Anchor Resources Limited
ABN: 49 122 751 419
ASX Code: AHR
Website: anchorresources.com

23rd January 2015

QUARTERLY ACTIVITY REPORT – DECEMBER 2014

Anchor continues to explore its Blicks and Birdwood projects in the New England Fold Belt of north eastern New South Wales. These projects are considered prospective for large multi-metal porphyry tungsten-molybdenum, porphyry copper-molybdenum and intrusion-related gold systems (IRGS). Work also continues on the Bielsdown and Aspiring projects.

Blicks project – Porphyry tungsten, molybdenum and copper prospects and intrusion-related gold systems including:

- Tuting porphyry tungsten-molybdenum prospect with disseminated visible molybdenite and chalcopyrite in monzogranite host;
- Liberty porphyry copper- molybdenum prospect with visible chalcopyrite in a tonalite host; and
- Tyringham intrusion-related gold system hosted by granodiorite at Tyringham East and fine grained metasediments interpreted to be within the carapace above a small felsic pluton at Tyringham West.

Birdwood project – Porphyry copper prospects and newly recognised intrusion-related gold systems and associated granite-related tin prospects including:

- Birdwood North prospect where a pipe-like porphyry copper target has been interpreted at depth below anomalous copper-molybdenum geochemistry and a coincident magnetic low together with several other areas identified for further exploration work; and
- Intrusion-related gold system model and granite-related tin prospectivity recognised within the newly granted EL 8295.

In North Queensland Anchor exploration results in the Chillagoe district of the Hodgkinson Province are considered encouraging. The Hodgkinson Province is host to a number of significant polymetallic deposits.

Aspiring project – Structurally-controlled auriferous polymetallic prospects

- Exploration during the 2014 field season discovered high grade gold-bearing polymetallic quartz veins coincident with regional structures and lineaments.

Blicks Project, EL 6465 and EL 8100 (Anchor 100%)
New South Wales - tungsten, molybdenum, copper & gold

The Blicks project is located in the southern segment of the New England Fold Belt in northeast New South Wales, 90km northeast of Armidale, a major regional centre. This area is emerging as a prospective mineral province in NSW for porphyry tungsten, molybdenum and copper deposits and intrusion-related gold systems.

A wide variety of styles of mineralisation hosted by fine-grained turbiditic metasediments of inferred Late Carboniferous age and a suite of elliptical granitoid intrusive plutons of Early Permian (285 Ma), Permo-Triassic (250 Ma) and Middle-Late Triassic (237 Ma) age have been recognised in Anchor's Blicks project area: Mineralisation types include:

- Porphyry tungsten-molybdenum - Tuting prospect;
- Porphyry copper-molybdenum prospect - Liberty prospect and several nearby unnamed historic molybdenum prospects;
- Intrusion-related gold systems - Tyringham East and Tyringham West prospects;
- Orogenic gold – Day's prospect and other historic prospects;
- Structurally controlled copper, Dundurrabin copper mine;
- Ironstone-hosted gold of unknown origin, Ellis and Ghost Hill prospects; and
- Placer/deep lead gold prospects near Tyringham.

Anchor's key target areas and reported historic mineral occurrences are shown in Figure 1. The highest priority targets are coincident porphyry-type element associations with associated strong coincident geochemical and geophysical anomalies with large footprints.

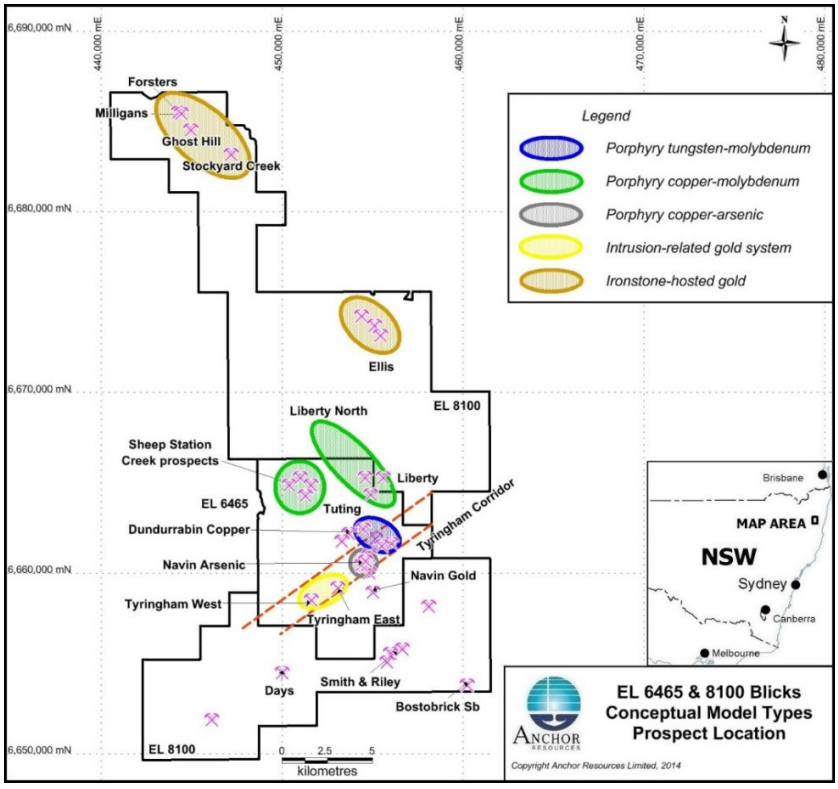


Figure 1: Blicks project showing Anchor's priority target areas and reported mineral occurrences

Four large mineralised magmatic-related centres have been identified by Anchor within a regional structure known as the "Tyringham Corridor" through its systematic grass roots exploration within EL 6465 (Figure 2). The four mineralised centres are associated with three magmatic events and include:

- Tuting porphyry tungsten-molybdenum-copper prospect;
- Navin Intrusive Complex anomalous in arsenic-bismuth-tin-copper and lead where quartz veins rich in arsenic (and minor gold) have been prospected by historic pits;
- Tyringham East intrusion-related gold system; and
- Tyringham West intrusion-related gold prospect.

The newly discovered Liberty porphyry copper-molybdenum prospect lies 4km north of the "Tyringham Corridor".

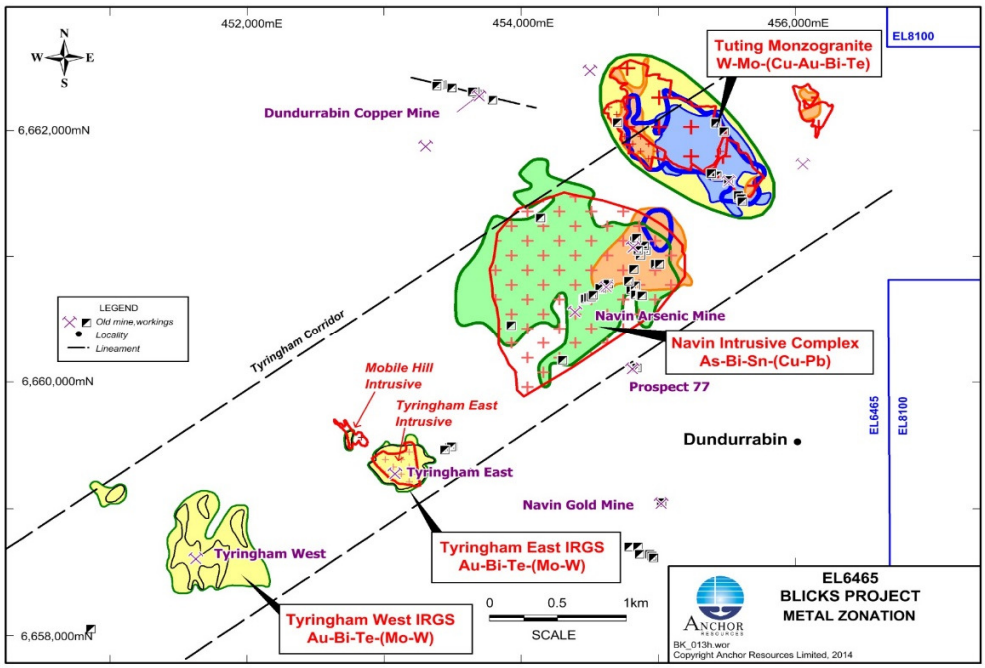


Figure 2: "Tyringham Corridor" showing four significant intrusion-related mineralised centres

Tuting Tungsten-Molybdenum±Copper Prospect

The Tuting tungsten-molybdenum±copper prospect is a strong -80 mesh B-C horizon soil tungsten-molybdenum geochemical anomaly coincident with a small elongate partially outcropping biotite monzogranite located at the northeast end of the "Tyringham Corridor". Quartz veins with molybdenite are found at Tuting. A rock chip sample containing visible molybdenite in monzogranite from an outcrop at the Tuting prospect assayed 2,820ppm Mo (0.28% Mo), 30.8ppm W, 35ppm Cu and <0.001g/t Au. The Tuting prospect is a new discovery by Anchor and has not yet been drilled.

A Surface Disturbance Notice (SDN) for drilling at the Tuting prospect lodged with the NSW Trade & Investment – Division of Resources and Energy (DRE) has been accepted.

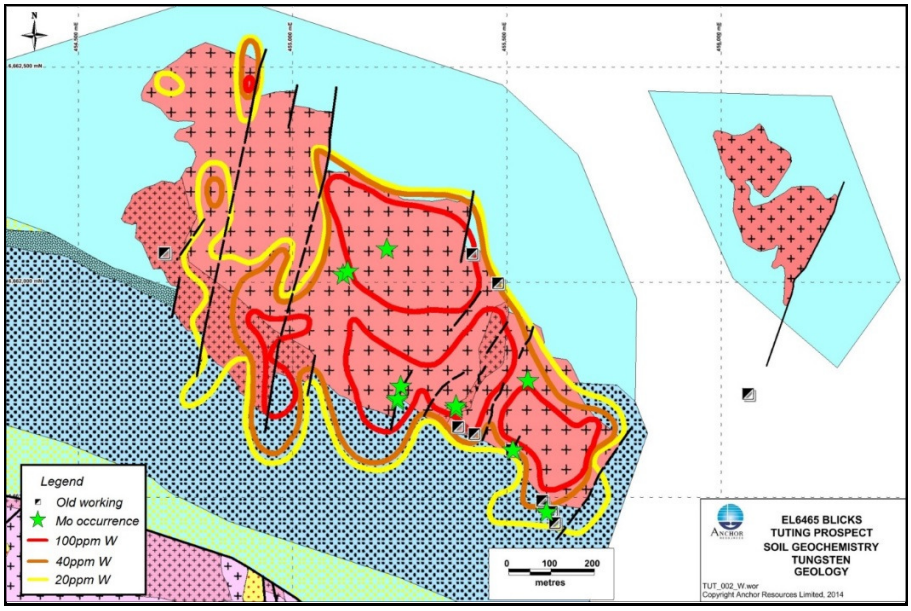


Figure 3: Tuting tungsten-molybdenum-copper prospect showing sites where molybdenite has been observed in outcrop (shown as green stars)

Liberty Copper-Molybdenum Prospect

Preliminary work suggests the Liberty copper-molybdenum prospect could be another large mineralised system in the Blicks project area. The Liberty copper-molybdenum prospect is centred on a pronounced elongate magnetic low trending northwest which disrupts a north northwest trending "magnetic ridge" coincident with the Billys Creek Tonalite mapped by the NSW Geological Survey (Figure 4).

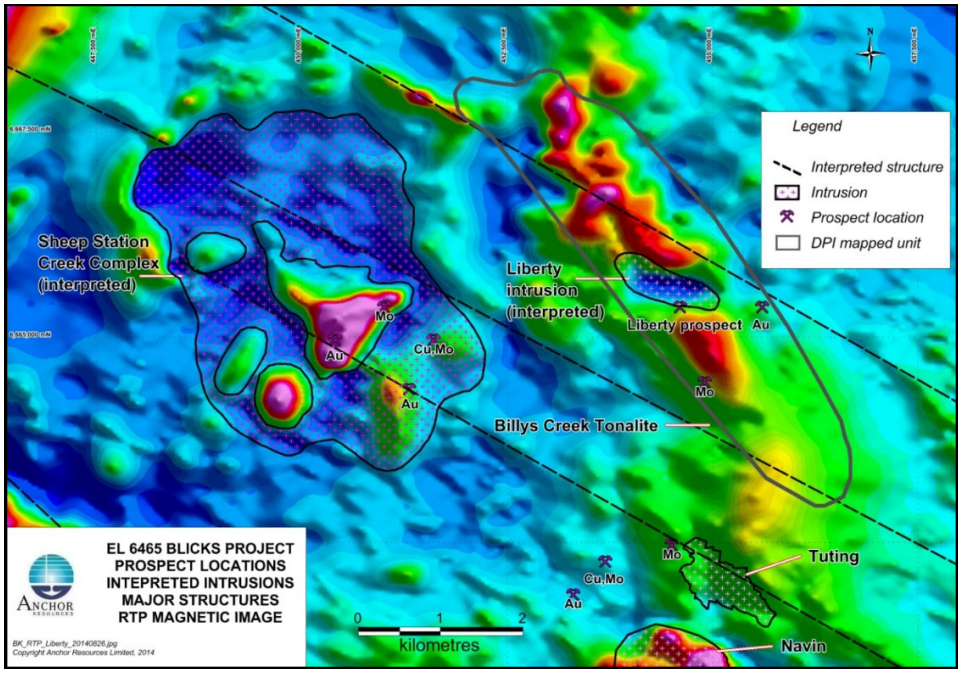


Figure 4: Liberty copper-molybdenum prospect magnetic RTP image showing a magnetic low within magnetic ridge coincident with the Billys Creek Tonalite mapped by the NSW Geological Survey and reported mineral occurrences

There are strong stream sediment copper and molybdenum anomalies coincident with the magnetic low anomaly.

The Liberty copper-molybdenum prospect represents the core of an historic mineral occurrence reported as the Dundurrabin North molybdenum-copper prospect. The Dundurrabin North prospect is recorded as an approximate location since it is described as a zone of mineralisation "traceable for at least 4km in a north-westerly direction apparently associated with a calc-alkaline porphyry phase within the Billys Creek Tonalite" (Gilligan *et al* 1992). Geological mapping by the NSW Geological Survey indicates the Billys Creek Tonalite host to the mineralisation extends for over 6km. It is further reported that molybdenite occurs in quartz veins and as coatings along fractures in the host rock whereas the more widespread chalcopyrite mineralisation occurs as disseminations and veinlets (Gilligan *et al* 1992). Pyrrhotite, pyrite and bornite have also been reported in this area. Gilligan *et al* (1992) also reported molybdenite in a small pipe-like quartz body at an unnamed prospect 1.2 km south of the Liberty "magnetic low" anomaly. At this locality molybdenite clusters are reported to occur disseminated in quartz monzonite (Gilligan *et al* 1992). Shaw's gold prospect lies 1.0km east of the reported position of the Dundurrabin North prospect. Shaw's gold prospect is described as a quartz-arsenopyrite vein up to 1.2 m wide and dipping west (Gilligan *et al* 1992). Shallow prospecting pits are reported at this locality.

The anomalous stream sediment geochemistry, strong molybdenum-copper element association, mapped underlying tonalite host rock and reports of disseminated and vein hosted molybdenum, copper and gold mineralisation suggests the area is prospective for porphyry style mineralisation.

In regional work completed by Anchor during the current Quarter, stream sediment BLEG samples collected downstream from a reported alluvial gold occurrence did not return anomalous gold, silver or palladium values. Furthermore no old workings or evidence of prospecting activities were located in the general area and the exact location of the reported gold occurrence could not be confirmed in the field.

Further details of exploration results, in accordance with the JORC Code 2012, are contained in the Company's announcements to the ASX on 21 February 2014, 24 July 2014 and 6 October 2014.

Tyringham East Gold Prospect
At Tyringham East a gold geochemical anomaly is underlain by a small granodiorite pluton intruded into fine grained metasediments. Breccia accompanied by a small intrusive porphyry occur along the southern margin of the granodiorite. Drilling confirmed long intervals of low grade gold mineralisation occurs within granodiorite, breccia and metasediments. Gold occurs within thin quartz veins.

Tyringham West Gold Prospect
At Tyringham West drilling has shown that gold occurs in meta-sediments over significant drill intervals at low grades. Gold occurs within thin quartz veins. The general shape of the gold-in-soil anomaly and peak gold contour is consistent with a concealed sub-circular intrusive cupola at depth below the gold anomaly. This hypothesis provides a targeting concept for gold within the host intrusion.

Future Work Program
Drilling the Tuting tungsten-molybdenum prospect is planned subject to Board approval.

Regional exploration throughout the Blicks tenements (EL 6465 and EL 8100) is planned in the next Quarter including prospecting activities at recorded mineral occurrences, and geological mapping together with soil and rock chip sampling and multi-element geochemistry. A SDN for this work has been lodged and approval is pending.

Future work at the Liberty prospect will involve systematic soil sampling and detailed geological mapping which will be supported by rock chip sampling and petrology to confirm previous exploration results and define drill targets.

At the Tyringham East and Tyringham West gold prospects further work is planned with the objective of optimizing the next program of drill targets.

Birdwood Project, EL 6459 and EL 8295 (Anchor 100%)
New South Wales – copper, molybdenum, tin & gold

The Birdwood project is located in the southern portion of the New England Fold Belt in northeast New South Wales, centred 50km west of Port Macquarie. It includes the Birdwood North copper prospect and several other base metal mineral occurrences in the area near Birdwood and tin and gold mineral occurrences spatially associated with the Gundle Granite in the eastern part of the recently granted EL 8295 (Birdwood Extended) shown in Figure 5.

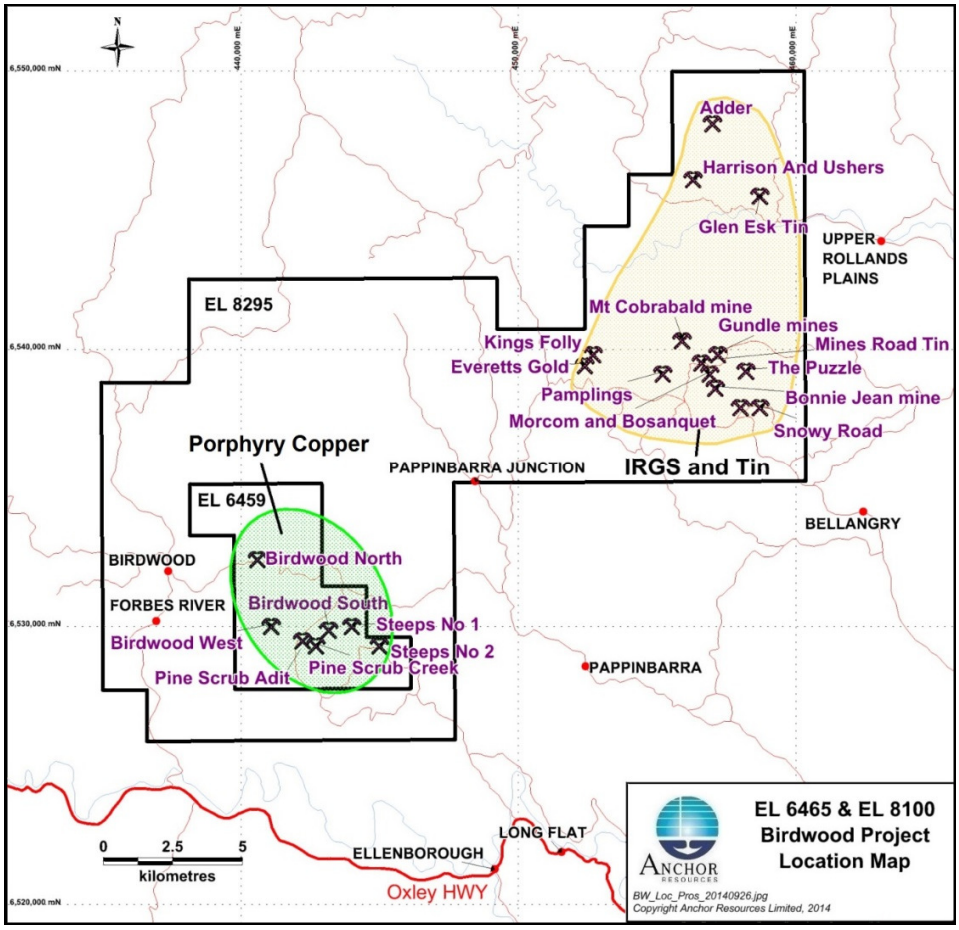


Figure 5: EL 6459 (Birdwood) and EL 8295 (Birdwood Extended) showing location of known mineral occurrences and target areas

The Birdwood area is prospective for concealed pipe-like porphyry copper deposits of the Ridgeway and Northparkes types and intrusion-related gold systems of the Fort Knox type in Alaska. Previous core drilling by another explorer 45 years ago at the Birdwood North prospect intersected chalcopyrite-rich stringer veins and quartz-molybdenite veins interpreted as “leakage” mineralisation derived from a concealed mineralised porphyry intrusion.

Birdwood North Copper-Molybdenum Prospect
Advances in the understanding of porphyry copper deposits and a reassessment of existing data has enabled a drill target to be defined by Anchor at Birdwood North. Success in this program would prompt a re-evaluation of a number of "second order" targets identified in the area during recent studies by Anchor which, after field work, is likely to generate further targets for drill testing.

The target at Birdwood is a concealed pipe-like porphyry copper deposit suggested to be at a depth greater than 300 metres below the peak copper- molybdenum soil anomalies and magnetic low anomaly (Figure 6).

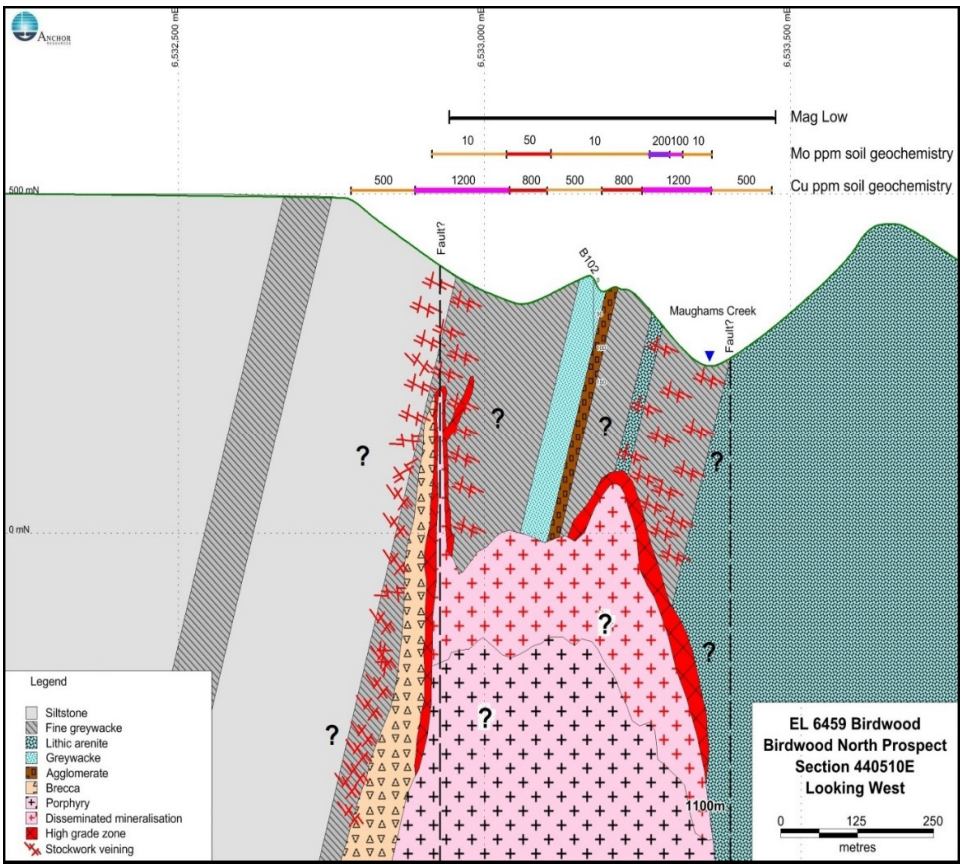


Figure 6: Schematic cross section showing Birdwood North conceptual pipe-like porphyry copper target at depth below copper-molybdenum geochemical anomalies and a magnetic low

Further details on all recent exploration work at the Birdwood project are reported, in accordance with the JORC Code 2012, in the Company's announcements to the ASX lodged on 10 April 2014, 22 September 2014 and 6 October 2014.

Future Work Program
A drilling program consisting of one deep, inclined diamond core hole is planned to test the coincident copper-molybdenum geochemical anomaly and magnetic low anomaly at a depth greater than 300m below surface.

Compilation of historic data is planned for the new Birdwood Extended exploration licence to complement existing information on the various styles of mineralisation and assess the applicability of the proposed conceptual exploration models.

Bielsdown Project, EL 6388 (Anchor 100%)
New South Wales - antimony

Land access to complete remediation, as directed by the Environmental Sustainability Unit, Department of Primary Industries in January 2012, is currently being negotiated with the landowner. Anchor plans to complete this remediation work once access is agreed. A further land access arrangement will then be negotiated with the landowner to allow exploration to be carried out to test the down plunge extension of known mineralisation at the Wild Cattle Creek antimony deposit.

Aspiring Project, EPM 19447 (Anchor 100%)
Queensland - gold, silver, copper, lead & zinc

The Aspiring project is located in the Chillagoe mining district which forms part of the Hodgkinson Province in Far North Queensland (Figure 7). The Chillagoe mining district hosts the Red Dome porphyry-skarn gold-copper-silver deposit (0.96 Moz gold, 75,000 tonnes copper and 7.2 Moz silver mined plus resources of 1.54 Moz gold, 165,000 tonnes copper and 12.5 Moz silver) and Mungana porphyry-skarn gold-copper-silver deposit with resources of 1.1 Moz gold, 93,000 tonnes copper and 20.9 Moz silver. The nearby Ruddygore porphyry copper deposit and Redcap polymetallic skarn deposits provide further evidence of widespread intrusion-related type mineralisation in the region.

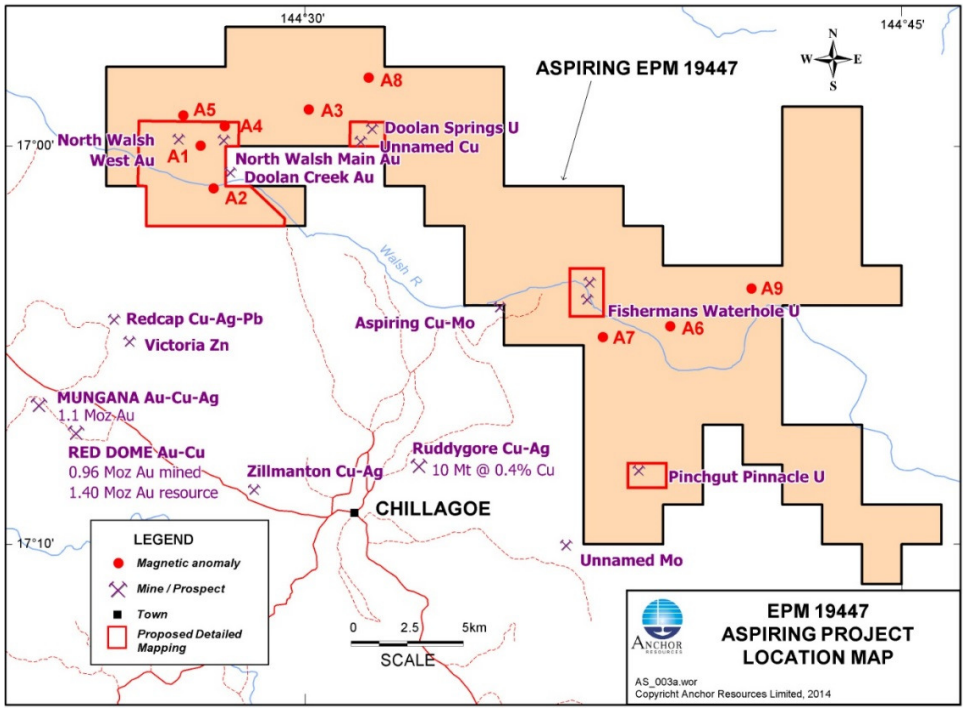


Figure 7: Aspiring project showing location of known mineral occurrences and target areas

Geological mapping, Niton geochemistry and prospecting during the 2014 field season discovered a number of gold-rich polymetallic quartz veins coincident with mapped structures and magnetic lineaments. These mesothermal gold-polymetallic veins typically have a gold-silver-arsenic-bismuth-lead-antimony±copper association. The highest gold values are associated with quartz veins controlled by northeast trending structures (Figure 8).

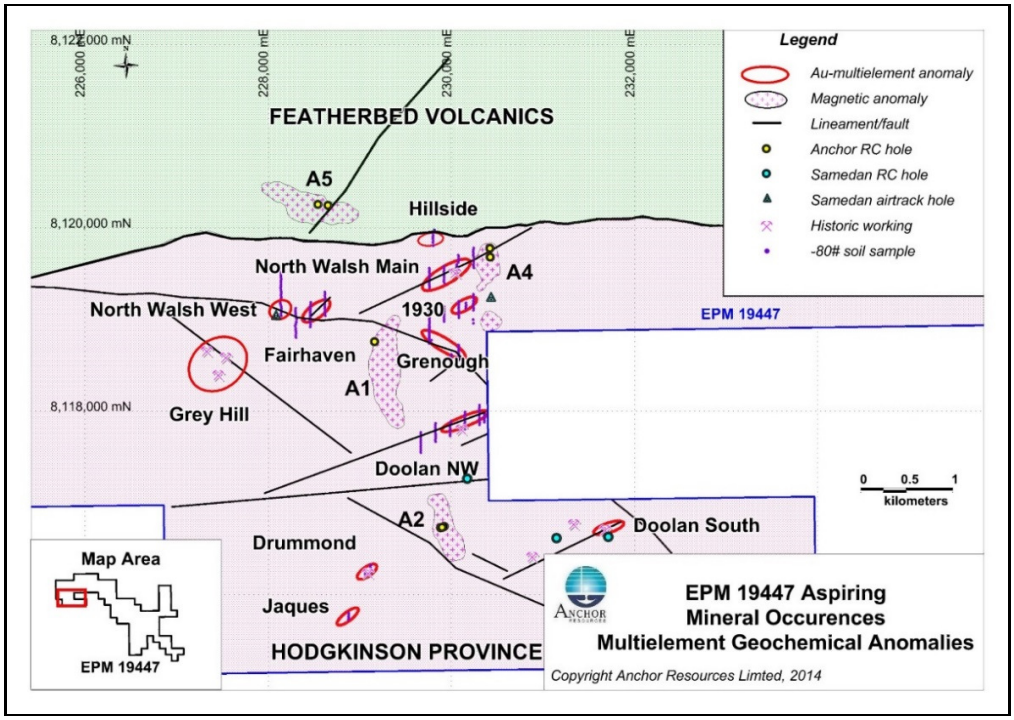


Figure 8: Location of mineral occurrences and multi-element geochemical anomalies discovered during the 2014 field season

Further details on recent exploration work at the Aspiring project are reported, in accordance with the JORC Code 2012, in the Company's Quarterly Reports to the ASX lodged on 24 July 2014 and 6 October 2014.

Future Work Program

Follow up work will focus on five geochemical anomalies where high gold and base metal values in rock chip samples are reported, including Fairhaven, North Walsh West, North Walsh Main, Grenough and Doolan North West. Results from this work can then be extrapolated to other reported historic mineral occurrences and areas of geochemical and/or geophysical interest within the tenement to better guide further targeted exploration.

Ian L Price
Managing Director
Anchor Resources Limited

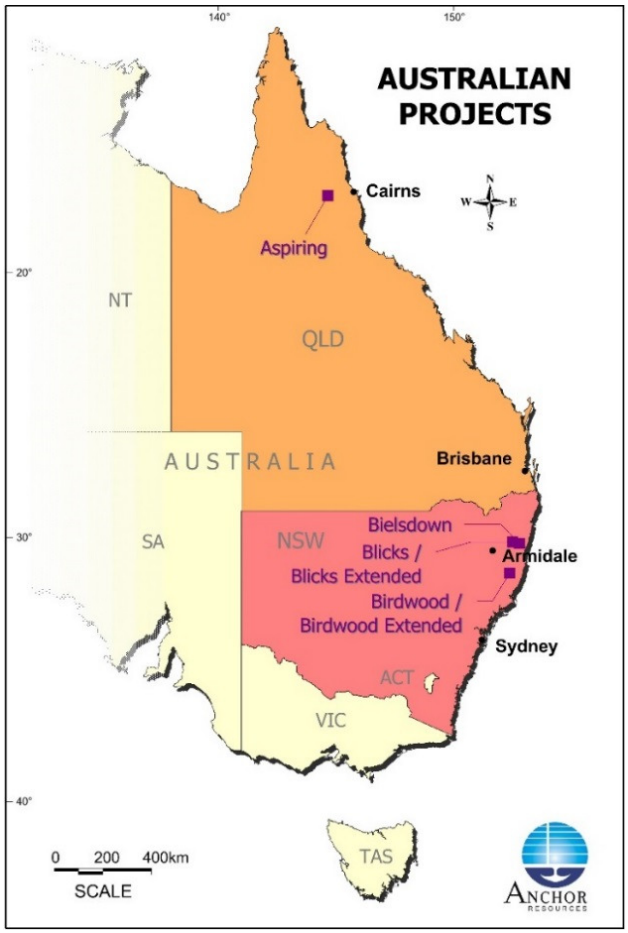
Competent Person Statement

The information relating to the Exploration Results and geological interpretation for the Blicks project, Bielsdown project, Birdwood project and Aspiring project is based on information compiled by Mr Graeme Rabone, MAppSc, FAIG. Mr Rabone is Exploration Manager for Anchor Resources Limited and provides consulting services to Anchor Resources Limited through Graeme Rabone & Associates Pty Ltd. Mr Rabone has sufficient experience relevant to the assessment and of these styles of mineralisation to qualify as a Competent Person as defined by the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – The JORC Code (2012)". Mr Rabone consents to the inclusion of the information in the report in the form and context in which it appears.

TENEMENT SCHEDULE as at 22 January 2015

TENEMENT NUMBER	NAME	LOCATION	HOLDER	DATE OF FIRST GRANT	DATE RENEWED	TERM OF RENEWAL	AREA km²
EL 6388	BIELSDOWN	NSW	Anchor Resources Limited	04.03.05	08.07.13	3 Years	35
EL6465	BLICKS	NSW	Scorpio Resources Pty Ltd	29.09.05	06.11.13	3 Years	80
EL 8100	BLICKS EXTENDED	NSW	Scorpio Resources Pty Ltd	11.06.13	-	3 Years	299
EL 6459	BIRDWOOD	NSW	Scorpio Resources Pty Ltd	08.08.05	30.10.13	2 Years	36
EL 8295	BIRDWOOD EXTENDED	NSW	Scorpio Resources Pty Ltd	12.08.14	-	2 years	293
EPM 19447	ASPIRING	QLD	Sandy Resources Pty Ltd	08.07.13	-	3 Years	291

Note: Scorpio Resources Pty Ltd and Sandy Resources Pty Ltd are wholly owned subsidiaries of Anchor Resources Limited



Reporting of Exploration Results - Blicks Project

JORC Code, 2012 Edition – Table 1 Report

The following section is provided to ensure compliance with the JORC (2012) requirements for the reporting of Exploration Results for the Blicks project.

Section 1 - Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	• Soil samples (-80 mesh B-C horizon) were collected for standard gold and multi-element analysis at a commercial laboratory. Soil samples collected by Anchor have been systematic and grid-based on regional east-west lines. Infill soil sampling is completed in areas of interest. The Tyringham gold prospect was discovered by sampling using the -80 mesh B-C horizon sampling technique.
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*	• Soil samples are representative and collected in a consistent manner at each sample location. • B-C horizon soil samples collected manually using a "clamshell" post hole digger to obtain ~1kg of uncontaminated material generally 20-30 cm and up to 50 cm below surface. Samples collected are bagged securely.
	• *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Soil sampling is a proven valid exploration tool for gold and base metal mineralisation in the area. Historic drill testing of gold geochemical anomalies has discovered gold in bedrock coincident with the soil gold anomaly.
Drilling techniques	• *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• n/a.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• n/a.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• n/a.
	• *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• n/a.
Logging	• *Whether core and chip samples have been geologically*	• Soil samples are described.

Criteria	JORC Code explanation	Commentary
	and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.	
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Small rock chips in soil samples are routinely qualitatively described by an on-site exploration geologist or technician at the point of sample.
	• *The total length and percentage of the relevant intersections logged.*	• n/a.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• n/a.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• n/a.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Soil samples are oven dried at 105°C in the laboratory then sieved to -80# (-180µm) prior to sample dissolution for assay.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Field QAQC procedures involve the use of standard reference material with a range of assay values as analytical standards and blanks randomly inserted into the sample stream.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Sampling is considered representative of *in situ* material collected. No field duplicate soil samples have been collected.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Sample size is considered appropriate given the style of mineralisation and previous success in discovering gold mineralisation in bedrock in this region.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	• ALS, Brisbane. ALS Geochemistry is a leading full-service provider of analytical geochemistry services to the global mining industry. ALS Geochemistry is accredited to ISO/IEC 17025:2005 and ISO 9001:2001.
		• For soil samples pulverise sample to 85% <75 µm, gold determination on a 50 gram fire assay with ICP-AES finish, and 48 other elements determined following a four acid "near total" digestion on a sample size of 1 gram with ICP-MS finish (technique for low level determination).
		• Rock chip samples are crushed >70% passing -6mm then approximately 1kg pulverised to 85% passing 75 µm Sample then subjected to 4-acid "near total" digest and 48 element analysis with ICP-MS finish and gold determination on a 50 gram fire assay with AES finish
		• BLEG (Bulk Leach Extractable Gold) is a partial extraction procedure that involves leaching 1-3kg for geochemical purposes. Approximately 1-3kg of material is collected and

Criteria	JORC Code explanation	Commentary
		leached with a cold cyanide solution for one or more days. The leachate is then concentrated in a solvent exchange type procedure and analysed by ICP-MS
		• No geophysical tools were used to determine any element concentrations.
	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.*	
	• *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Anchor used a small number of certified reference materials inserted blindly and randomly into all batches of soil samples. Laboratory QAQC involves the use of internal laboratory standards using certified reference material and blanks as part of their in house procedures.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Graeme Rabone & Associates Pty Ltd has supervised the soil sampling program.
	• *The use of twinned holes.*	• n/a.
	• *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Primary data is recorded electronically into hand held GPS units and downloaded onto a PC each afternoon. Data back-up is completed on a routine basis.
	• *Discuss any adjustment to assay data.*	• No adjustments are made to assay data.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	• Soil sample locations are recorded by hand held GPS unit with ±5 meter error or a PC tablet independent of 3G GPS. As a check sample numbers are written on a pre-prepared planned sample site location map with corresponding sample numbers recorded on the map in the field.
	• *Specification of the grid system used.*	• Anchor data is in MGA94 Zone 55.
	• *Quality and adequacy of topographic control.*	• Coordinate information includes easting, northing and elevation. Drill holes and sample sites have been overlain on a digital terrain model.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.*	• Soil sampling completed at 40 meter sample centres along east-west lines 160 meters apart. Infill sampling completed on 80 meter and 40 meter lines where considered appropriate.
	• *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.*	• Soil data spacing is sufficient for exploration and delineation of large mineralised systems for drill targeting.
	• *Whether sample compositing has been applied.*	• No sample compositing has been undertaken.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	• Soil sampling achieves unbiased sampling of structures and intrusive.

Criteria	JORC Code explanation	Commentary
	• *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Soil sample grid layout not considered to bias results.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by Anchor staff. Samples are stored in a site office building which is locked at night. The office is surrounded by a perimeter fence with the entrance gate locked at night. Samples are removed on a regular basis to a TNT freight depot in Coffs Harbour as soon as possible. Samples are then delivered by TNT road freight to ALS (Brisbane). Drill samples are submitted to the laboratory using a standard "ALS Sample Submittal Form".
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A review of the recent analytical results was completed by Graeme Rabone and Associates Pty Ltd.

Section 2 – Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	• Exploration Licence 6465 (Blicks project) is held 100.0% by Scorpio Resources Pty Ltd, a wholly owned subsidiary of Anchor Resources Limited. The tenement is located 430km north of Sydney and 26km northwest of Dorrigo, the nearest service centre to the project area. It covers the small village of Dundurrabin. Dundurrabin is located approximately 56km west-northwest of Coffs Harbour, 92km northeast of Armidale and 68km south-southwest of Grafton in north-eastern NSW. The EL is for Group 1 metals. The main areas of interest are located on freehold land. The company has signed land access arrangements with the relevant landowners.
	• *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Tenement is current and in "good standing".
Exploration done by other parties	• *Acknowledgement and appraisal of exploration by other parties.*	• Historic work completed by prospectors, NSW Geological Survey, North Broken Hill, Eastmet, Endurance Mining Corporation, International Mining Corporation, and more recently Caledonian Pacific Minerals and related parties. No resources were identified. Current tenure explored by Anchor with no other parties involved, either presently or historically.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Conceptual porphyry tungsten-molybdenum model, intrusion-related gold system exploration model, and orogenic gold model in the New England Fold Belt in northeast NSW.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole*	• Caledonian Pacific Minerals completed 10 RC drill holes. Results are summarised below at a zero cut-off.

Criteria	JORC Code explanation	Commentary
	○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	**Blicks EL 6465 - Historic Drilling** | Hole Number | From (m) | To (m) | Length (m) | Au (g/t) | |---|---|---|---|---| | TRC01 | 0 | 96 | 96 | 0.24 | | TRC02 | 45 | 120 | 75 | 0.2 | | TRC03 | 0 | 112 | 112 | 0.18 | | TRC04 | 12 | 46 | 34 | 0.47 | | TRC05 | 0 | 120 | 120 | 0.23 | | TRC06 | 112 | 114 | 2 | 0.19 | | TRC07 | 0 | 153 | 153 | 0.17 | | TRC08 | 178 | 184 | 6 | 0.28 | | TRC09 | 0 | 252 | 252 | 0.17 | • There is no exclusion of information. Recent exploration is "grass roots" in nature. Historic drilling may not relate to current work areas.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Weighted average grades reported for all down hole intersections. No cut-off grade applied. • Higher grade gold zones not defined. • No metal equivalents used.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The relationship between mineralisation widths and intercept lengths is unknown. • Geometry of mineralised zones currently not known. • Down hole lengths reported, true widths not known.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Plan of work area shown in current report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• Reporting of exploration results is balanced and comprehensive.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics;*	• Soil sampling has proved to be a successful technique in locating gold in bedrock. Geological mapping, structural analysis and geophysical survey results are used in conjunction with soil geochemical results and are important attributes in selecting drill targets.

Criteria	JORC Code explanation	Commentary
	potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• Follow up work is planned to determine the prospectivity of targets identified. Additional regional soil sampling is planned to identify new prospective areas.
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Insufficient work completed to determine possible mineralisation extensions. Drilling planned to test bedrock underlying multi-element geochemical anomalies.

Rule 5.3

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

ANCHOR RESOURCES LIMITED

ABN	Quarter ended ("current quarter")
49 122 751 419	**31 December 2014**

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (6 months) $A'000
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration & evaluation	(273)	(665)
	(b) development		
	(c) production		
	(d) administration	(167)	(406)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	6	9
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(434)	(1,062)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	(1)
1.9	Proceeds from sale of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (security depositl)	-	(10)
	Net investing cash flows	-	(11)
1.13	Total operating and investing cash flows (carried forward)	(434)	(1,073)

1.13	Total operating and investing cash flows (brought forward)	(434)	(1,073)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	450	650
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	Net financing cash flows	450	650
	Net increase (decrease) in cash held	16	(423)
1.20	Cash at beginning of quarter/year to date	380	819
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	396	396

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter
		$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	89
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Directors fees, salaries, and consulting fees on normal terms and conditions.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available $A'000	Amount used $A'000
3.1	Loan facilities		
	Loan facility with China Shandong Jinshunda Group	13,000	8,550
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	270
4.2	Development	Nil
4.3	Production	Nil
4.4	Administration	180
	Total	**450**

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	9	10
5.2	Deposits at call	387	370
5.3	Bank overdraft	-	-
5.4	Other (bills receivable and bank accepted bills)	-	-
	Total: cash at end of quarter (item 1.22)	396	380

Changes in interests in mining tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	**Preference +securities** *(description)*				
7.2	Changes during quarter	Nil			
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**Ordinary securities**	52,535,296	52,535,296		
7.4	Changes during quarter	Nil			
	(a) Increases through issues - exercise of options				
	(b) Decreases through returns of capital, buy-backs				
7.5	**Convertible debt securities** (*description)*	Nil			
7.6	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
	- Unquoted Options (ESOP)	1,990,000	Nil	$0.305	20 Nov 2016
7.8	Issued during quarter				
	- Unquoted Options (ESOP)	Nil	Nil		
7.9	Exercised during quarter				
	- Unquoted Options (ESOP)	Nil	Nil		
7.10	Expired during quarter				
	- Unquoted Options (ESOP)	Nil	Nil		
7.11	**Debentures** *(totals only)*	Nil			
7.12	**Unsecured notes** *(totals only)*	Nil			

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  ... Date: 23-Jan-15

(~~Director~~/Company Secretary)

Print name: Grahame Clegg

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.