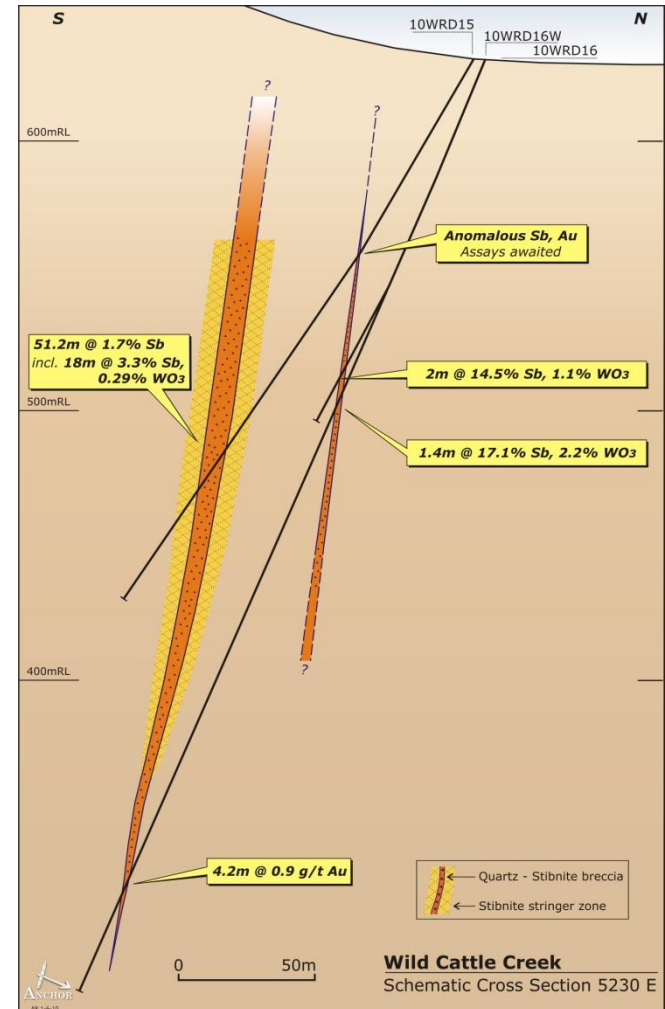
Long section – Anchor drilling 2010





Upside – New high grade zone 2010

- ***New high grade antimony-tungsten zone discovered***
- **Parallel to main breccia zone**
- **35m north of main zone**
 - * 2.0m at 14.5% Sb & 1.1% WO₃
 - * 1.4m at 17.1% Sb & 2.2% WO₃
- **Potential for additional resources**
- **Open down dip and along strike**





2010 WCC results summary

- **Mineralised zone was extended down plunge...again**
- **True widths up to 22m were encountered**
 - compares to widths of generally 1-3m at both Hillgrove and Costerfield
- **“Twin” holes confirmed and upgraded previous drilling**
- **New parallel high grade antimony-tungsten zone discovered**
- **System remains open down plunge**
- **Resource upgrade pending followed by scoping study**
- **Review of historical metallurgical tests indicates recovery of >90% into concentrates containing >60% Sb**



Wild Cattle Creek deposit – work program

Further drilling to expand resource base

- target 2.0 Mt resource

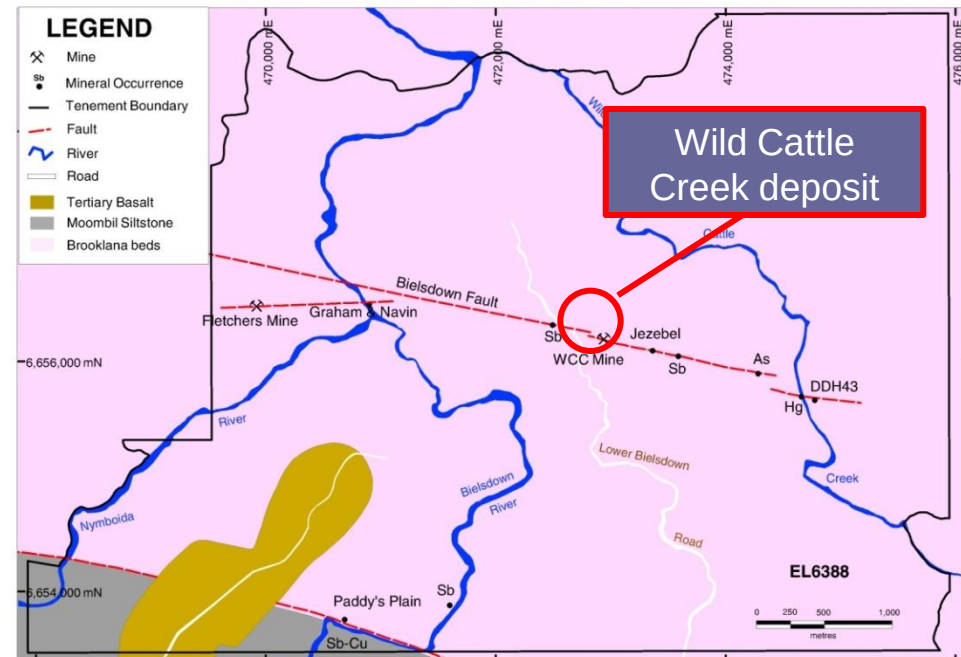
Further infill drilling

Follow up on scoping study outcomes &:

- environmental
- metallurgical
- geotechnical studies

Test prospective regional targets

- antimony to 8.22%
- gold to 1.63 g/t
- tungsten to 0.37%





Other Projects

Blicks # (NSW – 100%)

- Large copper-gold system
- Recent rockchips returned
 - * 3.2g/t gold, 146g/t Ag & 0.3% Cu
- Review highlighted high prospectivity

Greenvale East # (Qld – 100%)

- Encouraging results from:
 - * Wolfram Hill (tungsten prospect)
 - * Jacks Creek (gold-antimony prospect)
 - * Perry Creek (tin-tungsten prospect)

New Caledonia

- Anchor was unsuccessful with its recent project applications

Discussions with possible joint venture partners





Outline of presentation

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- The emerging Wild Cattle Creek Sb deposit
- **Company info - Anchor Resources Ltd**
- **Rights issue announced today**



Company Profile

ASX code:

AHR

Listed on ASX:

July 2007

Issued Share Capital

**ordinary shares
unlisted options**

**39.98 million
2.12 million**

**Top 20 shareholders
Directors/Vendors**

**55%
31%**

Market Cap (11 November 2010)

\$7 million

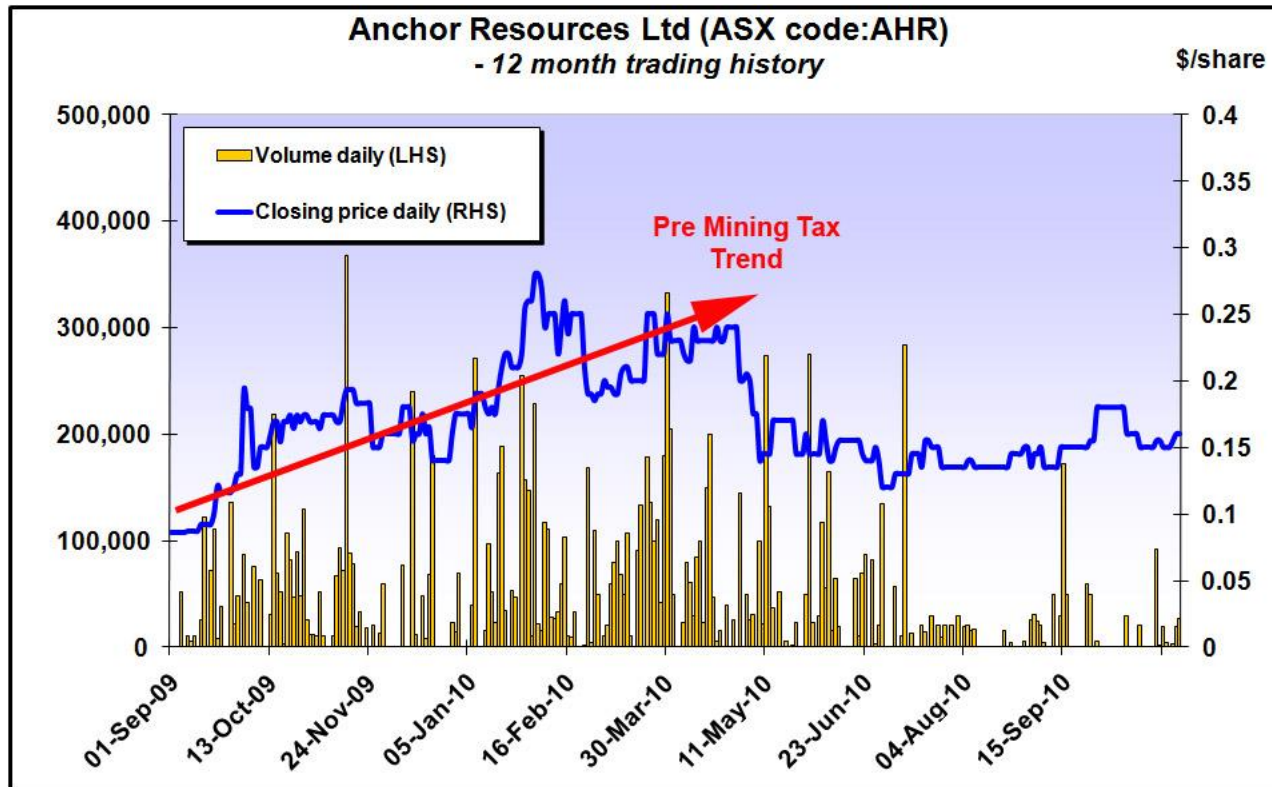
Cash at bank (30 September 2010)

\$0.4 million

Comment: Tightly held share structure



AHR – past 12 months



- * 12 month range: 12 cents to 28 cents
- * Uplift from successful resource expansion drilling in 2009 & early 2010
- * Latest weakness from RSPT and European uncertainty
- * Effect of latest excellent drill results subdued by these external factors



Rights issue announced today

- **A non-renounceable rights issue to shareholders to raise up to \$1,600,000**
 - **1 New Share for every 4 Existing Shares**
 - **16c per New Share**
 - **10.2% discount to 5 day VWAP**
 - **closing date of 22 December 2010**
- **Funds to be allocated to working capital and advancement of the Wild Cattle Creek (WCC) antimony deposit towards prefeasibility stage**
- **Evaluate opportunities for advanced “near production” projects offshore and within Australia**



Reasons to invest in Anchor

- The antimony market has increasing sex appeal !!
- Antimony price hitting new records
- Wild Cattle Creek is a resource growth story
- Upside from discovery of high grade Sb/W shoot
- Untapped regional exploration upside
- Resource upgrade/scoping study pending
- Encouragement from Blinks and Greenvale projects
- *Anchor – is pursuing advanced project opportunities*



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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.



Thank You

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ASX code: AHR



General Business

