Limited

ACN 122 751 419

ASX Code: AHR

ANCHOR RESOURCES LIMITED

ANNUAL REPORT

2009

Corporate Directory

Board of Directors

John Anderson	Non-Executive Chairman
Trevor Woolfe	Managing Director
Grant Craighead	Executive Director
Gary Fallon	Non-Executive Director

Company Secretary

Ross Moller

Registered Office

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Sydney, NSW 2000

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Facsimile:	02 9279 2727
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Share Registrar

Registries Limited
PO Box R67, Royal Exchange, NSW 1223

Telephone:	02 9290 9600
Facsimile:	02 9279 0664

ASX Code: AHR

Auditors

Barnes Dowell James
Level 13, 122 Arthur Street, North Sydney
PO Box 1664, North Sydney, NSW 2059

Solicitors

Gadens Lawyers
Skygarden Building
77 Castlereagh Street, Sydney, NSW 2000

Banker

Westpac Banking Corporation

Corporate Advisors

Oakhill Hamilton Pty Ltd
PO Box 324
Crows Nest, NSW 1585

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Chairman's Report

Dear Fellow Shareholder

On behalf of your Board of Directors, I am pleased to present the third Annual Report to shareholders of Anchor Resources Limited (“Anchor Resources”).

The year to June 30 2009 has presented significant challenges as a result of the Global Financial Crisis. Anchor Resources has successfully weathered this financial storm due to the prudent actions of your Board. In its strategic planning in mid 2008, your Board of Directors resolved to conserve a healthy cash position, and concentrate on focused exploration activity on its highest priority projects.

The highlight has been Anchor Resources’ long awaited resource expansion drilling program at the Wild Cattle Creek antimony project, near Dorrigo (NSW). In 2007, the Company compiled a resource estimate of 459,000 tonnes at 3.0% antimony, compliant with guidelines as defined in the JORC Code (2004), based on historic drilling data. This resource was primarily contained within the top 100m below surface.

During the year, your company successfully completed a ten hole resource expansion diamond drilling program at Wild Cattle Creek. The drilling intersected substantial widths and grades of antimony-bearing stibnite mineralisation below, and along strike from, the existing shallow resource. Results have confirmed that the mineralisation extends for at least a further 100 metres down plunge and remains open.

The recognition of significant tungsten and gold mineralisation within the deposit provides additional economic potential for this project. Studies to upgrade the existing resource inventory at Wild Cattle Creek have commenced prior to the next drilling phase.

The downturn in the global economy has provided a number of opportunities for Anchor Resources. Importantly, access to skilled personnel and equipment - such as drill rigs – has improved markedly, with costs also becoming more realistic.

Additionally, an increasing number of project opportunities are becoming available on the market. Anchor Resources continues to identify and evaluate project opportunities that have the potential to move the Company closer to producer status.

Anchor Resources has reviewed its ongoing expenditure requirements and hence its own portfolio of tenements. In the light of a disappointing political position taken by the Queensland government regarding uranium mining in that State, two greenfields uranium exploration licences have been surrendered from Anchor Resources’ tenement package. Other projects that do not meet the Board’s criteria will also be relinquished.

I would like to take this opportunity to thank my fellow Directors and consultants who have worked diligently on the Company’s activities over the past year.

Anchor Resources looks forward to another exciting year of mineral discovery. On behalf of your Board, I would like to thank all shareholders for their support to date and look forward to reporting the results of our exploration over the coming year.

Yours sincerely,

John Anderson

Chairman

Review of Operations

CORPORATE ACTIVITY

Anchor Resources Limited was incorporated on 29 November 2006 with the aim of acquiring and developing mineral property assets. The Company raised funds via an IPO and subsequently listed on the Australian Securities Exchange (ASX) on 5 July 2007 based on a diversified portfolio of 100% owned mineral projects.

Since listing, Anchor Resources has acquired additional exploration licences covering highly prospective areas for copper-gold, antimony and uranium mineralisation, respectively.

In light of the recent Global Financial Crisis, Anchor Resources has reviewed its ongoing expenditure requirements and its portfolio of tenements. Following a disappointing political position taken by the Queensland government regarding uranium mining in that State, two remote "greenfields" uranium exploration licences have been surrendered from Anchor Resources' tenement package. Other projects that do not meet the Board's criteria will also be rationalised.

As part of the Board's strategy, Anchor Resources continues to search for project opportunities that have the potential to move the Company closer to producer status. The Company has identified New Caledonia as a region with significant mineral wealth and outstanding credentials to contain possible opportunities. In anticipation, the company has set up a local subsidiary – Anchor Resources Nouvelle Calédonie SARL - to evaluate prospective mineral prospects.

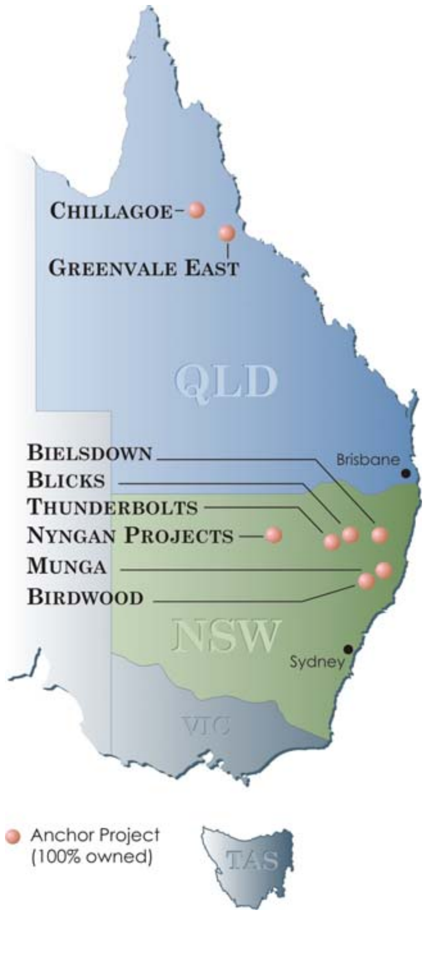


Figure 1: Anchor Project Locations

Review of Operations

PROJECT UPDATE

▲ ***Bielsdown* (antimony-tungsten-gold)**

In 2007, Anchor Resources completed a resource evaluation of the old Wild Cattle Creek antimony mine, based on historical drilling information. The deposit is located within Anchor Resources' 100% owned Bielsdown Project in northeastern NSW. The resulting 3-D block model and resource for Wild Cattle Creek, compliant with guidelines as defined in the JORC Code (2004), concluded that the deposit contains 459,000 tonnes at 3.02% antimony (13,900t contained antimony metal), as demonstrated in Table 1. The resource was relatively shallow and primarily confined to the top 100m below surface.

Resource Category	Sb cutoff (%)	Tonnes (t)	Sb grade (%)	Contained Sb metal (t)
Indicated	1.00	272,000	2.93	8,000
Inferred	1.00	187,000	3.15	5,900
Total	**1.00**	**459,000**	**3.02**	**13,900**

Table 1: Wild Cattle Creek Resource – to 875m RL – in accordance with JORC* code (GeoRes, February 2007)

During the year, a significant barrier to exploration at Wild Cattle Creek was removed after the successful negotiation of an access agreement with the local landholder, allowing Anchor Resources to proceed with its resource expansion drill program. The local community was also consulted in the planning phase for this program.

Drilling of the ten-hole combined diamond and reverse circulation (RC) campaign commenced in late May 2009, and was completed by mid August. The 1,800 metre program targeted along strike and depth extensions below the known shallow resource.

The program was highly successful confirming excellent continuity of the mineralised structure and significant widths and grades of antimony bearing stibnite mineralisation. Logging of the drill core has substantially improved our understanding of the geology of the Wild Cattle creek mineralisation, thus aiding planning of the next drill program.

Importantly, the drilling also demonstrated that potentially significant gold and tungsten mineralisation is closely associated with the stibnite rich system. Historically, drill core was not assayed for tungsten and only sporadically tested for gold. These commodities are both currently in high demand and should provide an uplift in the economic potential of the deposit. Best assay results are shown in Table 2.

The historical drilling outlined a resource close to surface, and the current drilling has confirmed the hypothesis that the mineralisation continues at depth and along strike, following a westerly dipping plunge. A schematic longitudinal section of the mineralisation is shown in Figure 2, with the "antimony grade x deposit thickness" (a measure of the antimony metal content) contours within the 2007 resource outline. In addition, the piercepoints of the mineralisation from the Anchor Resources drill program, along with significant results, are displayed.

The distribution of significant antimony results shown in the long section indicates that the mineralisation is open both at depth and along strike. These will be areas targeted in Anchor Resources' follow up drill program.

Work has commenced to re-model the antimony, tungsten and gold mineralisation, which will lead to a revised resource estimation. In addition to assessing extensions to the antimony mineralisation, follow up drilling will test the potential for economically significant gold and tungsten.

Drillhole	From (m)	To (m)	Interval (m)	Antimony (%)	Tungsten (%)	Gold (g/t)
09WRD01	150.0	161.5	11.5	2.32	-	0.34
(incl.)	156.5	160.9	4.4	5.00	-	0.85
	167.0	169.0	2.0	-	0.81	-
09WDD02	123.0	134.0	11.0	1.03	0.02	0.26
09WDD03	99.0	119.0	20.0	2.65	-	0.18
(incl.)	100.75	104.6	3.85	10.13	-	0.59
	114.0	118.0	4.0	1.07	0.30	-
09WRD04	83.0	93.0	10.0	3.48	0.06	0.20
	99.3	104.4	5.1	2.79	0.03	-
09WRD05	169.0	174.8	5.8	1.01	-	0.51
	177.4	194.0	16.6	0.88	0.26	-
09WRD07	170.1	170.4	0.3	23.7	-	0.58
	229.9	234.3	4.4	3.19	-	0.73
09WRD09	157.4	163.4	6.0	-	0.15	0.76
09WRD10	162.6	169.4	6.8	2.57	-	-
	176.2	181.2	5.0	0.53	-	0.39
	196.0	201.1	5.1	1.25	0.18	-

Table 2: Wild Cattle Creek drilling (2009) – best assay intervals

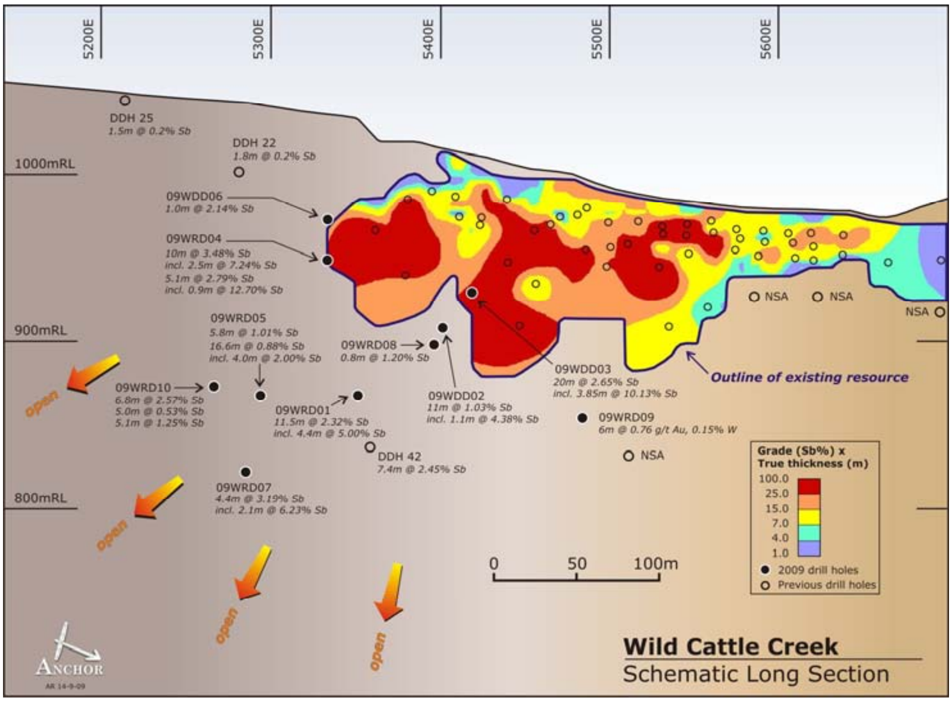


Figure 2: Wild Cattle Creek – Anchor Resources drill results and historical antimony grade x thickness contours

Review of Operations

Antimony pricing

Anchor Resources' belief in the long term prospects for the antimony market is supported by robust global antimony prices. Although antimony prices weakened in the beginning of 2009, prices have subsequently rebounded well above historical averages.

To put antimony pricing into context, the graph below illustrates the close relationship between antimony and copper prices over the past 15 years. Not only have antimony and copper price trends shown a strong historical correlation, but the absolute prices of both commodities have tracked extremely closely. Antimony was trading at around US$2.70/lb (or ~US$6,000/t) in mid September 2009, with copper trading on LME around $2.80/lb.

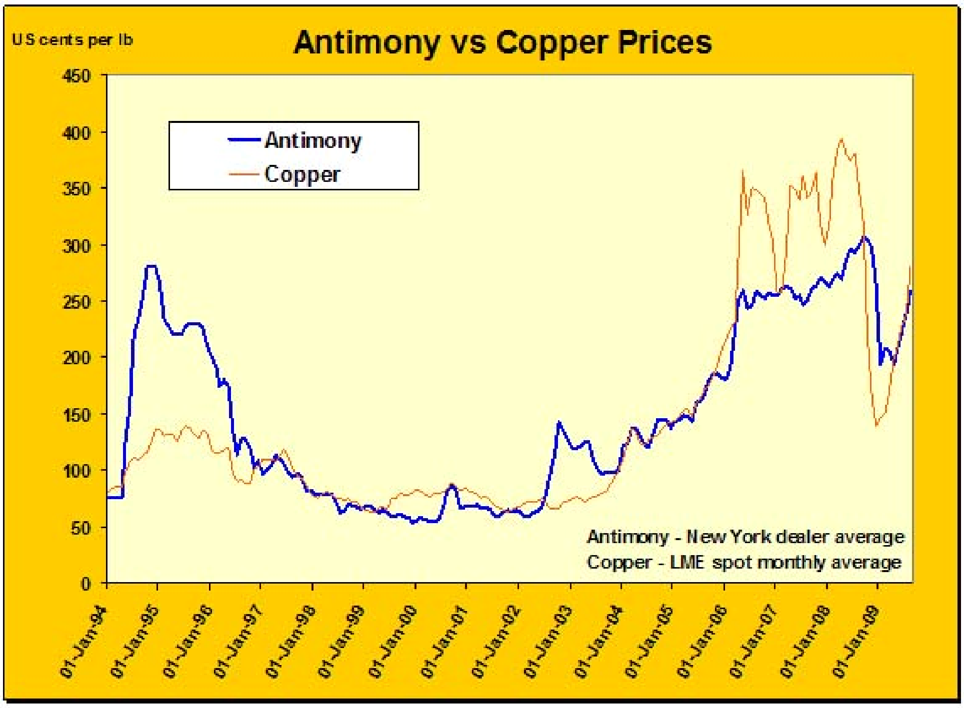


Figure 3 Antimony price history – versus copper since 1994

Thunderbolts and Munga (antimony)

The antimony focus has returned to the New England region of New South Wales over recent years, with Straits Resources developing its Hillgrove antimony-gold operation.

In addition to the expanding antimony resource at Anchor Resources' 100% owned Bielsdown project, the company has two exploration licences covering old antimony producing areas in the Hillgrove-Bielsdown region. The projects are known as Thunderbolts and Munga.

Landholder relations have commenced along with a review of previous exploration, assessment of native title, cultural heritage, environmental and other access issues. A geological review will be undertaken in the coming year to define drill targets.

Review of Operations

▲ ***Greenvale East*** **(gold-copper-tin-tungsten)**

The Greenvale East licence area in northern Queensland contains various known mineralised occurrences and targets, including old workings that have produced modest volumes of tin, tungsten and gold.

Drilling in the previous year at the Clayholes Dam gold prospect was successful in identifying a new zone of gold and copper mineralisation associated with quartz-sulphide vein development. Elevated assays were also received for silver (up to 69g/t), tin (up to 505ppm) and lead (up to 0.4%) in this system.

Reconnaissance exploration – geological mapping and soil sampling - has been the focus in the current year, with the objective of defining drill targets for the coming year. Results are awaited.

▲ ***Chillagoe Uranium Project*** **(uranium)**

The Chillagoe Uranium Project is in a highly prospective terrain for uranium mineralisation. Significant uranium deposits are associated with rocks of the North Queensland Volcanic and Plutonic Province, in particular the Ben Lomond and Maureen deposits.

The size of the Chillagoe Uranium Project has been reduced with the recent surrender of the Featherbeds and Hot Springs tenements. This follows the affirmation by the re-elected incumbent State government that it will continue to oppose mining of uranium in its State. This decision is a clear disincentive to exploration for uranium, particularly in remote greenfields areas, such as the relinquished licences.

The Aspiring project has been retained and is located some 8km north and east of Chillagoe. Exploration since the late 1970s produced encouraging results in several areas which include hot water springs depositing radioactive elements in the vicinity of Fishermans Waterhole, as well as exposure of supergene uranium minerals at Pinchgut Pinnacle. Scout drilling intersected intervals up to 1m at 0.28% uranium.

Joint venture partners are being sought to continue the exploration of this project.

▲ ***Canonba and Collaroy*** **(gold-copper)**

The Collaroy and Canonba exploration licences, are located adjacent to Straits Resources' Tritton copper mine, north and west of Nyngan, New South Wales. They are highly prospective for copper and gold mineralisation.

Published data by Straits Resources indicates that much mineralisation in this region, including that of its Tritton and Girilambone mines, is associated with a quartzite horizon which extends into the Canonba project area. Anchor Resources' interpretation of aeromagnetic data for the Collaroy and Canonba licences identified various anomalies with characteristics comparable to those associated with the Tritton and Girilambone mineralisation.

Anchor Resources drilled the first ever holes into the Windella copper prospect during the year. Windella is situated to the east of the old Girilambone open pit, and displayed geophysical similarities to the Tritton orebody. Copper results from the two RC holes were disappointing.

Subsequent exploration will focus on the numerous other targets that Anchor Resources has generated on the project area.

Review of Operations

- ***Blicks* (gold-copper)**

The Blicks tenement area in northeastern New South Wales is highly mineralised with identified gold and copper prospects. Anchor Resources drilled five RC holes at the Dundurrabin copper prospect and one RC hole at the Tyringham gold prospect during the previous year.

The Tyringham drillhole intersected large intervals of low grade gold mineralisation. The deepest interval was also associated with encouraging levels of tungsten. Bismuth also displayed a relationship with the gold mineralisation.

No field work was carried out during the current year however Anchor Resources has developed a model for the Tyringham gold mineralisation that will be further drill tested during the coming year.

- ***Birdwood* (gold-copper-molybdenum)**

The Birdwood project in northeastern New South Wales covers a large system with copper, gold and molybdenum mineralisation. Nine diamond holes were drilled into the area in the 1960s with a promising result of 42 feet (~12.8m) at 0.79% copper and 4.9g/t silver.

Anchor Resources considers the Birdwood project highly prospective for copper-gold-molybdenum in large tonnage, low-grade sheeted vein style mineralisation associated with unexposed intrusions. This belief has been enhanced by the airborne geophysical program undertaken during the previous year.

A review of the geophysical and geological data by Anchor Resources' consultant, over the Birdwood North prospect, found that the prospect is within a zone of multiple intrusions. It is associated with an intrusion and an intrusion related breccia pipe. This pipe contains a mineralisation system carrying copper and molybdenum in sub-vertical features, probably including sheeted quartz veins. Within the mineralised features, copper grades are commonly in excess of 1000 ppm. The pipe is characterised by the absence of pyrrhotite, so it shows as a strong negative magnetic anomaly. It lies within a topographic low, due to the absence of pervasive silica alteration that characterises the pyrrhotite zone.

The breccia pipe is likely to extend beyond the area of the Birdwood North prospect as defined by historical soil geochemistry, as the magnetic low is more extensive than this. The prospect has not been adequately tested and has potential to contain significant copper-molybdenum mineralisation. A drilling program has been recommended to test these concepts.

Joint venture partners are being sought to continue the exploration of this project.

**** 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 Mineral Resources or Ore Reserves at Bielsdown is based on information compiled by Robin Rankin, a Member of the AusIMM, and registered as a Chartered Professional Geologist (CPGeo). Robin Rankin is Principal Geologist and operator of GeoRes. 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 by JORC. He consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Schedule of Tenements

Project	Tenement	Date Granted	Approx Area (km^2)	Anchor Resources Equity(%)	Statutory Expenditure Commitment	Principal Target
NEW SOUTH WALES PROJECTS						
Bielsdown	EL 6388	4 Mar 05	43	100	$43,000 pa	Wild Cattle Creek antimony resource
Blicks	EL 6465	29 Sep 05	81	100	$57,000 pa	Tyringham – intrusion related gold, Dundurrabin – copper
Birdwood	EL 6459	8 Aug 05	165	100	$80,000 pa	Birdwood – intrusion related gold, copper, molybdenum
Canonba	EL 6928	1 Nov 07	300	100	$70,000 pa	Tritton/Girilambone style – copper, gold
Collaroy#	EL 6929	1 Nov 07	216	100	$0	Tritton/Girilambone style – copper, gold
Thunderbolts	EL 7184	31 Jul 08	270	100	$64,500 pa	Magword historic antimony mine
Munga	EL 7185	31 Jul 08	140	100	$44,000 pa	Munga Creek antimony field
QUEENSLAND PROJECTS						
East Greenvale	EPM 14646	13 Apr 05	165	100	$170,000 (year 5)	Roberg, James, Perry Creek – tin, tungsten, Clayholes, Suprendre, Jacks Creek - gold
Aspiring	EPM 14752	27 Sep 05	330	100	$135,000 (year 4)	Uranium
Featherbeds#	EPM 15631	13 Aug 07	323	100	$0	Uranium
Hot Springs#	EPM 15987	16 Jan 08	330	100	$0	Uranium

As at 14 September 2009

Notes:

1. New South Wales tenements: EL – Exploration Licence
2. Queensland Tenements: EPM – Exploration Permit for Minerals

\# Exploration tenure in the process of relinquishment subsequent to June 30 2009

Directors' Report

Your Directors present the financial report of the Company and its subsidiaries ("Group") from 01 July 2008 to 30 June 2009.

The following persons hold office as Directors at the date of this report and throughout the period. Their qualifications and experience are:

John Anderson, Chairman ***B Com, MBA, GAICD***

John has 30 years experience in the finance sector in banking, investment banking and general consulting. He has held positions of Managing Director or Chairman with a number of public and private companies in Australia. John has specialised in general financing and capital raisings, developing and implementing business plans for new and existing entities. John is Executive Director of Admiralty Resources NL and is a member of its audit, remuneration and finance committees. Among previous positions, John was Managing Director of an Australian publicly listed mining company and was responsible for turning around its unprofitable operations and implementation of mining and operating plans.

Trevor Woolfe, Managing Director ***BSc (Hons), Grad Cert App Fin (FINSIA), MAusIMM, GAICD***

Trevor is an experienced geologist with extensive experience in exploration, mining and resource evaluation, and also in the financial sector. Trevor has almost 20 years experience in the resources industry. His fields of expertise include evaluation of exploration, mining, development and corporate projects with Placer Dome, Newcrest Mining, Great Central Mines, Metana Minerals and CRA throughout Australia. He was also a leading member of Placer Dome's South American exploration group for four years, primarily in Brazil and Chile, evaluating precious and poly-metallic project opportunities. He was a Commodity Analyst with Sydney based AME Mineral Economics with specific responsibility for analysis of global gold mining companies and operations. He then fulfilled the role of Manager-Business Development with independent research house, Stock Resource. He has held the position of Managing Director of Anchor Resources since early 2007.

Grant Craighead, Executive Director ***B Sc, MAusIMM, GAICD***

Grant is a geologist with extensive experience in the exploration, mining and financial sectors. He spent 17 years in the exploration and mining industry, including eight as Chief Geologist with Elders Resources NZFP Ltd. During this period he was closely associated with significant exploration and development projects including Red Dome, Selwyn, Wafi and Kidston. Grant has been working in the finance sector for the past 17 years, is Managing Director of research group Stock Resource and a Director of fund manager Lime Street Capital. During this period he has been involved in equity research, commodity analysis and funds management, including five years as a Resources Analyst with Macquarie Bank Ltd where he was an Associate Director. The period with Macquarie included specific responsibility for analysis of gold mining companies. His experience covers diverse commodities including gold, copper, zinc, lead, nickel and coal, and spans localities throughout the Asia-Pacific region.

Gary Fallon, Non-executive Director ***B App Sc, ASEG, SEG, MAusIMM, GAICD***

Gary is a geophysicist with 24 years of mineral and coal exploration experience. He is Director and principal consultant to Geophysical Resources and Services, a geophysical contracting and consulting company. He has been involved in extensive precious, base metal and coal exploration and mining projects mainly throughout Australia, focusing on application of geophysical techniques to operating mines. He has worked for Scintrex Consulting, Whim Creek Consolidated, Dominion Mining and MIM Exploration, providing exposure to mining via both open cut and underground methods, and has been involved in other private exploration ventures. Utilising his project management skills, his work required the application of geophysical methods to add value to operations. Gary was the recipient of the Bowen Basin Geology Group Leichhardt Award (2003) for the application of geophysical technology to coal operations.

Ross Moller, Company Secretary ***B Com, Grad Dip AppCorpGov, CA, ACIS, NZICA, ICSA***

Ross is a Chartered Accountant and Chartered Secretary, and is principal of the consulting firm, Rahui Resources. Ross consults to Oakhill Hamilton Pty Ltd, a company which provides company secretarial and corporate advisory services to a range of listed and unlisted companies, including Anchor Resources Limited.

Directors' Report

Directors' Interests in Shares and Options

Directors' interests in shares and options as at the date of this report are set out in the table below.

Director	Shares Directly and Indirectly Held	Options
J Anderson	Nil	550,000
T Woolfe	363,000	810,500
G Craighead	2,297,000	1,047,500
G Fallon	2,702,510	1,105,321

Activities

The continuing principal activity of the Group is the exploration for economic deposits of minerals. For the period of this report, the emphasis has been on gold, copper, antimony, uranium and to a lesser extent, tin and tungsten.

Results

The net result of operations after applicable income tax expense was a loss of $482,234.

Dividends

No dividends were paid or proposed during the period.

Review of Operations

A review of the operations of the Group during the financial period and the results of those operations are contained in pages 2 to 7 of this report.

Corporate Structure

Anchor Resources Limited is a limited company that is incorporated and domiciled in Australia.

Employees

The Group had no employees as at 30 June 2009. The Group uses contract geologists and other consultants as required.

Significant Changes

The Directors are not aware of any significant changes in the state of affairs of the Group occurring during the financial period, other than as disclosed in this report.

Matters Subsequent to the End of the Financial Period

There were at the date of this report no matters or circumstances which have arisen since 30 June 2009 that have significantly affected or may significantly affect:

- the operations of the Group,
- the results of those operations, or
- the state of affairs of the Group.

Likely Developments and Expected Results

As the Group's areas of interest are at an early stage of exploration, it is not possible to postulate likely developments and any expected results. The Group is hoping to identify other metalliferous exploration and evaluation targets.

Remuneration Report

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation.

(i) Principles used to determine the nature and amount of remuneration

The objective of the Group's remuneration framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders. The Board believes that executive remuneration satisfies the following key criteria:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency
- capital management.

These criteria result in a framework which can be used to provide a mix of fixed and variable remuneration, and a blend of short and long-term incentives in line with the Group's limited financial resources.

Board and Senior Management

Fees and payments to the non-executive directors and senior executives reflect the demands which are made on, and the responsibilities of, the directors and the senior management. Such fees and payments are reviewed annually by the Board. The executive and non-executive directors, senior executives and officers are entitled to receive options under the Group's employee share option scheme.

(ii) Details of remuneration

Directors' and Executives' Remuneration

Directors are entitled to remuneration out of the funds of the Group but the remuneration of the Non-Executive Directors may not exceed in any year the amount fixed by the Group in general meeting for that purpose. The aggregate remuneration of the Non-Executive Directors has been fixed at a maximum of $200,000 per annum to be apportioned among the non-executive directors in such a manner as determined by the Board (refer below). Directors are also entitled to be paid reasonable travelling, accommodation and other expenses incurred in consequence of their attendance at Board meetings and otherwise in the execution of their duties as directors.

The Directors resolved that non-executive Directors fees paid for the 2009 year would be paid through the issue of 140,000 shares to Gary Fallon (which was approved by shareholders in November 2008), and an annual payment of $34,500 to John Anderson.

Details of the nature and amount of each element of the remuneration of each of the directors of Anchor Resources Limited and each of the five senior executives of the Group and the consolidated entity who received the highest emoluments during the year ended 30 June 2009 are set out in the following tables.

Directors of Anchor Resources Limited	Directors' Fees $	Salaries $	Consulting Fees $	Super-annuation Contribution $	Options $	Shares $	Total $
2009							
J Anderson	34,500	-	-	-	910	-	35,410
T Woolfe	-	-	144,000	-	3,640	-	147,640
G Craighead	-	-	72,000	-	1,820	-	73,820
G Fallon	-	-	-	-	1,820	12,600	14,420
TOTAL 2009	34,500	-	216,000	-	8,190	12,600	271,290
2008							
J Anderson	30,000	-	-	-	-	-	30,000
T Woolfe	-	-	120,000	-	-	-	120,000
G Craighead	-	-	60,000	-	-	-	60,000
G Fallon	-	-	-	-	-	-	-
TOTAL 2008	30,000	-	180,000	-	-	-	210,000

Options and shares do not represent cash payments to directors or senior executives and share options granted may or may not be exercised by the directors or executives

Shares issued to directors are in lieu of directors fees

The consolidated entity had no senior executives during the period

No options or shares were granted to directors during the financial year.

(iii) Service agreements

Remuneration and other terms of employment for the directors and executives are formalised in Service/Appointment agreements.

All contracts with executives may be terminated early by either party with the stipulated number of months notice, subject to termination payments as detailed below.

John Anderson

There is no written contract with Mr Anderson, who received payments and benefits totalling $35,410 in his role as a director of the Group.

Trevor Woolfe

Mr Woolfe is contracted to the Group through the Service Agreement with Stock Resource. Six month notice by either party will be required to terminate this contract. Mr Woolfe's share of the payments and benefits are $147,640 per annum.

Grant Craighead

Mr Craighead is contracted to the Group through the Service Agreement with Stock Resource. Six month notice by either party will be required to terminate this contract. Mr Craighead's share of the payments and benefits to Stock Resource are $73,820 per annum.

Gary Fallon

There is no written contract with Mr Fallon, who has received 140,000 shares in the Company (issued in November 2008) in lieu of payment and benefits in his role as a director of the Company for the period to 30 June 2009. Over the past 12 months the Company has contracted Geophysical Resources & Services Pty Ltd (a company partially owned by interests of Gary Fallon) to provide geophysical consultancy services. A services agreement has been entered into under normal commercial terms and conditions for which $18,460 has been paid by the Company during the year for these technical services.

(iv) Share-based compensation - options

The Company issued 450,000 options to directors in November 2008 under the Company's Employee Share Option Plan in part compensation for their contribution to the business during 2007-8 year. These include:

- John Anderson – 50,000 options
- Trevor Woolfe – 200,000 options
- Grant Craighead – 100,000 options
- Gary Fallon – 100,000 options

These options were granted on 14th November 2008 and expire on 14th March 2013 at an exercise price of 18 cents per share.

Directors' Interests

The relevant interest of each Director (including their associates) in the share capital of the Company as at 30 June 2009 are set out in note 15 to the financial statements.

Options included in directors' and executives' remuneration are treated as follows:

Fair values have been assessed using the Cox Ross Rubenstein (Binomial) option valuation methodology which takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradable nature of the options, the current price and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

Share Capital and Options

A detailed breakdown of the Company's capital, including options (unquoted options and employee options) and convertible instruments is contained in Note 12 to the Financial Statements.

Meetings of Directors

Director's attendance at Directors meetings are shown in the following table:

Director	Meetings Eligible to Attend	Meetings Attended
J Anderson	14	14
T Woolfe	14	14
G Craighead	14	13
G Fallon	14	14

Non-Executive Director, John Anderson is a member of the Group's Audit Committee. The Committee will review the Group's financial systems, accounting policies, half-year and annual financial statements. There were three Audit Committee meetings held during the year.

Directors, Officers, Senior Employees and Consultants Share Option Plan

The Company has established the Anchor Resources Limited Employees and Officers Share Options Plan ("the Plan") to assist in the attraction, retention and motivation of the Company's directors, officers, employees and senior consultants. In March 2009, the directors approved the issue of 200,000 options to employees and senior consultants granted in accordance with the terms of the Plan.

A summary of the rules of the Plan is as follows. All Directors, officers, employees and senior consultants (whether full- or part-time) will be eligible to participate in the Plan after a qualifying period of 12 months employment by the Company or its subsidiaries (or, in the case of a senior consultant, having provided

Directors' Report

consulting services to the Company or its subsidiaries on a continuous basis for at least 12 months), although the Board may waive this requirement.

The allocation of options under the Plan is at the discretion of the Board.

If permitted by the Board, options may be issued to a nominee of a director, officer, employee or senior consultant (for example, to a spouse or family company).

Each option allows the option holder to subscribe for one fully paid ordinary share in the Company and will expire five years from its date of issue. Options will be issued free. The exercise price of options will be determined by the Board subject to a minimum price equal to the market value of the Company's shares at the time the Board resolves to issue the options. The total number of shares the subject of options issued under the Plan, when aggregated with other options issued under the Plan during the previous five years must not exceed five percent of the Company's issued share capital at the time.

The Board may amend the Plan rules at any time subject to the requirements of the ASX Listing Rules.

Indemnification and Insurance of Directors and Officers

The Group has not, either during or since the end of the financial period, in respect of any person who is or has been an officer or auditor of the Group or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

Environmental Performance

Anchor Resources holds exploration licences issued by the Mines Departments of two state governments which specify guidelines for environmental impacts in relation to exploration activities. The licence conditions provide for the full rehabilitation of the areas of exploration in accordance with the various Mines Departments' guidelines and standards. There have been no significant known breaches of the licence conditions.

Auditor's Independence and Non-Audit Services

The following non-audit services were provided by the Group's auditor, Barnes Dowell James. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised. The Directors received a declaration of independence from the auditors of Anchor Resources Limited. It is located on the following page and forms part of this report.

Barnes Dowell James received or is due to receive the following amounts for the provision of non-audit services:

Independent Accountant's report: $10,000

Signed at Sydney this 21st day of September 2009 in accordance with a resolution of the Directors.

J Anderson

Chairman

Income Statement

For the year ended 30 June 2009

	Note	Consolidated 2009 $	Parent Entity 2009 $	Consolidated 2008 $	Parent Entity 2008 $
REVENUE	2	**98,846**	98,846	**224,091**	224,091
Accounting services		**(23,135)**	(19,988)	**(24,553)**	(20,250)
Advertising		**(640)**	(640)	**(5,566)**	(5,566)
ASX and ASIC fees		**(8,894)**	(8,894)	**(4,834)**	(3,499)
Audit services	4	**(26,100)**	(26,100)	**(15,650)**	(15,650)
Conferences and training		**(9,359)**	(9,359)	**(40,926)**	(40,926)
Corporate advisory services		**(37,106)**	(37,106)	**(63,344)**	(63,344)
Depreciation		**(13,418)**	(13,418)	**(13,723)**	(13,723)
Directors Fees		**(34,500)**	(34,500)	**(30,000)**	(30,000)
Insurances		**(13,732)**	(13,732)	**(13,799)**	(13,799)
Legal fees		**(2,972)**	-	**(832)**	(832)
Management fee		**(149,300)**	(149,300)	**(122,300)**	(122,300)
Motor vehicle expenses		**(3,063)**	(3,063)	**(7,034)**	(7,034)
Printing and stationery		**(967)**	(967)	**(7,829)**	(7,829)
Share registry costs		**(14,088)**	(14,088)	**(29,308)**	(29,308)
Telephone		**(2,430)**	(2,430)	**(3,082)**	(3,082)
Travel and accommodation		**(8,491)**	(8,491)	**(9,712)**	(9,712)
Salaries and employee benefits expense		**(29,422)**	(16,975)	**(15,997)**	(15,997)
Share based payments expense		**(23,810)**	(23,810)	**(21,875)**	(21,875)
Write down of carrying value of exploration expenditure		**(171,671)**	(33,511)	**(29,309)**	(17,402)
Other expenses from ordinary activities		**(7,982)**	(7,641)	**(10,639)**	(10,639)
		(581,081)	(424,013)	**(470,312)**	(452,767)
(LOSS) BEFORE INCOME TAX EXPENSE		**(482,234)**	(325,167)	**(246,221)**	(228,676)
INCOME TAX EXPENSE	3			**-**	-
(LOSS) AFTER INCOME TAX EXPENSE	13	**(482,234)**	(325,167)	**(246,221)**	(228,676)
NET (LOSS) ATTRIBUTABLE TO MEMBERS OF ANCHOR RESOURCES LIMITED		**(482,234)**	(325,167)	**(246,221)**	(228,676)
Basic loss per share (cents per share)	14	**(1.567)**	(1.057)	**(0.803)**	(0.745)
Diluted loss per share (cents per share)	14	**(0.689)**	(0.362)	**(0.207)**	(0.170)

Balance Sheet

At 30 June 2009

	Note	Consolidated 2009 $	Parent Entity 2009 $	Consolidated 2008 $	Parent Entity 2008 $
CURRENT ASSETS					
Cash assets		**1,128,572**	1,217,347	**2,392,416**	2,392,376
Receivables	5	**43,631**	42,715	**79,645**	79,645
Other current assets		**12,826**	12,826	**13,340**	13,340
TOTAL CURRENT ASSETS		**1,275,030**	1,272,888	**2,485,400**	2,485,360
NON-CURRENT ASSETS					
Shares in controlled entities	6	**-**	1,730	**-**	241
Tenement security deposits	7	**106,560**	66,560	**50,000**	10,000
Plant and equipment	8	**24,401**	24,401	**34,814**	34,814
Deferred exploration and evaluation expenditure	9	**2,004,414**	379,652	**1,427,944**	78,750
Loans to controlled entities	10	**-**	1,841,287	**-**	1,408,039
TOTAL NON-CURRENT ASSETS		**2,135,375**	2,313,630	**1,514,758**	1,531,843
INTANGIBLE ASSETS					
Goodwill on acquisition		**2,000**	2,000	**2,000**	2,000
TOTAL INTANGIBLE ASSETS		**2,000**	2,000	**2,000**	2,000
TOTAL ASSETS		**3,412,405**	3,588,518	**4,000,159**	4,019,204
CURRENT LIABILITIES					
Payables	11	**169,206**	169,206	**298,535**	298,535
TOTAL CURRENT LIABILITIES		**169,206**	169,206	**298,535**	298,535
TOTAL LIABILITIES		**169,206**	169,206	**298,535**	298,535
NET ASSETS		**3,243,199**	3,419,312	**3,701,624**	3,720,669
EQUITY					
Issued capital	12	**3,962,599**	3,962,599	**3,949,999**	3,949,999
Accumulated losses	13	**(839,985)**	(663,872)	**(357,750)**	(338,705)
Reserves	13	**120,585**	120,585	**109,375**	109,375
TOTAL EQUITY		**3,243,199**	3,419,312	**3,701,624**	3,720,669

Statement of Cash Flows

For the year ended 30 June 2009

	Note	Consolidated 2009 $	Parent Entity 2009 $	Consolidated 2008 $	Parent Entity 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES					
Payment to suppliers and employees		**(636,655)**	(478,670)	**(273,761)**	(256,216)
Interest received		**98,846**	98,846	**209,390**	209,390
Miscellaneous Income		**-**	-	**555**	555
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	24	**(537,809)**	(379,824)	**(63,816)**	(46,271)
CASH FLOWS FROM INVESTING ACTIVITIES					
Loans to subsidiaries		**-**	(433,249)	**-**	(1,215,416)
Investment in subsidiaries		**-**	(1,489)	**-**	(2,040)
Deferred exploration and evaluation expenditure on mining interests		**(576,470)**	(300,902)	**(1,216,678)**	(31,807)
Purchase of Plant & Equipment		**(3,005)**	(3,005)	**(48,537)**	(48,537)
Tenement security deposits		**(56,560)**	(56,560)	**(15,000)**	-
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(636,035)**	(795,205)	**(1,280,215)**	(1,297,800)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		**-**	-	**60,005**	60,005
Equity raising expenses		**-**	-	**-**	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		**-**	-	**60,005**	60,005
Net increase / (decrease) in cash held		**(1,173,844)**	(1,175,029)	**(1,284,026)**	(1,284,066)
Add opening cash brought forward		**2,392,416**	2,392,376	**3,676,442**	3,676,442
CLOSING CASH CARRIED FORWARD	24	**1,218,572**	1,217,347	**2,392,416**	2,392,376

Statement of Changes in Equity

For the year ended 30 June 2009

CONSOLIDATED	Issued Capital	Accumulated Losses	Reserves	Total Equity
	Attributable to the shareholders of Anchor Resources Limited			
	$	$	$	$
AT 1 JULY 2007	3,889,994	(111,529)	20,000	3,798,465
Loss for the period	-	(246,221)	-	(246,221)
Total expense for the period	3,889,994	(357,750)	20,000	3,552,244
Cost of share based payments taken directly to Equity	-	-	89,375	89,375
Issue of share capital	60,005	-	-	60,005
AT 30 JUNE 2008	**3,949,999**	**(357,750)**	**109,375**	**3,701,624**
AT 1 JULY 2008	3,949,999	(357,750)	109,375	3,701,624
Loss for the period		(482,234)		(482,234)
Total expense for the period	3,949,999	(839,984)	109,375	3,219,390
Cost of share based payments taken directly to Equity	-	-	11,210	11,210
Issue of share capital	12,600	-	-	12,600
AT 30 JUNE 2009	**3,962,599**	**(839,984)**	**120,585**	**3,243,200**

PARENT	Issued Capital	Accumulated Losses	Reserves	Total Equity
	Attributable to the shareholders of Anchor Resources Limited			
	$	$	$	$
AT 1 JULY 2007	3,889,994	(110,029)	20,000	3,799,965
Loss for the period	-	(228,676)	-	(228,676)
Total expense for the period	3,889,994	(338,705)	20,000	(3,571,289)
Cost of share based payments taken directly to Equity	-	-	89,375	89,375
Issue of share capital	60,005	-	-	60,005
AT 30 JUNE 2008	**3,949,999**	**(338,705)**	**109,375**	**3,720,669**
AT 1 JULY 2008	3,949,999	(338,705)	109,375	3,720,669
Loss for the period		(325,167)		(325,167)
Total expense for the period	3,949,999	(663,872)	109,375	3,395,502
Cost of share based payments taken directly to Equity	-	-	11,210	11,210
Issue of share capital	12,600	-	-	12,600
AT 30 JUNE 2009	**3,962,599**	**(663,872)**	**120,585**	**3,419,312**

Notes to and Forming Part of the Accounts

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards.

The financial report has been prepared on a historical cost basis except for land and buildings, which have been measured at fair value.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

This financial report has been prepared based on AIFRS and there are no reconciliations applicable to prior periods that would be affected under AIFRS.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Anchor Resources Limited (Anchor or the "Company") and its subsidiaries ("the Group") as at 30 June each year.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist.

All inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Subsidiaries are fully consolidated from date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

(d) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value. Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- plant and equipment – 4 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

(e) Borrowing costs

Borrowing costs are recognised as an expense when incurred.

Notes to and Forming Part of the Accounts

(f) Intangible assets

Acquired both separately and from a business combination

Intangible assets acquired separately are capitalised at cost and from a business combination are capitalised at fair value as at the date of acquisition. Following recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed to be either finite or indefinite.

Where amortisation is charged on assets with finite lives, this expense is taken to the income statement through the “administrative expenses” line item.

Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the period in which the expenditure is incurred.

Intangible assets are tested for impairment where an indicator of impairment exists, and in the case of indefinite life intangibles annually, either individually or at the cash generating unit level. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

(g) Recoverable amount of assets

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use.

(h) Investments

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the income statement.

Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement.

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification.

Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Securities Exchange quoted market bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date, being the date that the Group commits to purchase he asset.

(i) Exploration, evaluation, development and restoration costs

Exploration and evaluation

Exploration and evaluation expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest. Such expenditure comprises net direct costs and an appropriate portion of related overhead expenditure, but does not include general overheads or administrative expenditure not having a specific connection with a particular area of interest.

Exploration and evaluation costs in relation to separate areas of interest for which rights of tenure are current are brought to account in the year in which they are incurred and carried forward provided that:

- such costs are expected to be recouped through successful development and exploitation of the area, or alternatively through its sale; or
- exploration and/or evaluation activities in the area have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves.

Once a development decision has been taken, all past and future exploration and evaluation expenditure in respect of the area interest is aggregated within costs of development.

Exploration and evaluation – impairment

The Directors assess at each reporting date whether there is an indication that an asset has been impaired and for exploration and evaluation cost whether the above carry forward criteria are met.

Accumulated costs in respect of areas of interest are written off or a provision made in the Income Statement when the above criteria do not apply or when the Directors assess that the carrying value may exceed the recoverable amount. The costs of productive areas are amortised over the life of the area of interest to which such costs relate on the production output basis, provisions would be reviewed and if appropriate, written back.

Development

Development expenditure incurred by or on behalf of the Company is accumulated separately for each area of interest in which economically recoverable reserves have been identified to the satisfaction of the directors. Such expenditure comprises net direct costs and, in the same manner as for exploration and evaluation expenditure, an appropriate portion of related overhead expenditure having a specific connection with the development property.

All expenditure incurred prior to the commencement of commercial levels of production from each development property is carried forward to the extent to which recoupment out of revenue to be derived from the sale of production from the relevant development property, or from the sale of that property, is reasonably assured.

No amortisation is provided in respect of development properties until a decision has been made to commence mining. After this decision, the costs are amortised over the life of the area of interest to which such costs relate on a production output basis.

Restoration

Provisions for restoration costs are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to and Forming Part of the Accounts

If the effect of the time value of money is material, provisions are determined by discounting the expected cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Remaining mine life

In estimating the remaining life of the mine at each mine property for the purpose of amortisation and depreciation calculations, due regard is given not only to the volume of remaining economically recoverable reserves but also to limitations which could arise from the potential for changes in technology, demand, product substitution and other issues that are inherently difficult to estimate over a lengthy time frame.

(j) Mine property held for sale

Where the carrying amount of mine property and related assets will be recovered principally through a sale transaction rather than through continuing use, the assets are reclassified as Mine Property Held for Sale and carried at the lower of the assets' carrying amount and fair value less costs to sell – where such fair value can be reasonably determined, and otherwise at its carrying amount. Liabilities and provisions related to mine property held for sale are similarly reclassified as Liabilities – Mine Property Held for Sale and, Provisions – Mine Property Held for sale, as applicable, and carried at the value at which the liability or provisions expected to be settled.

(k) Trade and Other Receivables

Trade receivables, which generally have 5-30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(l) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdrafts, if any.

(m) Other provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(n) Employee Entitlements

Liabilities for wages and salaries are recognised and are measured as an amount unpaid at the reporting date at current pay rates in respect of employee's services up to that date. Current employee contracts do not entitle them to annual leave and long service leave. A liability in respect of superannuation at the current superannuation guarantee rate has been accrued at the reporting date.

(o) Share-based payments

An employee share option scheme has been established where selected employees, consultants, contractors and Directors of the Company are issued with options over ordinary shares in Anchor Resources Limited. The options, issued for nil consideration, are issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. There were 450,000 options issued on 11 November 2008 which expire on 14 March 2013, which are exercisable at 18 cents and which have vested. There were a further 200,000 options issued on 13 March 2009 which expire on 13 March 2014, which are exercisable at 7 cents and which have vested. Options expire if not exercised 90 days after a participant resigns from the Company. The cost of these equity-settled transactions is determined by reference to the fair value at the date at which they are granted. The fair value of the options is determined by using the Cox Ross Rubenstein (Binomial) option pricing model.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (a) the extent to which the vesting period has expired and (b) the number of awards that, in the opinion of the Directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. The Company has applied the requirements of AASB 1 "First-time Adoption of Australian Equivalents to International Financial Reporting Standards" in respect of equity-settled awards and has applied AASB 2 "Share-Based Payments" only to equity instruments granted after 7 November 2002 that had not vested on or before 1 January 2005.

(p) Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as the lease income.

Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

(q) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the time of delivery of the goods to the customer.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' right to receive the payment is established.

(r) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences:

- except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised:

- except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

(s) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(t) Currency

Both the functional and presentation currency is Australian dollars (A$).

(u) Comparatives

Comparative figures for the prior period represent 12 months of trading (for the period 01 July 2007 to 30 June 2008). When required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(v) Investment in Controlled Entities

The Company's investment in its controlled entities is accounted for under the equity method of accounting in the Company's financial statements.

		Consolidated	Parent	**Consolidated**	Parent
		2009	2009	**2008**	2008
		$	$	**$**	$
2.	**REVENUE FROM ORDINARY ACTIVITIES**				
	Interest received – other persons/corporation	**98,846**	98,846	**223,535**	223,525
	Other income	**-**	-	**556**	556
		98,846	98,846	**224,091**	224,091
3.	**INCOME TAX**				
(a)	Income tax expense				
	Current tax	-	-	-	-
	Deferred tax	-	-	-	-
	(Over) under provision in prior years	-	-	-	-
		-	-	-	-
	Income tax expense is attributable to:				
	Profit from continuing operations	-	-	-	-
	Aggregate income tax expense	-	-	-	-
(b)	Numerical reconciliation of income tax expense to prima facie tax payable				
	Losses from continuing operations before income tax expense	**(482,234)**	(325,167)	**(246,221)**	(228,676)
	Tax at the Australian tax rate of 30%	**(144,670)**	(97,550)	**(73,866)**	(68,602)
	Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
	Additional deductions	-	-	-	-

Notes to and Forming Part of the Accounts

		Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
	(Over) under provision prior year	**-**	-	**-**	-
	Non-allowable deductions	**-**	-	**-**	-
	Other	**-**	-	**-**	-
	Income taxes not brought to account	**144,670**	97,550	**73,866**	68,602
(c)	Current tax liabilities				
	Balance at beginning of year	**(107,266)**	(101,611)	**(33,400)**	(33,009)
	Income tax paid	**-**	-	**-**	-
	Current year's income tax on profit	**(144,670)**	(97,550)	**(73,866)**	(68,602)
	Under (over) provided in prior year	**-**	-	**-**	-
	Balance at end of year	**(251,936)**	(199,161)	**(107,266)**	(101,611)

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2009.

No recognition has been given to any future income tax benefit which may arise from operating losses not claimed for tax purposes. The Company has estimated its losses not claimed of $839,985. These amounts have not been brought to account in calculating any future tax benefit.

A benefit of 30% of approximately $251,936 will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised,
- the Company continues to comply with the conditions for deductibility imposed by the law, and
- no changes in tax legislation adversely affect the Company in realising the benefit from the deductions for the losses, i.e. current tax legislation permits carried forward tax losses to be carried forward indefinitely.

No franking credits are available for subsequent years.

Tax consolidation

The Tax Consolidation scheme is applicable to the Company. As at the date of this report the directors have not assessed the financial effect, if any, the scheme may have on the Company and the consolidated entities, and accordingly the directors have not made a decision whether or not to be taxed as a single entity. The financial effect of the tax consolidation scheme on the Group has not been recognised in the financial statements.

		Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
4.	**AUDITORS' REMUNERATION**				
	Total amounts receivable by the current auditors of the Company for:				
	Audit of the Company's accounts	**26,100**	26,100	**15,650**	15,650

		Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
5.	**RECEIVABLES – CURRENT**				
	Interest	**6,887**	6,887	**14,145**	14,145
	Refund for GST paid	**36,744**	35,828	**65,499**	65,499
		43,631	42,715	**79,644**	79,644
6.	**SHARES IN CONTROLLED ENTITIES**				
	Andromeda Ventures Pty Ltd	**-**	40	**-**	40
	Sandy Resources Pty Ltd	**-**	200	**-**	200
	Scorpio Resources Pty Ltd	**-**	1	**-**	1
	Anchor Resources Nouvelle Calédonie SARL	**-**	1,489	**-**	-
		-	1,730	**-**	241

An amount of $2,000 in respect of goodwill on acquisition relating to the purchase of Andromeda Ventures Pty Ltd has been recognised and adjusted for the prior year comparative.

		Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
7.	**TENEMENT SECURITY DEPOSITS**				
	Cash with government mines department	**106,560**	66,560	**50,000**	10,000

These deposits are restricted so that they are available for any rehabilitation that may be required on exploration tenements (refer to Note 19).

		Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
8.	**PLANT AND EQUIPMENT**				
	Software – at cost	**18,090**	18,090	**16,590**	16,590
	Accumulated depreciation	**(13,158)**	(13,158)	**(6,471)**	(6,471)
		4,932	4,932	**10,119**	10,119
	Computer equipment – at cost	**3,008**	3,008	**3,008**	3,008
	Accumulated depreciation	**(1,942)**	(1,942)	**(1,109)**	(1,109)
		1,066	1,066	**1,899**	1,899
	Plant and equipment – at cost	**2,395**	2,395	**890**	890
	Accumulated depreciation	**(467)**	(467)	**(167)**	(167)
		1,928	1,928	**723**	723
	Motor vehicles – at cost	**28,049**	28,049	**28,409**	28,409
	Accumulated depreciation	**(11,574)**	(11,574)	**(5,976)**	(5,976)
		16,475	16,475	**22,073**	22,073
	Net assets – at book value	**24,401**	24,401	**34,814**	34,814

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Reconciliation of the carrying amount of plant and equipment at the beginning and end of the current and previous financial year				
Carrying amount at beginning	**34,814**	34,814	**-**	-
Additions	**3,005**	3,005	**48,537**	48,537
Disposals	**-**	-	**-**	-
Depreciation expense	**(13,418)**	(13,418)	**(13,723)**	(13,723)
Net assets – at book value	**24,401**	24,401	**34,814**	34,814

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Costs brought forward	**1,429,944**	78,750	**213,267**	46,943
Costs incurred during the period	**746,141**	334,413	**1,245,986**	48.849
Expenditure written off during period	**(171,671)**	(33,511)	**(29,309)**	(17,042)
Costs carried forward	**2,004,414**	379,652	**1,429,944**	78,750
Exploration expenditure costs carried forward are made up of:				
Expenditure on joint venture areas	**-**	-	**-**	-
Expenditure on non joint venture areas	**2,004,414**	379,652	**1,429,944**	78,750
Costs carried forward	**2,004,414**	379,652	**1,429,944**	78,750

The above amounts represent costs of areas of interest carried forward as an asset in accordance with the accounting policy set out in Note 1. The ultimate recoupment of deferred exploration and evaluation expenditure in respect of an area of interest carried forward is dependent upon the discovery of commercially viable reserves and the successful development and exploitation of the respective areas or alternatively sale of the underlying areas of interest for at least their carrying value. Amortisation, in respect of the relevant area of interest, is not charged until a mining operation has commenced.

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
10. LOANS TO CONTROLLED ENTITIES	**-**	1,841,287	**-**	1,408,039

Unsecured loan to a controlled entity (interest free).

11. CURRENT LIABILITIES – PAYABLES

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Trade creditors	**161,206**	161,206	**295,544**	295,544
Accrued expenses	**8,000**	8,000	**2,991**	2,991
	169,206	169,206	**298,535**	298,535

12. CONTRIBUTED EQUITY

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Share capital				
30,820,000 ordinary shares fully paid	**3,962,599**	3,962,599	**3,949,999**	3,949,999

Notes to and Forming Part of the Accounts

Movement in contributed equity	Date	Number of shares	Issue price	$
Movements in ordinary share capital				
01 July 2007 to 30 June 2008				
Balance at beginning and end of financial period	30 Jun 08	30,680,000		3,889,994
01 July 2008 to 30 June 2009				
Balance at beginning of financial period	01 Jul 08	30,680,000		3,889,994
Ordinary Shares Issued to Director (in lieu of directors fees)	11 Nov 08	140,000	$0.09	12,600
Balance at end of current financial period	30 Jun 09	30,820,00		3,902,594

Terms and conditions of contributed equity

Ordinary Shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company. Option holders have no voting rights until the options are exercised.

Options

There were 17,604,688 options issued and outstanding as at 30 June 2009.

During the year a total of 650,000 options were issued under the Company's ESOP. On 14 November 2008 450,000 options were issued at nil value, which are exercisable at 18 cents each and expire on 14 March 2013, and on 13 March 2009 200,000 options were issued at nil value, which are exercisable at 7 cents each and expire on 13 March 2014.

	Date	Number of options	Issue price	$
Movement in options				
01 July 2007 to 30 June 2008				
Balance at beginning of financial period	01 Jul 07	1,000,000		-
Options issued to Company's Sponsoring Broker	04 Jul 07	500,000	$0.00	-
Non renounceable rights issue	24 Nov 07	13,056,188	$0.01	130,561
Non renounceable rights issue (Shortfall)	07 Jan 08	2,248,500	$0.01	22,485
Employee Share Option Plan issue	14 Mar 08	175,000	$0.00	-
Options forfeited during period	31 May 08	(25,000)		-
Cost of rights issue				(93,041)
Balance at end of financial period	30 Jun 08	16,954,688		60,005
01 July 2008 to 30 June 2009				
Balance at beginning of financial period	01 Jul 08	16,954,688		60,005
Employee Share Option Plan issue	14 Nov 08	450,000	$0.00	-
Employee Share Option Plan issue	13 Mar 09	200,000	$0.00	-
Balance at end of current financial period	30 Jun 09	17,604,688		60,005

Options expense reserve	**Consolidated 2009 $**	**Parent 2009 $**	**Consolidated 2008 $**	**Parent 2008 $**
Balance at beginning of the financial year	**109,375**	109,375	**20,000**	20,000
Options transferred to reserve	**11,210**	11,210	**89,375**	89,375
Balance at the end of the financial year	**120,585**	120,585	**109,375**	109,375

13. RESERVES

Balance at beginning of the financial year	**(357,750)**	(338,705)	**(111,529)**	(110,029)
Operating profit (loss) after income tax expense	**(482,234)**	(325,167)	**(246,221)**	(228,676)
Accumulated losses	**(839,985)**	(663,872)	**(357,750)**	(338,705)
Share-based payments reserve	**120,585**	120,585	**109,375**	109,375
Balance at the end of the financial year	**(719,400)**	(543,287)	**(248,375)**	(229,330)

14. LOSS PER SHARE

Basic loss per share (cents per share)	**1.567**	1.057	**0.803**	0.745
Diluted loss per share (cents per share)	**0.689**	0.362	**0.207**	0.170

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share is 30,820,000.

Loss used in calculating basic and diluted loss per share	**482,234**	325,167	**246,221**	228,676

Conversion, call, subscription or issue after 30 June 2009:

Since the end of the financial period there have been no other conversions to, call of, or subscriptions for ordinary shares or issues of potential ordinary shares since the reporting date and before the completion of these financial statements.

15. REMUNERATION AND RETIREMENT BENEFITS

(a) Directors' remuneration

The following table outlines the nature and amount of the elements of the remuneration of specified Directors of the Company for the period ended 30 June 2009.

	Salary	**Directors Fees**	**Consulting Fees**	**Superannuation Contributions**	**Options**	**Shares**	**Total**
2008	$	$	$	$	$	$	$
J Anderson	-	30,000	-	-	-	-	30,000
T Woolfe	-	-	120,000	-	-	-	120,000
G Craighead	-	-	60,000	-	-	-	60,000
G Fallon	-	-	-	-	-	-	-
	-	30,000	180,000	-	-	-	210,000

2008	Shares Number	Value of shares $	Total $
J Anderson	-	-	-
T Woolfe	-	-	-
G Craighead	-	-	-
G Fallon	-	-	-
	-	-	-

2009	Salary $	Directors Fees $	Consulting Fees $	Superannuation Contributions $	Options $	Shares $	Total $
J Anderson	-	34,500	-	-	910	-	35,410
T Woolfe	-	-	144,000	-	3,640	-	147,640
G Craighead	-	-	72,000	-	1,820	-	73,820
G Fallon	-	-	-	-	1,820	12,600	14,420
	-	34,500	216,000	-	8,190	12,600	271,290

2009	Shares Number	Value of shares $	Total $
J Anderson	-	-	-
T Woolfe	-	-	-
G Craighead	-	-	-
G Fallon	140,000	12,600	12,600
	140,000	12,600	12,600

Directors' interests in shares and options in the Company are set out in Note 16.

(b) Executive Officers' remuneration, shares and options

Other than Directors, there are no other officers who satisfy the definition of "Executive Officers" who are or were involved in, concerned with, or who take part in, the management of the affairs of AHR and/or related bodies corporate.

16. RELATED PARTY DISCLOSURES

The Directors in office during the period were J Anderson, T Woolfe, G Craighead and G Fallon.

Since the beginning of the financial year, interests and movements in the shares and options of the Company held by Directors and their Director-related entities as at 30 June 2009:

Fully Paid Ordinary Shares

at 30 June 2009

Directors	Balance 01 Jul 08	Net changes Number	Balance 30 Jun 09
J Anderson	-	-	-
T Woolfe	288,000	75,000	363,000
G Craighead	2,267,000	30,000	2,297,000
G Fallon	2,401,761	300,749	2,702,510
	4,956,761	405,749	5,362,510

Options

at 30 June 2009

Directors	Balance 01 Jul 2008	Net changes Number	Balance 30 Jun 09
J Anderson	500,000	50,000	550,000
T Woolfe	610,500	200,000	810,500
G Craighead	947,500	100,000	1,047,500
G Fallon	1,005,321	100,000	1,105,321
	3,063,321	450,000	3,513,321

Directors' interests in shares and Options includes holdings in their names and in the names of director related entities.

Remuneration options: Granted and vested during the year

During the financial year no options were granted as equity compensation benefits to directors.

During the current period 450,000 options were issued under the Company's Employees Option Plan. Shares and options held by Directors included those held by the Directors and their Director-related entities, including the spouses of such Directors and relatives of such Directors. All shares and options were issued or granted on terms no more favourable than to other shareholders or option holders.

Mr Craighead is an employee and Director of, and has a significant financial interest in, Stock Resource Pty Ltd, a company that provided technical services to the Company during the period. Services provided during the period ended 30 June 2009, which are referred to in the remuneration of Directors in Note 15, amounted to $72,000. Services provided by Director-related entities were under normal commercial terms and conditions. No other benefits have been received or are receivable by Directors, other than those already disclosed in the notes to the accounts.

17. JOINT VENTURES

The Company has no joint venture agreements.

18. FINANCIAL REPORT BY SEGMENT

The Company operates predominantly in the one business and in one geographical area, namely Australian mineral exploration and evaluation.

19. CONTINGENT LIABILITIES

The Group has provided guarantees totalling $106,560 in respect of mining tenements. These guarantees in respect of mining tenements are secured against deposits with the relative State Department of Mines (refer to Note 7). The Company does not expect to incur any material liability in respect of the guarantees.

20. EMPLOYEE ENTITLEMENTS

An employee share option plan has been established where selected officers and employees of the Company can be issued with options over ordinary shares in Anchor Resources Limited. The options, issued for nil consideration, will be issued in accordance with a performance review by the Directors. The options cannot be transferred and will not be quoted on the ASX. The Company issued 450,000 options under the Plan at nil value on 14th November 2008, which are exercisable at 18 cents each and expire on 14 March 2013. the Company issued a further 200,000 options under the Plan at nil value on 13th March 2009, which are exercisable at 7 cents each and expire on 13 March 2014.

21. FINANCIAL INSTRUMENTS

Interest rate risk exposure

At balance date, the Company was exposed to a floating weighted average interest rate as follows:

	Consolidated	Parent	**Consolidated**	Parent
	2009	2009	**2008**	2008
Weighted average rate of cash balances	**3.86%**	3.87%	**7.70%**	7.70%
Cash balances	**$1,218,572**	$1,217,347	**$2,392,416**	$2,392,376

Bank negotiable certificates of deposit are normally invested for 30 days and other cash at bank balances are at call. All other financial assets and liabilities are non-interest bearing.

Net fair value of financial assets and liabilities, on balance sheet and credit risk

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Company approximates their carrying value. Credit risk is minimal at balance date.

22. COMMITMENTS

Exploration licence expenditure requirements

In order to maintain the Company's tenements in good standing with the various mines departments, the Company will be required to incur exploration expenditure under the terms of each licence. These expenditure requirements will diminish as the Company expenditures move to third parties via joint ventures. It is the Company's exploration strategy to farm-out where appropriate to larger companies to fund drilling programmes. In addition, the Company is likely to have commitments to expend funds towards earning or retaining an interest under any joint venture agreement.

	Consolidated	Parent	**Consolidated**	Parent
	2009	2009	**2008**	2008
	$	$	**$**	$
Payable not later than one year	**740,000**	43,000	**811,500**	43,000
Payable later than one year but not later than two years	**759,000**	43,000	**896,500**	43,000
	$1,499,000	$86,000	**$1,708,000**	$86,000

It is likely that the granting of new licences and changes in licence areas at renewal or expiry will change the expenditure commitment to the Company from time to time.

23. SUBSEQUENT EVENTS

There have been no material events subsequent to 30 June 2009.

24. STATEMENT OF CASH FLOWS

	Consolidated 2009 $	Parent 2009 $	Consolidated 2008 $	Parent 2008 $
Reconciliation of net cash outflow from operating activities to operating loss after income tax				
(a) Operating (loss) after income tax	**(482,234)**	(325,167)	**(246,221)**	(228,676)
Depreciation	**13,418**	13,418	**13,723**	13,723
Share/Option based payments for services	**11,210**	11,210	**59,375**	59,375
Share based payments for directors	**12,600**	12,600	**30,000**	30,000
Change in assets and liabilities:				
(Increase)/decrease in receivables	**36,013**	36,929	**(67,313)**	(67,313)
(Increase)/decrease in other current assets	**514**	514	**(3,977)**	(3,977)
(Decrease)/increase in trade and other creditors	**(129,329)**	(129,329)	**150,597**	150,597
Net cash outflow from operating activities	**(537,809)**	(379,825)	**(63,816)**	(46,271)

(b) For the purpose of the Statement of Cash Flows, cash includes cash on hand, at bank, deposits and bank bills used as part of the cash management function. The Company does not have any unused credit facilities.

The balance at 30 June 2009 comprised:				
Cash assets	**11,984**	10,758	**22,936**	22,896
Bank deposits	**1,206,588**	1,206,588	**2,369,480**	2,369,480
Cash on hand	**$1,218,572**	$1,217,347	**$2,392,416**	$2,392,376

25. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's principal financial instruments comprise cash and short term deposits.

The main purpose of these financial instruments is to finance the company's operations. The company has various other financial assets and liabilities such as trade receivable and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the company's financial instruments are cash flow interest rate risk and equity price risk. Other minor risks are either summarised below. The Board reviews and agrees policies for managing each of these risks.

(a) Cash flow interest rate risk

The company's exposure to the risks of changes in market interest rates relates primarily to the company's short-term deposits with a floating interest rate. These financial assets with variable rates expose the company to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk.

The following tables set out the carrying amount by maturity of the company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments. Also included is the effect on profit and equity after tax if interest rates at that date had been 10% higher or lower with all other variables held constant as a sensitivity analysis.

Notes to and Forming Part of the Accounts

The company has not entered into any hedging activities to cover interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates.

Consolidated

	Note	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity 2009			
								-10%		+10%	
		2009 **$**	2008 $	**2009** **$**	2008 $	**2009** **$**	2008 $	Profit $	Equity $	Profit $	Equity $
Financial Assets:											
Petty Cash				**40**	877	**40**	877				
Cash at bank				**11,944**	22,059	**11,944**	22,059				
Deposits on Call		**96,171**	324,202			**96,171**	324,202	(269)	(269)	269	269
Short-term deposits		**1,100,000**	2,000,000			**1,100,000**	2,000,000	(4,400)	(4,400)	4,400	4,400
Secured Deposits		**10,417**	45,278			**10,417**	45,278	(40)	(40)	40	40
Trade and other receivables	5			**43,631**	79,644	**43,631**	79,644				
Available for sale investments											
Total		**1,206,588**	2,369,480	**55,615**	102,580	**1,262,203**	2,472,060	(4,709)	(4,709)	4,709	4,709
Weighted average Interest rate		**3.90%**	7.78%								
Financial Liabilities											
Trade and other payables	11			**169,205**	298,535	**169,205**	298,535	-	-	-	-
Total		**-**	-	**169,205**	298,535	**169,205**	298,535	-	-	-	-
Weighted average Interest rate		**0.0%**	0.0%								
Net financial assets (liabilities)		**1,206,588**	2,369,480	**(113,590)**	(195,955)	**1,092,998**	2,173,525	(4,709)	(4,709)	4,709	4,709

Notes to and Forming Part of the Accounts

Parent

	Note	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity 2009			
								-10%		+10%	
		2009 $	2008 $	**2009 $**	2008 $	**2009 $**	2008 $	Profit $	Equity $	Profit $	Equity $
Financial Assets:											
Petty Cash					837	**-**	837				
Cash at bank				**10,758**	22,059	**10,758**	22,059				
Deposits on Call		**96,171**	324,202			**96,171**	324,202	(269)	(269)	269	269
Short-term deposits		**1,100,000**	2,000,000			**1,100,000**	2,000,000	(4,400)	(4,400)	4,400	4,400
Secured Deposits		**10,417**	45,278			**10,417**	45,278	(40)	(40)	40	40
Trade and other receivables	5			**42,715**	79,644	**42,715**	79,644				
Available for sale investments											
Total		**1,206,588**	2,369,480	**53,473**	102,540	**1,260,061**	2,472,020	(4,709)	(4,709)	4,709	4,709
Weighted average Interest rate		**3.90%**	7.78%								
Financial Liabilities											
Trade and other payables	11			**169,205**	298,535	**169,205**	298,535	-	-	-	-
Total		**-**	-	**169,205**	298,535	**169,205**	298,535	-	-	-	-
Weighted average Interest rate		**0.0%**	0.0%								
Net financial assets (liabilities)		**1,206,588**	2,369,480	**(115,732)**	(195,995)	**1,090,856**	2,173,485	(4,709)	(4,709)	4,709	4,709

A sensitivity of 10% has been selected as this is considered reasonable given the current level of both short-term and long-term Australian dollar interest rates. A 10% sensitivity would move short-term interest rates at 30 June 2009 from around 3.0% to 3.7% representing a 30 basis points shift. Current interest rates are at low levels and that, while there is a bias from the Reserve Bank of Australia that there may be some modest upside movement in the medium term, the expectation is that rates are likely to remain low with the risk of rate movement outside this sensitivity range being unlikely.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted resulting in a decrease or increase in overall income.

(b) Price Risk

The company is not exposed to equity securities price risk. The company has no investments held and classified on the balance sheet as available-for-sale.

(c) Liquidity Risk

The company manages liquidity risk by maintaining sufficient cash reserves and marketable securities, and through the continuous monitoring of budgeted and actual cash flows.

	Consolidated 2009 $	Parent 2009 $	**Consolidated 2008 $**	Parent 2008 $
Contracted maturities of payables year ended 30 June 2009				
Payable:				
- less than 6 months	**169,205**	169,205	**298,535**	298,535
- 6 to 12 months	**-**	-	**-**	-
- 1 to 5 year	**-**	-	**-**	-
- later than 5 years	**-**	-	**-**	-
Total	**169,205**	169,205	**298,535**	298,535

(d) Commodity Price Risk

The company is exposed to commodity price risk. This risk arises from its activities directed at exploration and development mineral commodities. If commodity prices fall, the market for companies exploring for these commodities is affected. The company does not hedge its exposures.

(e) Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The company's foreign transactions are immaterial and it is not exposed to foreign currency risk.

(f) Net Fair Values

For financial assets and liabilities, the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form, other than listed investments. The company has no financial assets where carrying amount exceeds net fair values at balance date.

The company's receivables at balance date are detailed in Note 5 and comprise primarily GST input tax credits refundable by the ATO. The balance (if any) of receivables comprises prepayments (if any).

The credit risk on financial assets of the company which have been recognised on the Balance Sheet is generally the carrying amount.

26. PENDING APPLICATION OF ACCOUNTING STANDARDS AFFECTED

The following Australian Accounting Standards have been issued or amended and are applicable but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date:

AASB Amendment	Title	Application date of Standard. Accounting periods commencing after:
AASB 2007-3 Amendment to Australian Accounting Standards; & AASB 8 Effect The disclosure requirements of AASB 114: Segment Reporting have been replaced due to the issuing of AASB 8: Operating Segments in February 2007. These amendments may involve changes to segment reporting disclosures within the Financial Report.	AASB 6, 8, 107, 119, 127, 114	01.01.2009
AASB 2007-Amendments to Australian Accounting Standards; & AASB 123 Effect The revised AASB 123; Borrowing costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalization of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Presently the Consolidated Entity has no material borrowing costs.	AASB 101, 107, 111, 116, 138, 123	01.01.2009
AASB 2007-8 Amendments to Australian Accounting Standards; & AASB 101 Effect The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a Statement of Comprehensive Income. No known or reliably estimable information relevant to assessing the possible impact of these standards on the Consolidated Entity is presently available though it is anticipated that there will no direct impact on the recognition and measurement criteria of amounts included in the Financial Report.	AASB 101	01.01.2009

27. CORPORATE INFORMATION

The financial report of the Group for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the Directors on 21st September 2009.

Anchor Resources Limited is a company limited by shares and incorporated in Australia. Its shares are publicly traded on the Australian Securities Exchange under the ticker code "AHR".

Directors' Declaration

In accordance with a resolution of the Directors of Anchor Resources Limited, I state that:

(1) In the opinion of the Directors:

(a) financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

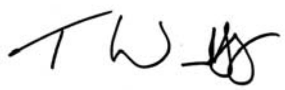
(i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

(ii) complying with Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(2) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2009.

On behalf of the Board



T Woolfe

Managing Director

Sydney, 21st September 2009

Auditor's Independence Declaration

B A R N E S   D O W E L L   J A M E S

CHARTERED ACCOUNTANTS

Partners
C H Barnes FCA
A J Dowell CA
M W James CA
B Kolevski (Affiliate ICAA)
M Galouzis CA

Associate
M A Nakkan CA

North Sydney
Level 13, 122 Arthur St
North Sydney NSW 2060

Manly
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Manly National Building
Manly NSW 2095

Correspondence
PO Box 1664
North Sydney NSW 2059

Telephone
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Facsimile
(02) 9929 7428
Email:
bdj@bdj.com.au

AJD:KG

21 August, 2009

The Directors
Anchor Resources Limited
Suite 404
25 Lime Street
SYDNEY NSW 2000

Dear Board of Directors,

ANCHOR RESOURCES LIMITED

We declare that to the best of our knowledge and belief, during the year ended 30 June, 2009 there have been:

i. No contraventions of auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and

ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Kind regards,
BARNES DOWELL JAMES

....
Anthony Dowell
Partner

Website: www.bdj.com.au

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Partners
C H Barnes FCA
A J Dowell CA
M W James CA
B Kolevski (Affiliate ICAA)
M Galouzis CA

Associate
M A Nakkan CA

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Facsimile
(02) 9929 7428
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bdj@bdj.com.au

Independent Auditor's Report to the Members

Scope

We have audited the accompanying Financial Report of Anchor Resources Limited ("the Company"), including the Financial Statements of the Company and the Controlled Entities (the Consolidated Entity), comprising the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow statement for the period then ended, a Summary of Significant Accounting Policies, other explanatory Notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The Directors of the Company are responsible for the preparation and fair presentation of the Financial Report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), International Financial Reporting Standards, and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Report that is free of material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the Financial Report to the Members of the Company based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the Financial Report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Report in order to design audit procedures that are appropriate in the

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the Financial Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm the independence declaration required by the Corporations Act 2001 previously provided to the Directors of the Company would be in the same terms if provided as at the date of this Auditor's report.

Auditor's Opinion

In our opinion, the Financial Report of the Company and the Consolidated Entity is in accordance with the Corporations Act 2001, including;

a. 1. Giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2009 and of their financial performance for the year then ended; and

2. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

b. The Financial Report complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the Directors Report for the year. The Directors are responsible for the preparation and presentation of the Remuneration Report in accordance with the Australian Auditing Standards. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards as described above.

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Auditor's Opinion

In our opinion the Remuneration Report of Anchor Resources Limited for the year ended 30 June 2009, complies with S300 A of the Corporations Act 2001.

BARNES DOWELL JAMES
Chartered Accountants

....
Anthony J Dowell
Partner
September 2009

Liability limited by a scheme approved under Professional Standards Legislation

Website: www.bdj.com.au

Corporate Governance Statement

The Board of Directors of Anchor Resources is responsible for corporate governance and strives for high standards in this regard. The Board monitors the business and affairs of Anchor Resources on behalf of the Shareholders by whom they are elected and to whom they are accountable. The Board draws on relevant best practice principles particularly those issued by the ASX Corporate Governance Council in March 2003. At a number of its meetings the Board examined the Anchor Resources corporate governance practices and the progress towards a review of its practice compared to the best practice principles proposed by the ASX Corporate Governance Council. While Anchor Resources is attempting to adhere to the principles proposed by ASX, it is mindful that there may be some instances where compliance is not practicable for a company of Anchor Resources' size.

The March 2003 ASX Corporate Governance Council publication "Principles of Good Corporate Governance and Best Practice Recommendations" is for guidance purposes, however all listed companies are required to disclose the extent to which they have followed the recommendations; to identify any recommendations that have not been followed; and reasons for not doing so. The Company's Board of Directors has reviewed the recommendations. In many cases the Company was already achieving the standard required. In other cases the Company will have to consider new arrangements to enable compliance. In a limited number of instances, the Company may determine not to meet the standard set out in the recommendations, largely due to the recommendation being considered by the Board to be unduly onerous for a company of this size.

The ASX issued Revised Principles in August 2007, and Anchor Resources has attempted to adhere to principles by reporting against the eight revised principles. However, it is mindful that there may be some instances where compliance is not practicable for a company of Anchor Resources' size.

The following paragraphs set out the Company's position relative to each of the 8 principles contained in the ASX Corporate Governance Council's report.

Principle 1: Lay solid foundations for management and oversight

The Company formalised and disclosed the functions reserved to the Board and those delegated to management. The Company has a small Board of four Directors (two Non-Executive Directors plus the Managing Director and an Executive Director) and a small team of people, so roles and functions have to be flexible to meet specific requirements.

Principle 2: Structure the Board to add value

The Company complies with most of the recommendations within this area as the Chairman is independent; separate from the Managing Director. The Company does not comply with the recommendation that a majority of Directors are independent, because one is Managing Director and another is an Executive Director. Mr Gary Fallon, although a Non-Executive Director, is a substantial shareholder. The Company has a Remuneration and Board Nomination Committee.

One of the Company's four Directors is the Non-Executive Chairman of Directors and he has not undertaken "material" consultancy work for the Company within the past three years. Each Director of the Company has the right to seek independent professional advice at the expense of the Company. Prior approval of the Chairman is required, but this will not be unreasonably withheld.

Principle 3: Promote ethical and responsible decision-making

The Company has a policy concerning trading in its securities by Directors, management, staff and significant consultants which is set out below. The Company has formally adopted a code of conduct which establishes principles and standards in relation to the interaction of directors, employees and consultants within the Company, and externally with customers, shareholders, and the broader community. These principles demonstrate the high standards of conduct expected of directors, employees, consultants and all other people when they represent the Company and its subsidiaries.

Corporate Governance Statement

Principle 4: Safeguard integrity in financial reporting

The Company periodically reviews its procedures to ensure compliance with the recommendations set out under this principle.

Senior management will confirm that the financial reports represent a true and fair view and are in accordance with relevant accounting standards. The Managing Director and the Company Secretary will state in writing to the Board that the Company's financial reports are complete and present a true and fair view, in all material respects, of the financial condition and operational results of the Company and are in accordance with relevant accounting standards.

The Company has an Audit and Risk Management Committee and has a written charter which has been approved by the Board.

The Audit and Risk Management Committee consists of the Non-Executive Director Mr Anderson and the Executive Director Mr Craighead (as Committee Chairman). These Directors have applicable expertise and skills for the Audit and Risk Management Committee. This structure does not meet the ASX's guidance regarding independence, in that it should have a majority of independent Directors and have at least three members and the Committee Chairman should not be the Chairman of the Board. The Audit and Risk Management Committee reports to the Board after each Committee meeting. In conjunction with the full Board, the Committee reviews the performance of the external auditors (including scope and quality of the audit).

Principle 5: Make timely and balanced disclosure

The Company, its Directors and staff are very aware of the ASX's continuous disclosure requirements and operate in an environment where strong emphasis is placed on full and appropriate disclosure to the market. The Company has formal written policies regarding disclosure and it uses strong informal systems underpinned by experienced individuals.

Principle 6: Respect the rights of shareholders

All significant information disclosed to the ASX will be posted on the Company's website as soon as it is disclosed to the ASX. When analysts are briefed on aspects of the Company's operations, the material used in the presentation will be released to the ASX and posted on the Company's website. Procedures have also been established for reviewing whether any price sensitive information has been inadvertently disclosed, and if so, this information is also immediately released to the market.

Whilst the Company does not have a communications strategy to promote effective communication with shareholders, as it believes this is excessive for small companies, the Company does communicate regularly with shareholders. The Company will request the external auditor to attend general meetings.

Principle 7: Recognise and manage risk

The Company is a small, exploration company and does not believe that there is significant need for formal policies on risk oversight and management of risk. Risk management arrangements are the responsibility of the Board of Directors, the Audit and Risk Management Committee and senior management collectively and Risk Factors is a standing agenda item at Board meetings.

Principle 8: Remunerate fairly and responsibly

Directors believe that the size of the Company makes individual salary and contractor negotiation more appropriate than formal remuneration policies. The Remuneration and Board Nomination Committee will seek independent external advice and market comparisons as necessary. In accordance with Corporations Act requirements, the Company will disclose the fees or salaries paid to all Directors, plus the five highest paid officers. The Company has an Employee Share Option Plan that was introduced in February 2007.

Ethical Standards

The Board's policy is for the Directors and management to conduct themselves with the highest ethical standards. All Directors and employees will be expected to act with integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Securities Trading and Trading Windows

Directors, employees and key consultants must consult with the Chairman of the Board or the Managing Director before dealing in shares of the Company. Purchases or sales in the Company's shares by Directors, employees and key consultants may not be carried out other than in the "window", being the period commencing one day following the date of an ASX announcement leading, in the opinion of the Board, to an informed market. However, Directors, employees and key consultants are prohibited from buying or selling Anchor Resources shares at any time if they are aware of price sensitive information that has not been made public.

Shareholder Information

Information relating to shareholders at 30 June 2009 (per ASX Listing Rule 4.10)

Substantial Shareholders	**Shareholding**
Fallon Nominees Pty Ltd <Fallon Family A/C>	2,702,510
Gage Resources Pty Ltd <Super Fund A/C>	2,297,000
Troppo Resources Pty Ltd <Troppo A/C>	1,775,000
St Jude Exploration Pty Ltd	1,550,000

Distribution of Shareholders

Number of ordinary shares held	**Number of Holders**	**Ordinary Shares**
1 – 1,000	4	430
1,001 – 5,000	15	54,505
5,001 – 10,000	87	852,345
10,001 – 100,000	252	10,440,073
100,001 – and over	49	19,472,647
	407	30,820,000

At the prevailing market price of 5 cents per share, there were twenty-five shareholders with less than a marketable parcel of $500.

Top 20 Shareholders of Ordinary Shares as at 30 June 2009	**Shares**	**% Shares issued**
Fallon Nominees Pty Ltd <Fallon Family A/C>	2,702,510	8.769
Gage Resources Pty Ltd <Super Fund A/C>	2,297,000	7.453
Troppo Resources Pty Ltd <Troppo A/C>	1,775,000	5.759
St Jude Exploration Pty Ltd	1,550,000	5.029
Eastmin Pty Ltd	1,200,000	3.894
Ms Susan Messner & Mr William Callender <Susan M Messner P/L R/P A/C>	510,000	1.655
Rossdale Superannuation Fund Pty Ltd	500,000	1.622
Octifil Pty Ltd	483,121	1.568
Yellowrock Pty Ltd	418,000	1.356
Mr Trevor Ian Woolfe	363,000	1.178
Moller Corporation Ltd	350,000	1.136
Ms Joanne Holland	330,000	1.071
Corporate Property Services Pty Ltd <K W SHARE A/C>	324,951	1.054
Mr Alan Brien & Mrs Melinda Brien <A & M Brien A/C>	322,500	1.046
Symington Pty Ltd	300,000	0.973
Norvale Pty Ltd	300,000	0.973
Marklian Investments Pty Ltd <Hutton Family No 1 S/F A/C>	300,000	0.973
Mr George Olah & Mrs Karin Christa Olah <Olah Super Fund A/C>	300,000	0.973
Jopan Management Pty Ltd	270,000	0.876
Mr Dean Nesbit Walkington < D & J Walkington Super A/C>	270,000	0.876
Total of top 20 holdings	14,866,082	48.235
Other holdings	15,953,918	51.765
Total fully paid shares issued	30,820,000	100.00

Shareholder Information

Voting rights

There are no restrictions on voting rights. On a show of hands every member present or by proxy shall have one vote and upon a poll each share shall have one vote. Where a member holds shares which are not fully paid, the number of votes to which that member is entitled on a poll in respect of those part paid shares shall be that fraction of one vote which the amount paid up bears to the total issued price thereof. Option holders have no voting rights until the options are exercised.

Employee Share Option Plan

At the Annual General Meeting in November 2008, shareholders approved the issue to Directors of 450,000 options at nil value (exercisable at 18 cents and expire on 14 March 2013) in accordance with the Company's Employee Share Option Plan. Furthermore, at a Directors Meeting held in March 2009, directors approved the issue of 200,000 options at nil value (exercisable at 7 cents each and expire on 13 March 2014) in accordance with the Company's Employee Share Option Plan. These options are not listed on the ASX.

Other Options

There are three holders of the remaining 1,500,000 unlisted options as at 6th September 2009. John Anderson holds 500,000, Trevor Woolfe holds 500,000 and Taylor Collison Limited holds 500,000.

Restricted Securities

There are currently no class of securities restricted or subject to voluntary escrow.

Audit Committee

At the date of the Report of the Directors, the Company has a committee of one Non-Executive Director which meets with the Company's external auditors at least once during each half-year. These meetings will take place prior to the finalisation of the half-year financial statements and Annual Report and prior to the signing of the Audit Report.

Statement under ASX Listing Rule 4.10.19

From the date of admission of the Company's shares on ASX (5 July 2007) to the date of this Annual Report, the Company has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. Expenditures have been in line with Prospectus estimates.

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