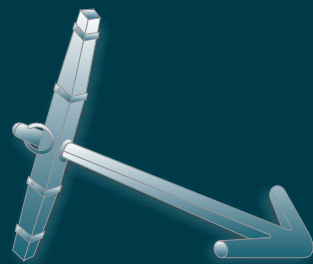


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ANCHOR

RESOURCES LIMITED

ACN 122 751 419

ANNUAL REPORT 2008

Important Information:
This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisors.

ASX Code: AHR

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

Suite 404, 25 Lime Street,
Sydney, NSW 2000

Telephone: 02 9279 1231

Facsimile: 02 9279 2727

Website: www.anchorresources.com.au

Email: admin@anchorresources.com.au

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 second Annual Report to shareholders of Anchor Resources Limited ("Anchor Resources") following the successful listing of the Company on the Australian Securities Exchange (ASX) on 5 July 2007.

The first twelve months of Anchor Resources' life as a listed entity has coincided with a general market downturn from the historic peaks of recent years, and a period in which mining personnel and equipment have been in short supply due to the prolonged global resources boom.

Despite this challenging backdrop, Anchor Resources has focused activities on aggressive exploration of its diversified mineral portfolio and the evaluation of project opportunities with the potential to move the Company closer to producer status.

In the current economic climate, to maximise shareholder value, your Board will be assessing all options to advance the exploration programs of current projects while minimising the direct cost to the Company.

In line with Anchor Resources' objective of adding strategic exploration projects to the portfolio, your Company has acquired six new exploration licences during the 2008 financial year. All of the new licences cover targets highly prospective for commodities already in the Anchor Resources portfolio, some of which are also located in the vicinity of operating mines.

The new tenements are the:

- (1) Canonba and Collaroy projects (copper-gold/NSW) adjacent to the operating Tritton copper mine;
- (2) Featherbeds and Hot Springs (uranium/Qld) projects beside the Company's Aspiring project; and
- (3) Thunderbolts and Munga (antimony/NSW) projects, the former in the vicinity of the operating Hillgrove antimony-gold mine.

Anchor Resources successfully drilled on three of its prospects at Clayholes Dam (Qld), Dundurrabin (NSW) and Tyringham (NSW) during the year and carried out a major airborne geophysical survey at Birdwood (NSW). Anchor Resources was successful in obtaining a grant during August 2007 from the Queensland Department of Mines and Energy to "half-fund" the drill program at the Clayholes Dam gold prospect. We take this opportunity to express our appreciation for the Department's "Collaborative Drilling Initiative".

I would also like to take this opportunity to thank my fellow Directors and consultants who have worked diligently on the Company's activities during the past twelve months.

Anchor Resources looks forward to another exciting year of exploration and 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 prospectus and subsequently listed on the ASX on 5 July 2007 based on a portfolio consisting of the Bielsdown (EL6388), Birdwood (6459), Blicks (EL6465), Aspiring (EPM14752) and Greenvale East (EPM14646) mineral projects (Figure 1).

While Anchor Resources had a joint venture over the Aspiring uranium project at the time of listing, the relationship with the joint venture partner company was terminated in August 2007 with Anchor Resources resuming 100% control over the project.

During September 2007, Anchor Resources undertook a non-renounceable rights issue of options to shareholders on a "1 for 2" basis, at an issue price of one cent per option. Following a strong take up of this issue and a subsequent shortfall allocation, 15,304,688 options were issued, raising \$153,046.

In October 2007, Anchor acquired the Featherbeds (EPM15631) and Hot Springs (EPM15987) licences through the purchase of all the shares in Andromeda Ventures from interests associated with two of the Anchor Resources Directors – Grant Craighead and Gary Fallon - for a total of \$20,000. The two licences are located adjacent to Anchor Resources' Aspiring project in northern Queensland, which together now form the Chillagoe Uranium Project.

In November 2007, Anchor received confirmation from the NSW Department of Primary Industries (DPI) granting applications for the Canonba (EL6928) and Collaroy (EL6929) tenements. These copper-gold targets are located adjacent to the operating Tritton copper mine near Nyngan.

Subsequent to the end of the period, in July 2008, Anchor Resources received confirmation that the NSW DPI had granted applications for the Thunderbolts (EL7184) and Munga (EL7185) tenements. These antimony tenements are located in northeastern NSW, with Thunderbolts just 40km northeast of the operating Hillgrove antimony-gold mine.

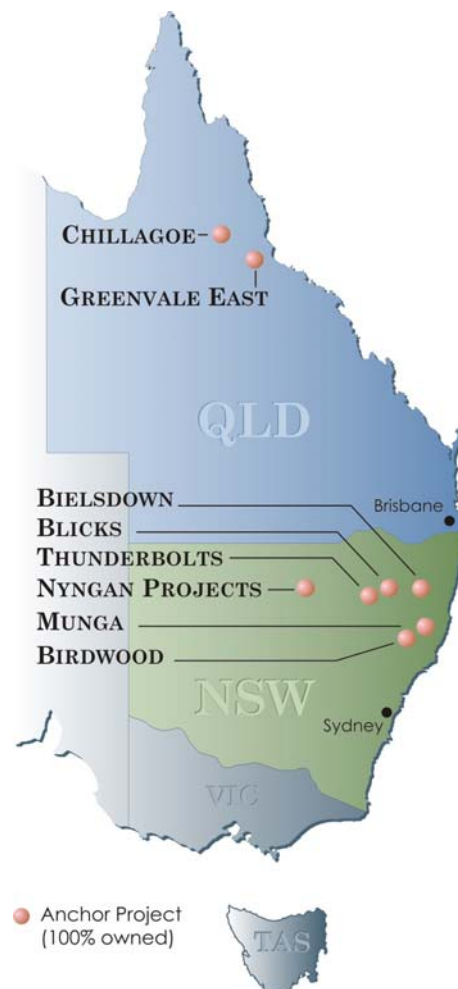


Figure 1: Anchor Project Locations

Review of Operations

PROJECT UPDATE

▲ Bielsdown (antimony)

Anchor Resources' Bielsdown project contains an antimony resource, with possible gold credits, that is open both along strike and at depth. In early 2007, Anchor Resources completed a review of the old drilling data and a resource evaluation of the Wild Cattle Creek mineralisation. The resulting 3-D block model and resource estimate of the Bielsdown antimony project in accordance with the JORC* code concluded that the deposit contains 459,000 tonnes at 3.02% antimony (13,900t contained antimony metal), broken down in the following categories:

Resource Category	Sb cutoff (%)	Tonnes (t)	Sb grade (%)	Contained Sb metal (t)
Measured	1.00	0	0	0
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)

Historical bulk mining indicates that the antimony mineralisation contains gold, however sporadic gold analyses within the drilling are insufficient to provide a comprehensive estimate of gold content.

During the year, Anchor Resources reviewed historical drill core from the deposit with the objective of re-analysing mineralised intervals to test the additional potential for contained gold, silver and tungsten. However it was found that there was no core remaining from any of the mineralised intersections.

As a consequence of our 3-D modeling and resource evaluation, Anchor Resources has identified drill targets to infill, extend and upgrade the resource (see Figure 2), with the objective of delineating a viable mining operation.

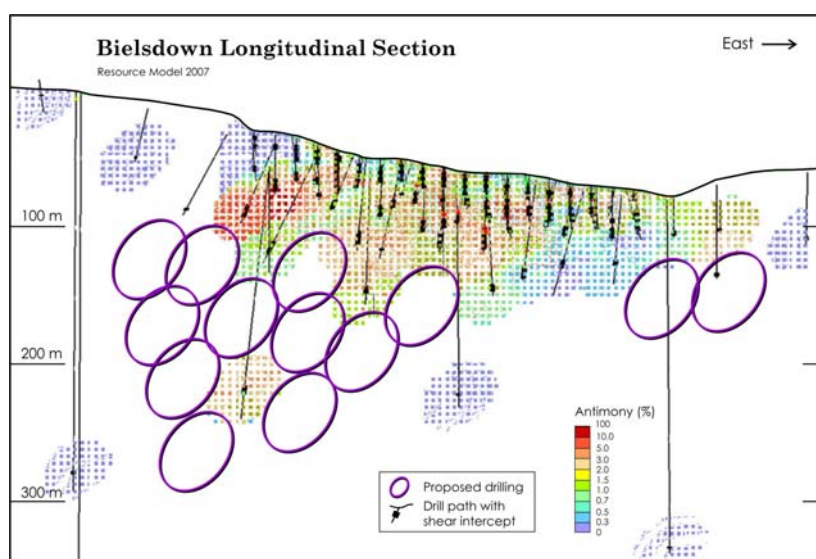


Figure 2: Wild Cattle Creek Resource Model Grade Blocks and Proposed Drilling- long section

Anchor Resources' plan to carry out drilling during the year was delayed by protracted landholder negotiations. Progress has been frustratingly slow, however since the end of the period, Anchor Resources has signed an access agreement with the landholder in question and initial field assessments have commenced. The old shaft appears to be in good shape although inundated with groundwater. Access to the zone of mineralisation and shallow pit is by well maintained tracks. Anchor Resources is now in discussions to progress to the drilling phase during the coming year.

Review of Operations

▲ *Thunderbolts and Munga (antimony)*

Anchor's belief in the long term prospects for the antimony market is supported by continuing strength in global antimony prices. While prices for most of the base metal complex have retreated during 2008, antimony prices have continued to rise in recent months. Figure 3 shows the ten year price history for antimony.

In addition to the significant JORC compliant antimony resource at Anchor's 100% owned Bielsdown project, the company's technical team has identified other areas for antimony exploration.

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

Anchor Resources has been granted two new licences covering old antimony producing areas in the Hillgrove-Bielsdown region. The projects are known as Thunderbolts and Munga.

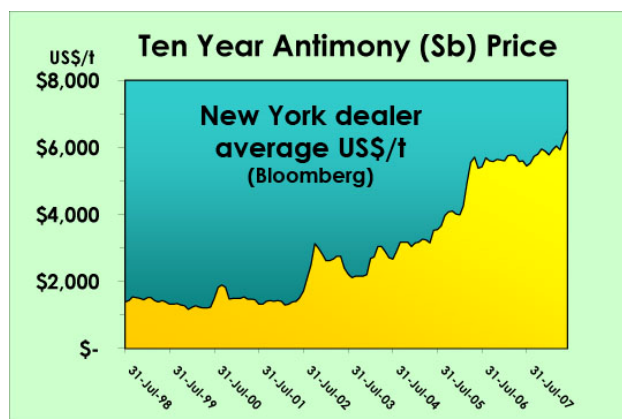


Figure 3 Antimony price history – ten years

The **Thunderbolts Project** contains the old Magword antimony mine, located 40km to the north-northeast of the Hillgrove mine. The vein/shear filling stibnite mineralisation was mined historically via underground shafts and adits with high antimony grades being achieved. Reports indicate that production between 1941-1969 was over 3,000t of antimony, with average grades of around 20.5% antimony. Initial landholder relations have been established and potential drill sites scoped during an initial site visit.

The **Munga Project** is located 80km to the southeast of the Hillgrove mine and contains 23 known antimony deposits many of which have historical workings. The Munga Creek deposit was mined in two phases between 1879-1884 and 1970-1974 during which time over 1,100 tonnes of contained antimony metal in concentrates are reported to have been shipped.

▲ *Blicks (copper-gold)*

The Blicks tenement area is highly mineralised with identified gold and copper prospects. Anchor Resources drilled five reverse circulation (RC) holes at the Dundurrabin copper prospect and one RC hole at the Tyringham gold prospect during the year.

The Dundurrabin drilling followed refinement of targets by mapping, anomalous copper in soil geochemistry and ground magnetic studies. Results were focused on copper mineralisation however anomalous values of silver, lead, zinc and molybdenum were also encountered in the drillholes.

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

Best drillhole results were as follows:

Dundurrabin:	08DRC03A	31m at 0.20% copper	(156-187m)
Tyringham:	TRC20	47m at 0.30g/t gold	(39-86m)
		10m at 0.48g/t gold	(124-134m)
		13m at 0.26g/t gold	(190-203m) – includes 9m at 296ppm tungsten

Review of Operations

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

The Greenvale East licence area contains 14 known mineralised occurrences and targets, including old workings that have produced modest volumes of tin, tungsten and gold.

One of these targets is the Clayholes Dam gold prospect. In August 2007, Anchor Resources was successful in obtaining a grant from the Queensland Department of Mines and Energy via its "Collaborative Drilling Initiative" providing up to \$51,000 of funding towards drilling of this gold target.

Drilling of seven RC holes under this program was completed during the year and 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.

Best drillhole results were as follows:

Clayholes Dam:	CDR001	12m at 0.2% copper	(71-83m)
		7m at 0.58g/t gold	(156-163m)
	CDR004	6m at 0.1% copper	(74-80m)
		5m at 0.61g/t gold	(157-162m)

Reconnaissance exploration at other prospects within the tenement returned promising surface sampling results. At Jacks Creek, rockchips were collected up to 6.38g/t gold, 18.1 g/t silver and 38.9% antimony. Also at Perry Creek, an alluvial sample up to 7.81% tin with 0.28% tungsten was collected in the vicinity of a channel sample of primary greisen material that returned 19m grading 170ppm tungsten and 144ppm tin.

▲ *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 Chillagoe Uranium Project was formed by the addition of the recently acquired Featherbeds and Hot Springs tenements to Anchor's existing Aspiring uranium project. The Aspiring project is located some 8km north and east of Chillagoe, with Featherbeds and Hot Springs located on highly prospective contiguous ground to the east, in the Featherbeds Cauldron Complex.

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.

During the year a specialist uranium consultant was commissioned by Anchor Resources to carry out a review of uranium exploration potential in conjunction with previous radiometric data and remote sensing (ASTER imagery) analysis. Approximately 30 uranium targets were identified for follow-up.

Encouraging results have been obtained thus far from helicopter reconnaissance throughout the remote terrain, with rockchips, soil samples and stream sediments tested in the field by scintillometer as well as hand-held XRF equipment.

Review of Operations

▲ *Canonba and Collaroy (gold-copper)*

During the year, Anchor Resources was granted the Collaroy and Canonba exploration licences, north and west of Nyngan, which are highly prospective for copper and gold mineralisation.

Anchor's exploration team recognised an important corridor of copper-gold mineralisation, a northeast-southwest trending zone encompassing the Canbellego, Tritton, Girilambone and Larsens copper and gold mines.

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's interpretation of aeromagnetic data for the Collaroy and Canonba licences has identified various anomalies with characteristics comparable to those associated with the Tritton and Girilambone mineralisation. First drilling is expected to commence in the latter half of 2008.

▲ *Birdwood (gold-copper-molybdenum)*

The Birdwood project 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. The mineralisation intersected consisted of pyrite-chalcopyrite-pyrrhotite, associated with quartz-calcite-chlorite-sericite alteration.

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 year.

In September 2007, Anchor Resources completed a 2,234 line kilometre heli-borne magnetics and radiometrics survey over the Birdwood tenement area. A subsequent geophysical interpretation was undertaken to review initial target areas for follow-up exploration. The survey has provided a clearer picture of the underlying geological setting.

A prospective zone for this style of mineralisation has been identified in the central portion of the licence area, taking in the Birdwood North, Birdwood West, Pine Scrub Creek and Steeps prospects. The area displays a complex interplay of structural lineaments, possibly faulting, interpreted to be related to multiple intrusive bodies.

* 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 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	162	100	\$84,000 pa	Tyringham – intrusion related gold, Dundurrabin – copper
Birdwood	EL 6459	8 Aug 05	330	100	\$130,000 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	\$56,000 pa	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	\$96,000 (year 3)	Roberg, James, Perry Creek – tin, tungsten, Suprendre, Clayholes, Jacks Creek - gold
Aspiring	EPM 14752	27 Sep 05	330	100	\$80,000 (year 2)	Uranium
Featherbeds	EPM 15631	13 Aug 07	323	100	\$140,000 (Yrs 1-3 Total)	Uranium
Hot Springs	EPM 15987	16 Jan 08	330	100	\$150,000 (Yrs 1-3 Total)	Uranium

As at 10 September 2008

Notes:

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

Directors' Report

Your Directors present the financial report of the Company and its subsidiaries ("Group") from 01 July 2007 to 30 June 2008.

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, MAICD

John has over 26 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 was, until recently, an Executive Director of Powersave Pty Ltd, which specialises in the provision of energy management solutions. John is also a Non-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, MAICD

Trevor is an experienced mining industry professional with extensive experience in exploration, mining and resource evaluation, and also in the financial sector. Trevor has over 16 years experience as a geologist. 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 until commencing as Managing Director of Anchor Resources in early 2007.

Grant Craighead, Executive Director

B Sc, MAusIMM, MAICD

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 16 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, MAICD

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	500,000
T Woolfe	288,000	610,500
G Craighead	2,267,000	947,500
G Fallon	2,401,761	1,005,321

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 \$246,221.

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 6 of this report.

Corporate Structure

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

Employees

The Group had one employee as at 30 June 2008. 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 2008 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 precious and base metal exploration and evaluation targets.

Directors' Report

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 2008 year would be paid through the issue of 50,000 shares to Gary Fallon (which was approved by shareholders in March 2007), and an annual payment of \$30,000 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 2008 are set out in the following tables.

Directors' Report

Table 1: Director and senior executive remuneration

Directors of Anchor Resources Limited	Directors' Fees \$	Salaries \$	Consulting Fees \$	Super-annuation Contri- bution \$	Options \$	Shares \$	Total \$
J Anderson	30,000	-	-	-	-	-	30,000
T Woolfe	-	-	120,000	-	-	-	120,000
G Craighead	-	-	60,000	-	-	-	60,000
G Fallon	-	-	-	-	-	-	-

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 \$30,000 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 \$120,000 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 \$60,000 per annum.

Gary Fallon

There is no written contract with Mr Fallon, who has received 50,000 shares in the Company (issued in March 2007) in lieu of payment and benefits in his role as a director of the Company for the period to 30 June 2008. 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 \$120,000 has been paid by the Company during the year for these technical services.

(iv) Share-based compensation - options

No share-based compensation was issued to directors during the 2007-8 financial year.

Directors' Interests

The relevant interest of each Director (including their associates) in the share capital of the Company as at 30 June 2008 are set out in note 15 to the financial statements.

Directors' Report

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

Fair values have been assessed using the Black and Scholes 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	12	11
T Woolfe	12	11
G Craighead	12	12
G Fallon	12	10

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 2008, the directors approved the issue of 175,000 options to employees and senior consultants granted in accordance with the terms of the Plan. (Since that date 25,000 options have been forfeited under the terms of the ESOP, with the departure of an employee).

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 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.

Directors' Report

Environmental Performance

Anchor 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: \$9,000

Signed at Sydney this 29th day of September 2008 in accordance with a resolution of the Directors.



J Anderson

Chairman

Income Statement

For the year ended 30 June 2008

		Consolidated	Parent Entity	Consolidated	Parent Entity
	Note	2008	2008	2007	2007
		\$	\$	\$	\$
REVENUE	2	224,091	224,091	12,317	10,021
Advertising		(5,566)	(5,566)	(1,215)	(1,215)
ASX and ASIC fees		(4,834)	(3,499)	(489)	(489)
Audit and accounting services	4	(40,203)	(35,900)	(10,400)	(8,900)
Conferences and training		(40,926)	(40,926)	-	-
Corporate advisory services		(63,344)	(63,344)	(57,406)	(57,406)
Depreciation		(13,723)	(13,723)	-	-
Directors Fees		(30,000)	(30,000)	(5,000)	(5,000)
Insurances		(13,799)	(13,799)	-	-
Legal fees		(832)	(832)	(852)	(20)
Management fee		(122,300)	(122,300)	(4,727)	(4,727)
Motor vehicle expenses		(7,034)	(7,034)	-	-
Printing and stationery		(7,829)	(7,829)	(1,882)	(1,882)
Share registry costs		(29,308)	(29,308)	(499)	(499)
Telephone		(3,082)	(3,082)	(1,152)	(1,152)
Travel and accommodation		(9,712)	(9,712)	(6,228)	(6,201)
Salaries and employee benefits expense		(15,997)	(15,997)	(1,349)	(1,349)
Share based payments – Options issued		(21,875)	(21,875)	(20,000)	(20,000)
Write down of carrying value of exploration expenditure		(29,309)	(17,402)	(9,707)	(8,509)
Other expenses from ordinary activities		(10,640)	(10,640)	(2,745)	(2,702)
		(470,311)	(452,766)	(123,651)	(120,051)
(LOSS) BEFORE INCOME TAX EXPENSE		(246,221)	(228,676)	(111,334)	(110,030)
INCOME TAX EXPENSE	3	-	-	-	-
(LOSS) AFTER INCOME TAX EXPENSE	13	(246,221)	(228,676)	(111,334)	(110,030)
NET (LOSS) ATTRIBUTABLE TO MEMBERS OF ANCHOR RESOURCES LIMITED		(246,221)	(228,676)	(111,334)	(110,030)
Basic loss per share (cents per share)	14	(0.803)	(0.745)	(0.363)	(0.359)
Diluted loss per share (cents per share)	14	(0.803)	(0.745)	(0.363)	(0.359)

Balance Sheet

At 30 June 2008

		Consolidated	Parent	Consolidated	Parent
	Note	2008	Entity	2007	Entity
		\$	2008	\$	2007
			\$		\$
CURRENT ASSETS					
Cash assets		2,392,416	2,392,376	3,676,442	3,676,442
Receivables	5	79,644	79,644	12,331	12,331
Other current assets		13,340	13,340	9,363	9,363
TOTAL CURRENT ASSETS		2,485,400	2,485,360	3,698,136	3,698,136
NON-CURRENT ASSETS					
Shares in controlled entities	6	-	2,241	-	201
Tenement security deposits	7	50,000	10,000	35,000	10,000
Plant and equipment	8	34,814	34,814	-	-
Deferred exploration and evaluation expenditure	9	1,429,944	78,750	213,267	46,943
Loans to controlled entities	10	-	1,408,039	-	192,623
TOTAL NON-CURRENT ASSETS		1,514,758	1,533,843	248,267	249,767
TOTAL ASSETS		4,000,159	4,019,204	3,946,403	3,947,903
CURRENT LIABILITIES					
Payables	11	298,535	298,535	147,938	147,938
TOTAL CURRENT LIABILITIES		298,535	298,535	147,938	147,938
TOTAL LIABILITIES		298,535	298,535	147,938	147,938
NET ASSETS		3,701,624	3,720,669	3,798,465	3,799,965
EQUITY					
Issued capital	12	3,949,999	3,949,999	3,889,994	3,889,994
Accumulated losses	13	(357,750)	(338,705)	(111,529)	(110,029)
Reserves	13	109,375	109,375	20,000	20,000
TOTAL EQUITY		3,701,624	3,720,669	3,798,465	3,799,965

Statement of Cash Flows

For the year ended 30 June 2008

	Consolidated	Parent Entity	Consolidated	Parent Entity
Note	2008	2008	2007	2007
	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Payment to suppliers and employees	(273,761)	(256,216)	(87,713)	(86,409)
Interest received	209,390	209,390	12,317	10,021
	555	555		
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES				
24	(63,816)	(46,271)	(75,396)	(76,388)
CASH FLOWS FROM INVESTING ACTIVITIES				
Loans to subsidiaries	-	(1,215,416)		
Investment in subsidiaries	-	(2,040)	-	(201)
Deferred exploration and evaluation expenditure on mining interests	(1,216,678)	(31,807)	(43,136)	(46,943)
Purchase of Plant & Equipment	(48,537)	(48,537)		
Tenement security deposits	(15,000)	-	(15,000)	(10,000)
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES				
	(1,280,215)	(1,297,800)	(58,136)	(57,144)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issue of shares	60,005	60,005	4,043,600	4,043,600
Equity raising expenses	-	-	(233,626)	(233,626)
NET CASH FLOWS FROM FINANCING ACTIVITIES				
	60,005	60,005	3,809,974	3,809,974
Net increase / (decrease) in cash held	(1,284,026)	(1,284,066)	3,676,442	3,676,442
Add opening cash brought forward	3,676,442	3,676,442	-	-
CLOSING CASH CARRIED FORWARD				
24	2,392,416	2,392,376	3,676,442	3,676,442

Statement of Changes in Equity

For the year ended 30 June 2008

CONSOLIDATED	Attributable to the shareholders of Anchor Resources Limited			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
AT 29 NOVEMBER 2006	-	(195)	-	(195)
Loss for the period	-	(111,334)	-	(111,334)
Total expense for the period	-	(111,529)	-	(111,529)
Cost of share based payments taken directly to Equity	-	-	20,000	20,000
Issue of share capital	3,889,994	-	-	3,889,994
AT 30 JUNE 2007	3,889,994	(111,529)	20,000	3,798,465
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

PARENT	Attributable to the shareholders of Anchor Resources Limited			
	Issued Capital	Accumulated Losses	Reserves	Total Equity
	\$	\$	\$	\$
AT 29 NOVEMBER 2006	-	-	-	-
Loss for the period	-	(110,029)	-	(110,029)
Total expense for the period	-	(110,029)	-	(110,029)
Cost of share based payments taken directly to Equity	-	-	20,000	20,000
Issue of share capital	3,889,994	-	-	3,889,994
AT 30 JUNE 2007	3,889,994	(110,029)	20,000	3,799,965
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

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").

(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.

Notes to and Forming Part of the Accounts

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 the 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

Notes to and Forming Part of the Accounts

benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

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.

Notes to and Forming Part of the Accounts

(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 175,000 options issued on 14 March 2008 which expire on 14 March 2013, which are exercisable at 25 cents and which have vested. (Since that date 25,000 options have been forfeited under the terms of the ESOP, with the departure of an employee). 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 Black and Scholes 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:

Notes to and Forming Part of the Accounts

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:

Notes to and Forming Part of the Accounts

- 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 7 months of trading (for the period 29 November 2006 to 30 June 2007).

(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
	2008	2008	2007	2007
	\$	\$	\$	\$
2. REVENUE FROM ORDINARY ACTIVITIES				
Interest received – other persons/corporation	223,535	223,525	10,651	10,021
Other income	556	556	1,666	-
	224,091	224,091	12,317	10,021

Notes to and Forming Part of the Accounts

	Consolidated 2008 \$	Parent 2008 \$	Consolidated 2007 \$	Parent 2007 \$
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	(246,221)	(228,676)	(111,334)	(110,030)
Tax at the Australian tax rate of 30%	(73,866)	(68,602)	(33,400)	(33,009)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Additional deductions	-	-	-	-
(Over) under provision prior year	-	-	-	-
Non-allowable deductions	-	-	-	-
Other	-	-	-	-
Income taxes not brought to account	73,866	68,602	33,400	33,009
(c) Current tax liabilities				
Balance at beginning of year	(33,400)	(33,009)	-	-
Income tax paid	-	-	-	-
Current year's income tax on profit	(73,866)	(68,602)	(33,400)	(33,009)
Under (over) provided in prior year	-	-	-	-
Balance at end of year	(107,266)	(101,611)	(33,400)	(33,009)

No provision for income tax is considered necessary in respect of the Company for the period ended 30 June 2008.

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 \$107,266. These amounts have not been brought to account in calculating any future tax benefit.

A benefit of 30% of approximately \$107,266 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

Notes to and Forming Part of the Accounts

- 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 2008 \$	Parent 2008 \$	Consolidated 2007 \$	Parent 2007 \$
4. AUDITORS' REMUNERATION				
Total amounts receivable by the current auditors of the Company for:				
Audit of the Company's accounts	15,650	15,650	5,200	5,200
Other services	24,553	20,250	5,200	3,700
	40,203	35,900	10,400	8,900
5. RECEIVABLES – CURRENT				
Interest	14,145	14,145	-	-
Refund for GST paid	65,499	65,499	12,331	12,331
	79,644	79,644	12,331	12,331
6. SHARES IN CONTROLLED ENTITIES				
Andromeda Ventures Pty Ltd	-	2,040	-	-
Sandy Resources Pty Ltd	-	200	-	200
Scorpio Resources Pty Ltd	-	1	-	1
	-	2,241	-	201
7. TENEMENT SECURITY DEPOSITS				
Cash with government mines department	50,000	10,000	35,000	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).				
8. PLANT AND EQUIPMENT				
Software – at cost	16,590	16,590	-	-
Accumulated depreciation	(6,471)	(6,471)	-	-
	10,119	10,119	-	-

Notes to and Forming Part of the Accounts

	Consolidated 2008 \$	Parent 2008 \$	Consolidated 2007 \$	Parent 2007 \$
Computer equipment – at cost	3,008	3,008	-	-
Accumulated depreciation	(1,109)	(1,109)	-	-
	1,899	1,899		
Plant and equipment – at cost	890	890		
Accumulated depreciation	(167)	(167)	-	-
	723	723		
Motor vehicles – at cost	28,409	28,409		
Accumulated depreciation	(5,976)	(5,976)	-	-
	22,073	22,073		
Net assets – at book value	34,814	34,814	-	-
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	-	-	-	-
Additions	48,537	48,537	-	-
Disposals	-	-	-	-
Depreciation expense	(13,723)	(13,723)	-	-
Net assets – at book value	34,814	34,814	-	-

9. DEFERRED EXPLORATION AND EVALUATION EXPENDITURE

Costs brought forward	213,267	46,943	-	-
Costs incurred during the period	1,245,986	48,849	222,974	55,452
Expenditure written off during period	(29,309)	(17,042)	(9,707)	(8,509)
Costs carried forward	1,429,944	78,750	213,267	46,943
Exploration expenditure costs carried forward are made up of:				
Expenditure on joint venture areas	-	-	-	-
Expenditure on non joint venture areas	1,429,944	78,750	213,267	46,943
Costs carried forward	1,429,944	78,750	213,267	46,943

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.

Notes to and Forming Part of the Accounts

	Consolidated 2008 \$	Parent 2008 \$	Consolidated 2007 \$	Parent 2007 \$
10. LOANS TO CONTROLLED ENTITIES				
Unsecured loan to a controlled entity (interest free).	-	1,408,039	-	192,623
11. CURRENT LIABILITIES – PAYABLES				
Trade creditors	295,544	295,544	142,738	142,738
Accrued expenses	2,991	2,991	5,200	5,200
	298,535	298,535	147,938	147,938
12. CONTRIBUTED EQUITY				
Share capital				
30,680,000 ordinary shares fully paid	3,949,999	3,949,999	3,889,994	3,889,994

Movement in contributed equity	Date	Number of shares	Issue price	\$
Movements in ordinary share capital				
Balance at beginning of current financial period	01 Jul 07	30,680,000		3,889,994
Movement in options				
Non renounceable rights issue – 13,056,188 options	24 Nov 07		\$0.01	130,561
Non renounceable rights issue (Shortfall) – 2,248,500 options	07 Jan 08		\$0.01	22,485
Employee Share Option Plan issue – 175,000 options	14 Mar 08		\$0.00	0
Costs of rights issue				(93,041)
Balance at end of current financial period	30 Jun 08	<u>30,680,000</u>		<u>3,949,999</u>

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 are 1,000,000 options outstanding which expire on 6 March 2011, which are exercisable at 25 cents. In the current period, 500,000 options were issued at nil value to the Company's sponsoring broker on 4 July 2007, which are exercisable at 25 cents each and expire on 31 March 2010. In addition, 175,000 were issued under the Company's ESOP at nil value on 14 March 2008, which are exercisable at 18 cents each and expire on 14

Notes to and Forming Part of the Accounts

March 2013. (Since that date 25,000 options have been forfeited under the terms of the ESOP, with the departure of an employee).

Options expense reserve	Consolidated	Parent	Consolidated	Parent
	2008	2008	2007	2007
	\$	\$	\$	\$
Balance at beginning of the financial year	20,000	20,000	-	-
Options transferred to reserve	89,375	89,375	20,000	20,000
Balance at the end of the financial year	109,375	109,375	20,000	20,000

13. RESERVES

Balance at beginning of the financial year	(111,529)	(110,029)	(195)	-
Operating profit (loss) after income tax expense	(246,221)	(228,676)	(111,334)	(110,029)
Accumulated losses	(357,750)	(338,705)	(111,529)	(110,029)
Share-based payments reserve	109,375	109,375	20,000	20,000
Balance at the end of the financial year	(248,375)	(229,330)	(91,529)	(90,029)

14. LOSS PER SHARE

Basic loss per share (cents per share)	0.803	0.745	0.363	0.359
Diluted loss per share (cents per share)	0.803	0.745	0.363	0.359

Weighted average number of ordinary shares on issue used in the calculation of basic and diluted loss per share is 30,680,000.

Loss used in calculating basic and diluted loss per share	246,221	228,676	111,334	110,029
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Conversion, call, subscription or issue after 30 June 2008:

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 2008.

	Salary	Directors Fees	Consulting Fees	Superannuation Contributions	Options	Shares	Total
2007	\$	\$	\$	\$	\$	\$	\$
J Anderson	-	-	-	-	10,000	-	10,000
T Woolfe	-	-	44,352	-	10,000	-	54,352
G Craighead	-	-	26,532	-	-	-	26,532
G Fallon	-	-	-	-	-	5,000	5,000
	-	-	70,884	-	20,000	5,000	95,884

Notes to and Forming Part of the Accounts

	Shares	Value of	Total
	Number	\$	\$
2007			
J Anderson	-	-	-
T Woolfe	-	-	-
G Craighead	-	-	-
G Fallon *	50,000	5,000	5,000
	<u>50,000</u>	<u>5,000</u>	<u>5,000</u>

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

	Shares	Value of	Total
	Number	\$	\$
2008			
J Anderson	-	-	-
T Woolfe	-	-	-
G Craighead	-	-	-
G Fallon	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>

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 2008:

Notes to and Forming Part of the Accounts

Fully Paid Ordinary Shares

at 30 June 2008

	Balance 01 Jul 07	Net changes Number	Balance 30 Jun 08
Directors			
J Anderson	-	-	-
T Woolfe	200,000	88,000	288,000
G Craighead	1,700,000	567,000	2,267,000
G Fallon	1,825,000	576,761	2,401,761
	<u>3,725,000</u>	<u>1,231,761</u>	<u>4,956,761</u>

Options

at 30 June 2008

	Balance 01 Jul 2007	Net changes Number	Balance 30 Jun 08
Directors			
J Anderson	500,000	-	500,000
T Woolfe	500,000	110,500	610,500
G Craighead	-	947,500	947,500
G Fallon	-	1,005,321	1,005,321
	<u>1,000,000</u>	<u>2,063,321</u>	<u>3,063,321</u>

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.

No options were granted to Directors during the current period 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 2008, which are referred to in the remuneration of Directors in Note 15, amounted to \$60,000. 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's only joint venture agreement, the Aspiring Joint Venture was terminated on 30 August 2008 with Anchor Resources resuming 100% control of the project's exploration.

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 \$50,000 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.

Notes to and Forming Part of the Accounts

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 175,000 options under the Plan at nil value on 14th March 2008, which are exercisable at 18 cents each and expire on 14 March 2013. (Since that date 25,000 options have been forfeited under the terms of the ESOP, with the departure of an employee).

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
	2008	2008	2007	2007
Weighted average rate of cash balances	7.78%	7.78%	5.25%	5.25%
Cash balances	\$2,392,416	\$2,392,376	\$3,676,442	\$3,676,442

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
	2008	2008	2007	2007
	\$	\$	\$	\$
Payable not later than one year	811,500	43,000	270,500	270,500
Payable later than one year but not later than two years	896,500	43,000	392,000	392,000
	\$1,708,000	\$86,000	\$662,500	\$662,500

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 2008.

Notes to and Forming Part of the Accounts

24. STATEMENT OF CASH FLOWS	Consolidated 2008 \$	Parent 2008 \$	Consolidated 2007 \$	Parent 2007 \$
Reconciliation of net cash outflow from operating activities to operating loss after income tax				
(a) Operating (loss) after income tax	(246,221)	(228,676)	(111,334)	(110,030)
Depreciation	13,723	13,723	-	-
Share/Option based payments for services	59,375	59,375	20,000	20,000
Share based payments for directors	30,000	30,000	5,000	5,000
Change in assets and liabilities:				
(Increase)/decrease in receivables	(67,313)	(67,313)	(21,694)	(21,694)
(Increase)/decrease in other current assets	(3,977)	(3,977)	(115,306)	(117,602)
(Decrease)/increase in trade and other creditors	150,597	150,597	147,938	147,938
Net cash outflow from operating activities	(63,816)	(46,271)	(75,396)	(76,388)
(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 2008 comprised:				
Cash assets	22,936	22,896	3,676,442	3,676,442
Bank deposits	2,369,480	2,369,480	-	-
Cash on hand	\$2,392,416	\$2,392,376	\$3,676,442	\$3,676,442

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 2008			
							-10%		+10%	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets:										
Petty Cash			877		877					
Cash at bank			22,059	172,166	22,059	172,166				
Deposits on Call	324,202	3,504,276			324,202	3,504,276	(2,269)	(2,269)	2,269	2,269
Short-term deposits	2,000,000				2,000,000		(15,800)	(15,800)	15,800	15,800
Secured Deposits	45,278				45,278		(362)	(362)	362	362
Trade and other receivables			79,644	28,195	79,644	28,195				
Available for sale investments										
Total	2,369,480	3,504,276	102,580	200,360	2,472,060	3,704,636	(18,432)	(18,432)	18,432	18,432
Weighted average Interest rate	7.78%									
Financial Liabilities										
Trade and other payables			298,535	147,938	298,535	147,938	-	-	-	-
Total			298,535	147,938	298,535	147,938	-	-	-	-
Weighted average Interest rate	0.0%									
Net financial assets (liabilities)	2,369,480	3,504,276	(195,954)	52,422	2,173,526	3,556,698	(18,432)	(18,432)	18,432	18,432

Notes to and Forming Part of the Accounts

Parent

Note	Floating Interest Rate		Non-Interest Bearing		Total Carrying Amount		Interest Rate Risk Sensitivity 2008			
							-10%		+10%	
	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	Profit \$	Equity \$	Profit \$	Equity \$
Financial Assets:										
Petty Cash			837		837					
Cash at bank			22,059	172,166	22,059	172,166				
Deposits on Call	324,202	3,504,276			324,202	3,504,276	(2,269)	(2,269)	2,269	2,269
Short-term deposits	2,000,000				2,000,000		(15,800)	(15,800)	15,800	15,800
Secured Deposits	45,278				45,278		(362)	(362)	362	362
Trade and other receivables			79,644	28,195	79,644	28,195				
Available for sale investments										
Total	2,369,480	3,504,276	102,540	200,360	2,472,020	3,704,636	(18,432)	(18,432)	18,432	18,432
Weighted average Interest rate	7.78%									
Financial Liabilities										
Trade and other payables			298,535	147,938	298,535	147,938	-	-	-	-
Total			298,535	147,938	298,535	147,938	-	-	-	-
Weighted average Interest rate	0.0%									
Net financial assets (liabilities)	2,369,480	3,504,276	(195,994)	52,422	2,173,486	3,556,698	(18,432)	(18,432)	18,432	18,432

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 2008 from around 6.75% to 6.07% representing a 68 basis points shift. This would represent two to three decreases which is reasonably possible in the current environment with the bias coming from the Reserve Bank of Australia and confirmed by market expectations that interest rates in Australia are more likely to go down than up in the coming period.

Notes to and Forming Part of the Accounts

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 2008 \$	Parent 2008 \$	Consolidated 2007 \$	Parent 2007 \$
Contracted maturities of payables year ended 30 June 2008				
Payable:				
- less than 6 months	298,535	298,535	147,938	147,938
- 6 to 12 months	-	-	-	-
- 1 to 5 year	-	-	-	-
- later than 5 year	-	-	-	-
Total	298,535	298,535	147,938	147,938

(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:

Notes to and Forming Part of the Accounts

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 2008 was authorised for issue in accordance with a resolution of the Directors on 26th September 2008.

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 2008 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 2008.

On behalf of the Board



T Woolfe

Managing Director

Sydney, 29th September 2008

Auditor's Independence Declaration

BARNES DOWELL JAMES

Incorporating P J Hennessy & Co

CHARTERED ACCOUNTANTS

AJD:ED

15 September, 2008

The Board of 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, 2008 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.

Yours faithfully,
BARNES DOWELL JAMES
Chartered Accountants



.....
A.J. DOWELL
Partner

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

Consultant

P J Hennessy FCA

North Sydney

Level 13, 122 Arthur St
North Sydney NSW 2060

Manly

Level 5, 22 Central Ave
Manly National Building
Manly NSW 2095

Correspondence

PO Box 1664
North Sydney NSW 2059

Telephone

(02) 9956 8500

Facsimile

(02) 9929 7428

email:

bdj@bdj.com.au



Liability limited by a Scheme approved under Professional Standards Legislation.

Website: www.bdj.com.au

Independent Auditor's Report

BARNES DOWELL JAMES

Incorporating P J Hennessy & Co

CHARTERED ACCOUNTANTS

Partners

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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 2008, 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



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Independent Auditor's Report

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

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 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. Giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2008 and of their financial performance for the year then ended; and
- b. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- c. 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.



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Independent Auditor's Report

BARNES DOWELL JAMES

CHARTERED ACCOUNTANTS

Auditor's Opinion

In our opinion the Remuneration Report complied with the relevant Australian Accounting Standards.

BARNES DOWELL JAMES
Chartered Accountants



.....
Anthony J Dowell
Partner

29 September 2008



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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.

A set of Revised Principles were issued by ASX in August 2007. Anchor will be adopting these principles in the 2008-09 year with a view to reporting against the eight revised principles.

The following paragraphs set out the Company's position relative to each of the 10 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.

Principle 4: Safeguard integrity in financial reporting

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

Corporate Governance Statement

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: Encourage enhanced performance

The Company has a Remuneration and Board Nomination Committee of Messrs Anderson and Craighead which meets as and when required, to review performance matters and remuneration. There has been no formal performance evaluation of the Board during the past financial period, although its composition will be reviewed at a Board meeting at least annually. The Directors work closely with management and have full access to all the Company's files and records.

Principle 9: 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.

Corporate Governance Statement

Principal 10: Recognise the legitimate interests of stakeholders

The Company has adopted a formal code of conduct to guide compliance with legal and other obligations. The Board of Directors will continue to review the situation to determine the most appropriate and effective operational procedures.

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 2008 (per ASX Listing Rule 4.10)

Substantial Shareholders

	Shareholding
Fallon Nominees Pty Ltd <Fallon Family A/C>	2,401,761
Gage Resources Pty Ltd <Super Fund A/C>	2,267,000
Tropo Resources Pty Ltd <Tropo 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	16	59,505
5,001 – 10,000	82	815,600
10,001 – 100,000	268	11,274,214
100,001 – and over	49	18,530,251
	419	30,680,000

At the prevailing market price of 9 cents per share, there are twenty shareholders with less than a marketable parcel of \$500.

Top 20 Shareholders of Ordinary Shares as at 30 June 2008

	Shares	% Shares issued
Fallon Nominees Pty Ltd <Fallon Family A/C>	2,401,761	7.828
Gage Resources Pty Ltd <Super Fund A/C>	2,267,000	7.389
Tropo Resources Pty Ltd <Tropo A/C>	1,775,000	5.786
St Jude Exploration Pty Ltd	1,550,000	5.052
Eastmin Pty Ltd	1,200,000	3.911
Rossdale Superannuation Fund Pty Ltd	500,000	1.630
Ms Susan Messner & Mr William Callender <Susan M Messner P/L R/P A/C>	500,000	1.630
Yellowrock Pty Ltd	418,000	1.362
Moller Corporation Ltd	350,000	1.141
Ms Joanne Holland	330,000	1.076
Symington Pty Ltd	300,000	0.978
Norvale Pty Ltd	300,000	0.978
Marklian Investments Pty Ltd <Hutton Family No 1 S/F A/C>	300,000	0.978
Drab Investments Pty Ltd <Draba Family A/C>	300,000	0.978
Mr George Olah & Mrs Karin Christa Olah <Olah Super Fund A/C>	300,000	0.978
Mr Trevor Ian Woolfe	288,000	0.939
Jopan Management Pty Ltd	270,000	0.880
Foresight Pty Ltd	260,000	0.847
Mrs Tracy Fraser	250,000	0.815
Amh Custodian Pty Ltd	250,000	0.815
Total of top 20 holdings	14,609,761	47.620
Other holdings	16,070,239	52.380
Total fully paid shares issued	30,680,000	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 a Directors Meeting held in March 2008, directors approved the issue of 175,000 options at nil value (exercisable at 18 cents each and expire on 14 March 2013) in accordance with the Company's Employee Share Option Plan. (Since that date 25,000 options have been forfeited under the terms of the ESOP, with the departure of an employee). These options are not listed on the ASX.

Other Options

There are three holders of the remaining 1,500,000 unlisted options as at 26 September 2008. John Anderson holds 500,000, Trevor Woolfe holds 500,000 and Taylor Collison Limited holds 500,000.

Restricted Securities

The number and class of restricted securities and securities subject to voluntary escrow that are on issue, and the date that the escrow period ends are as follows:-

6,750,000 shares with an ASX escrow of 24 months from 5 July 2007, 1,500,000 options exercisable at 25 cents with an ASX escrow of 24 months from 5 July 2007.

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.

Corporate Governance Statement

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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

Suite 404, 25 Lime Street,
Sydney, NSW 2000
Telephone : 02 9279 1231
Fax : 02 9279 2727
Website : www.anchorresources.com.au
Email : admin@anchorresources.com.au

Share Registrar

Registries Limited
PO Box R67
Royal Exchange, NSW 1223
Telephone : 02 9290 9600
Fax : 02 9279 0664

ASX Code : AHR



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