ANCHOR RESOURCES

Quarterly Activities Report

December 2013

- **Blicks project (New England Fold Belt, NSW) – Geological mapping completed and diamond core drilling commenced in October. Assay results from first hole highlight extensive low grade gold mineralisation. Exploration results continue to confirm the Tyringham gold prospect as an intrusion-related gold system.**

- **Aspiring project (Far North Queensland) Work program planned with field work scheduled to commence after the wet season, subject to Board approval. An intrusion-related gold exploration model has been postulated in the main target areas.**

- **Birdwood project (New England Fold Belt, NSW) – Work program planned to commence next Quarter following compilation of historic data. Northparkes style porphyry copper-gold mineralisation potential postulated after a review.**

- **Bielsdown project (New England Fold Belt, NSW) – Access discussions continue**

ASX ANNOUNCEMENT

DATE: 20th January 2014

Anchor Resources Limited

ASX Code: AHR

ABN 49 122 751 419

Anchor Resources Limited is an Australian company listed on the Australian Securities Exchange. It is exploring for copper, gold, antimony and other metals in eastern Australia.

Key Projects

Aspiring, Qld; gold, base metals, uranium
Bielsdown, NSW; antimony
Blicks, NSW; gold, molybdenum, copper
Birdwood, NSW; copper & molybdenum

Directors

Mr Ian Price	Managing Director
Mr Jianguang Wang	Chairman
Mr Steven Yu	Executive Director
Mr Vaughan Webber	Director
Mr R N (Sam) Lees	Director

Address

6 Chepstow Drive
Castle Hill
NSW, 2154

Investor & Media Enquiries

Ian Howarth
+61 407 822 319

Anchor Projects

Anchor has four projects located near the east coast of Australia in New South Wales and Queensland (Figure 1) that it is exploring for a range of metals.

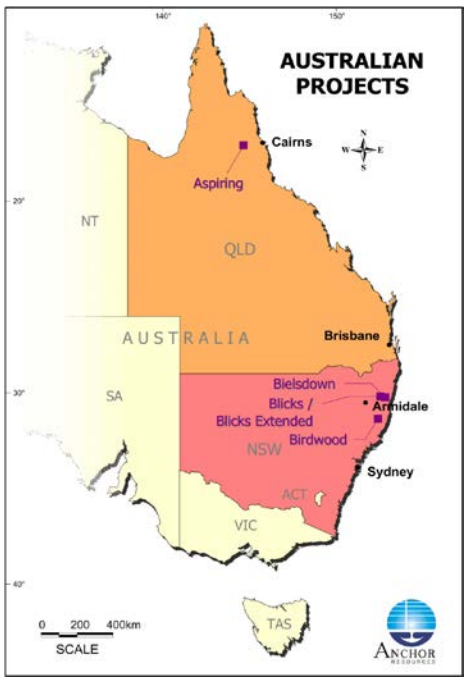

Figure 1: Anchor projects

Blicks Project, EL 6465 and EL 8100 (Anchor 100%)
New South Wales - Gold, copper

Introduction

The Blicks project (EL 6465 and EL 8100) is located in the southern portion of the New England Fold Belt in northeast New South Wales. Anchor is currently exploring in this area for large intrusion-related gold systems (Figures 2 & 3).

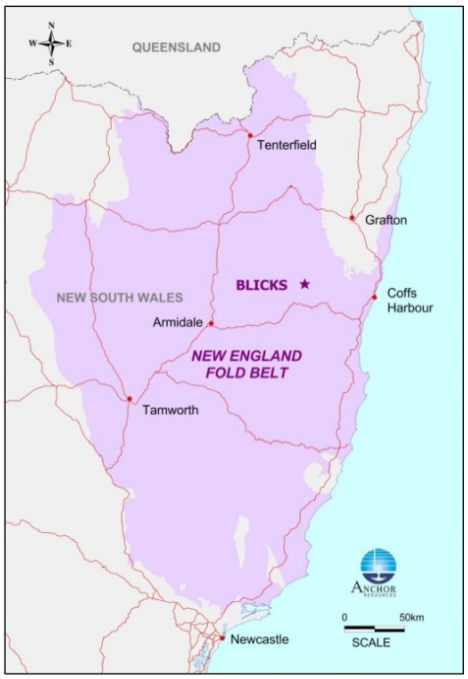

Figure 2: Blicks project locality

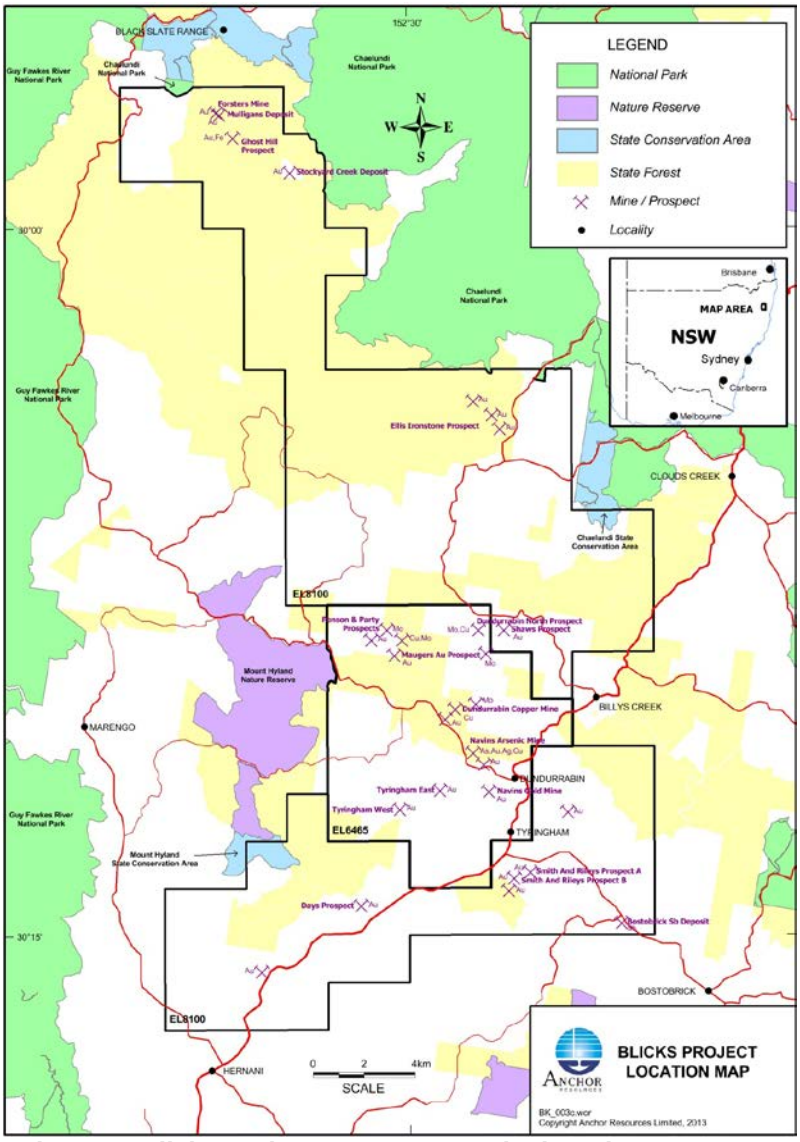

Figure 3: Blicks project tenements and mineral occurrences

The work to date at Blicks, principally soil geochemistry (see below), has identified an area of low grade gold (sub-economic) mineralisation extending over a large area and has been named the Tyringham gold prospect which consists of two gold mineralised centres known as Tyringham East and Tyringham West centred 1.7km apart.

Previous work has documented a wide variety of styles of mineralisation within a 10km radius of the Tyringham gold prospect with more than 20 mineral occurrences reported, including gold, copper, molybdenum, bismuth and arsenic. In addition to intrusion-related gold mineralisation, granite-hosted molybdenum, possible orogenic vein gold, placer and deep lead alluvial gold, ironstone-hosted gold, orogenic antimony, and structurally controlled copper mineral occurrences are also recorded in the district.

Exploration is currently focussed on the discovery of a large intrusion-related gold deposit. The geological and geochemical features of the Tyringham gold prospect are comparable with other large intrusion-related gold systems (IRGS) around the world, such as Fort Knox and other Alaskan deposits including Donlin Creek and Pogo and the Eagle Zone at Dublin Gulch in the Yukon in Canada.

The location of the major IRGS provinces around the world is shown in Figure 4.

Figure 4: Location of IRGS provinces around the world (modified after Lang and Baker 2001)

The conceptual model for the Tyringham gold prospect is shown in Figure 5 below. The model portrays highly fractionated granite cupolas developed above a larger granite pluton intruding deformed fine grained sediments. Within the sediment host rocks higher grade gold zones (>0.3g/t Au) are developed in postulated sub-vertical structures within a broader halo of lower grade gold mineralisation (>0.1g/t Au) above a postulated cupola at depth. Within the granodioritic host rock gold is concentrated in the carapace of a cupola where higher grade (>0.3g/t Au) gold zones are found within a broader halo of lower grade gold mineralisation (>0.1g/t Au).

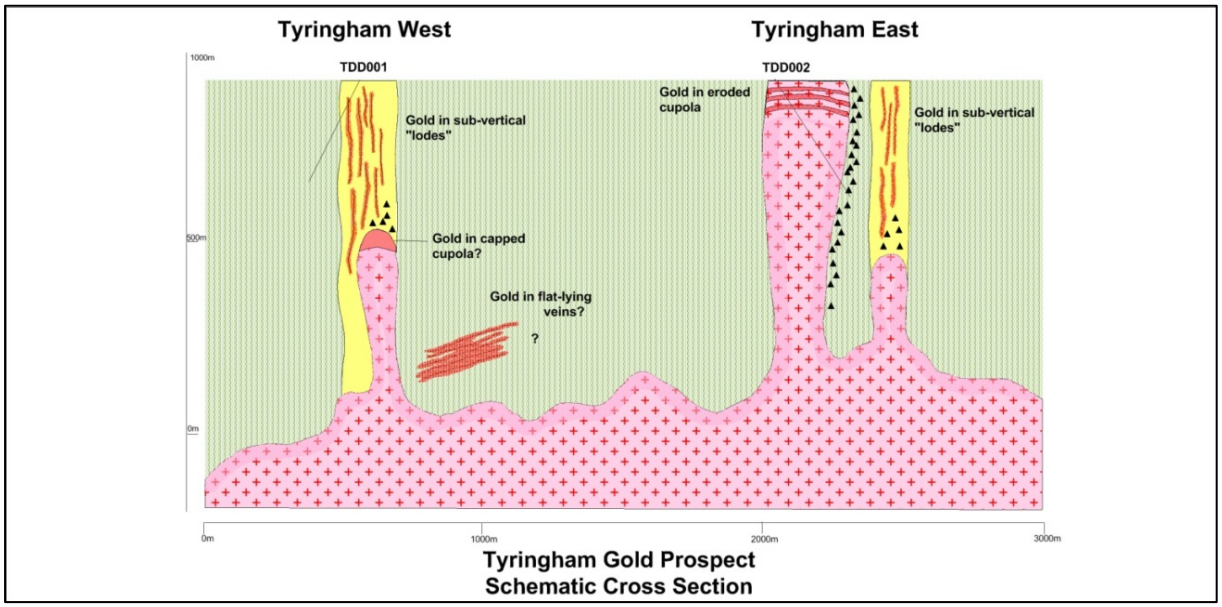

Figure 5: Conceptual model in cross section based on drilling and geological mapping at the Tyringham gold prospect

2013 Work Program

Exploration activities completed by Anchor staff and a number of specialist consultants since early 2013 is summarised below:

- "Tyringham Corridor" soil sampling program extended;
- Previous heli-magnetic data re-processed and interpreted;
- Blicks structural architecture defined using a consultant structural geologist;
- Niche sampling of Tyringham drill core completed to determine mode of gold occurrence at Tyringham;
- Petrology completed on drill core and niche samples;
- "Tyringham Corridor" detailed geological mapping at 1:2,500 scale commenced;
- Blicks regional geological mapping at 1:25,000 scale commenced;
- Age dating of Tyringham drill core commenced (Actlabs & NSW Geological Survey); and
- Blicks data captured in GIS.

The work completed to the September 2013 Quarter was reported in detail in the Quarterly Activities Report September 2013 lodged with the ASX on 18th October 2013.

Progress on relevant components of the exploration work in this most recent Quarter is set out in the following sections.

Soil Sampling

Soil sampling and multi element assaying has continued within the "Tyringham Corridor".

Soil sampling and multi-element assaying has proved to be a very effective exploration method for successful drill hole targeting of gold mineralisation in bedrock at the Tyringham gold prospect. Since early 2013 Anchor has progressively extended the soil sampling program along the "Tyringham Corridor" to the northeast of the Tyringham prospect. Samples are collected at 40m centres along east-west grid lines spaced 160m apart. Soil sample locations are recorded in a GPS. Soil sampling coverage along the "Tyringham Corridor" now extends over an area of 5.5km and 1.5km in a northeasterly direction.

Soil samples collected consist of 1-2kg of C-horizon soil which is bagged and sent to ALS in Brisbane where samples are dried at 105°C prior to sieving to -80# in the laboratory. The samples are then subject to a 4-acid "near total" digest prior to analysis. In order to report the widest possible concentration range, this method uses both the ICP-MS and ICP-AES techniques. Minimum sample size used for assay is 1 gram.

Since the soil sampling commenced in late 2012 Anchor has collected and assayed a total of 1,206 soil samples representing approximately 48 line km of sampling. All samples are routinely assayed for 48 elements plus gold. Gold, bismuth, tungsten, molybdenum, tellurium and arsenic are the prime elements of interest. The distribution and concentration of other elements such as antimony, copper, lead, zinc and silver provides a useful adjunct to the geological mapping program in providing assistance with the definition of various intrusive rock types and associated hydrothermal alteration.

Soil gold geochemistry defined at 31 December 2013 along the "Tyringham Corridor" is shown in Figure 6. This work shows a new gold anomaly developing as an "annulus" around a soil molybdenum anomaly. Additional soil sampling is planned in this area.

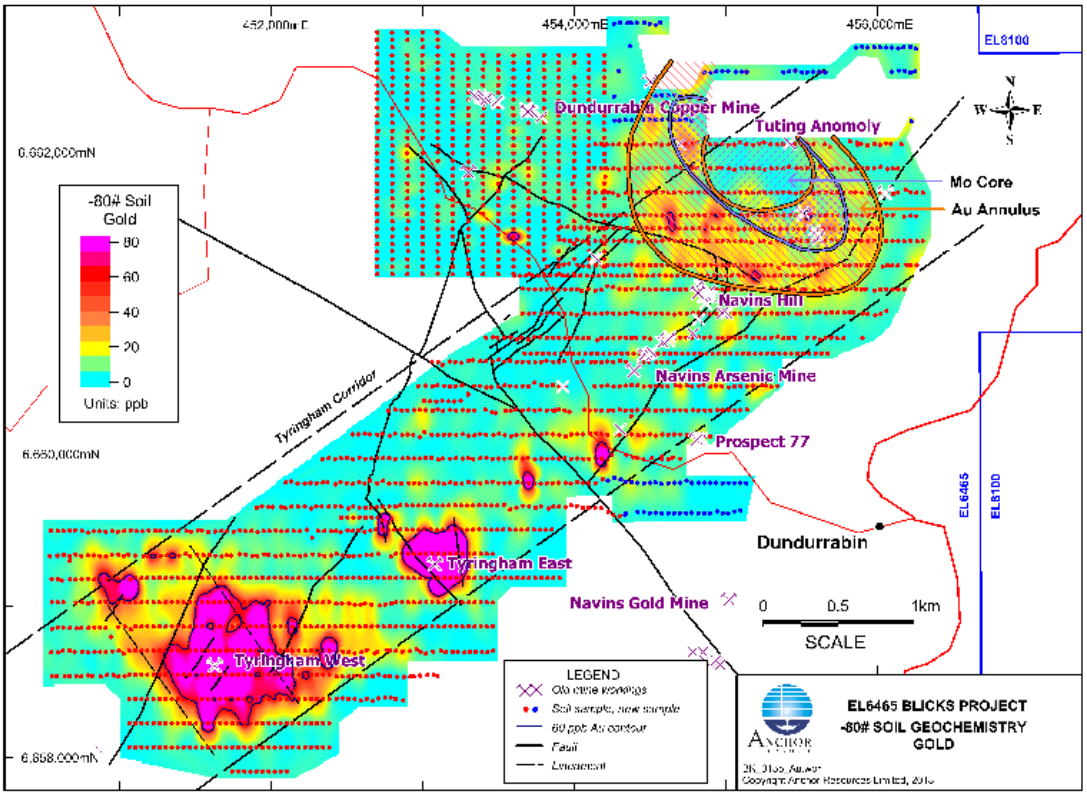

Figure 6: Tyringham -#80 mesh soil gold geochemistry and interpreted structure

Further sampling is underway to infill some areas of the current grid, and to extend sampling along the corridor to the northeast. Several reconnaissance soil sampling lines to the east of the "Tyringham Corridor" are also planned to evaluate the area outside the defined corridor.

Assay results will be reported when available.

Detailed Geological Mapping

A consulting geologist was commissioned to complete detailed geological mapping of the "Tyringham Corridor". This work has identified multiple felsic intrusive events in the Tyringham-Navin Hill-Tuting area and several styles of mineralisation. These observations are encouraging for the development of large mineral systems. Further work is required to understand mineralisation styles and timing of events.

Regional Geological Mapping

Geological consultants have been commissioned to complete regional geological mapping at 1:25,000 scale. This work commenced in July 2013 and is on-going and expected to be completed in the first half of 2014. The results of this work will provide a better understanding of the regional geology and assess the potential for new target for exploration in the project area.

Diamond Drilling

Following a systematic work program using a number of specialist consultants during 2013, up to 8 diamond drill holes for approximately 2,000 metres were planned for the next phase of diamond drilling. The proposed drill holes are planned to test a combination of new targets and follow-up of existing known gold zones. Targets identified include gold plus coincident multi-element geochemistry coincident with interpreted faults and linkage structures and/or gold and multi-element geochemistry coincident with favourable geology and zones of quartz veining.

Diamond core drilling commenced at the Tyringham West gold anomaly (Figure 7) with TDD003 in October 2013 and this hole was completed in late October 2013 at a depth of 400.0m.

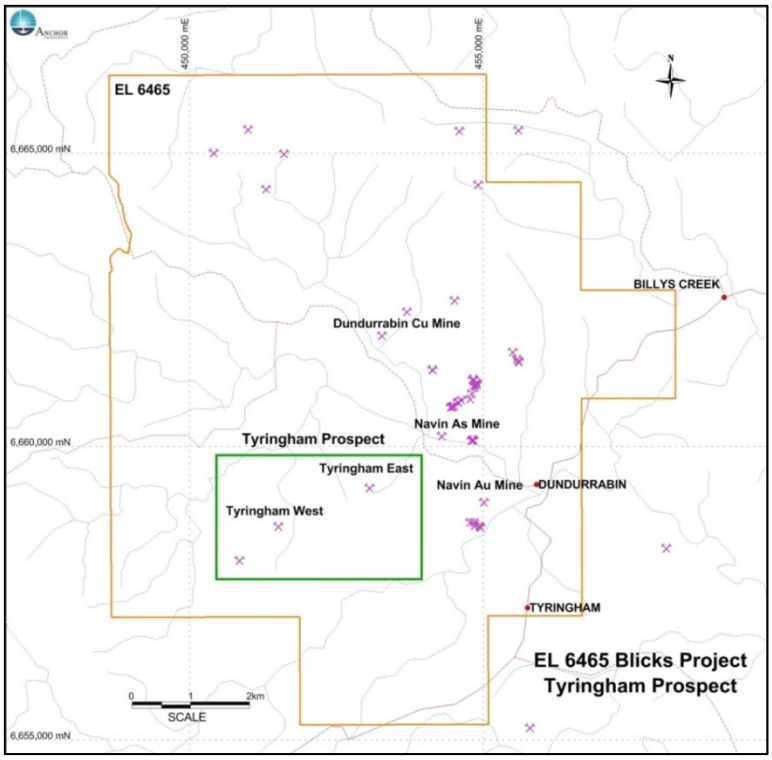

Figure 7: Location of Tyringham gold prospect

The hole was planned to test two NNE trending zones of multi-directional quartz veining coincident with an 80ppb soil gold anomaly (Figure 8). The drill target also coincides with an interpreted linkage structure connecting a northeast trending dextral fault system.

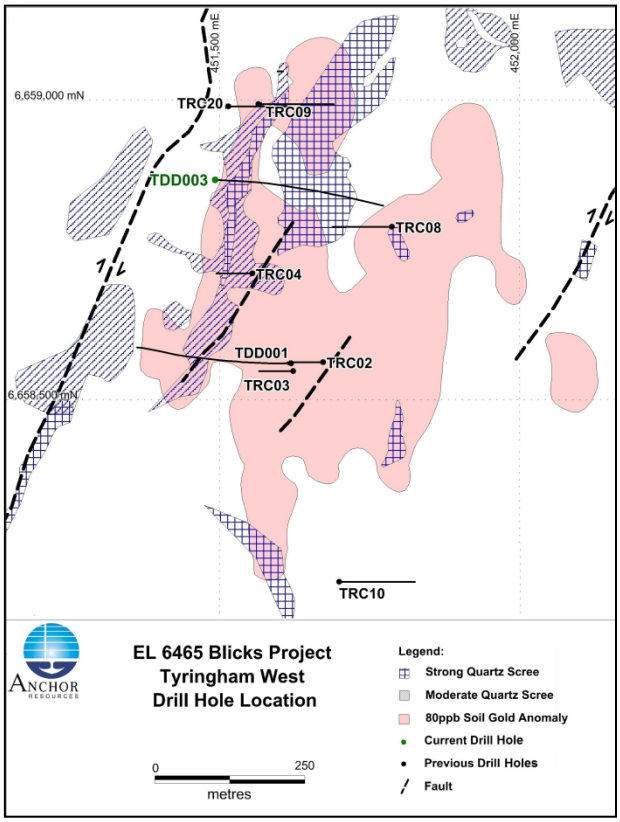

Figure 8: Simplified map showing location of TDD003, 80ppb soil gold anomaly, areas of quartz veining and northeast trending faults

TDD003 intersected a sequence of quartz veined siltstone and greywacke over its entire length. Evidence of faulting is present in the drill core. Gold intersections at a >0.1g/t Au nominal cut-off grade for intervals >3.0m down hole length are shown in Table 1 below. There are numerous shorter intervals of gold mineralisation <3m in length at a >0.1g/t Au cut-off grade extending to a down hole depth of 398m.

Table 1: Diamond core hole TDD-003 gold intersections at >0.1g/t Au cut-off over >3.0m down hole length

TDD-003				
Gold Intersections >0.1g/t Nominal Cut-off >3m				
TDD-003	From	To	Interval	Au
	(m)	(m)	(m)	(g/t)
	0	4	4	0.12
	11	17	6	0.24
	28	34	6	0.12
	49	66	17	0.27
including	62	63	1	2.57
	76	79	3	0.12
	90	93	3	0.11
	103.85	106	2.15	0.3
	111	118	7	0.35
	143	146	3	0.13
	172	177	5	0.24
	204	207	3	0.32
	209	212	3	0.31
	267	270	3	0.46
including	267	268	1	1.12
	279.75	285	5.25	0.28

Drill hole collar coordinates and other details for diamond core hole TDD-003 are provided in Table 2.

Table 2: Drill hole details for diamond core hole TDD-003

Hole ID	Easting	Northing	RL (m)	Azimuth (TN)	Dip	Depth (m)
TDD003	451494	6658866	900	90	-50	400

Note: Coordinates are in MGA94 zone56

Diamond core hole TDD-003 intersected sporadic anomalous gold mineralisation throughout the entire length of the drill hole with a relatively coherent, strongly anomalous gold zone extending from surface to a down hole depth of 319.0m (Figure 9). The Pearson Correlation for assay values in core hole TDD003 shows a strong association between gold, bismuth and tellurium. The style of mineralisation and geochemistry intersected in core hole TDD003 is similar to the two previous core holes drilled in 2011 and continues to support the intrusion-related gold system model.

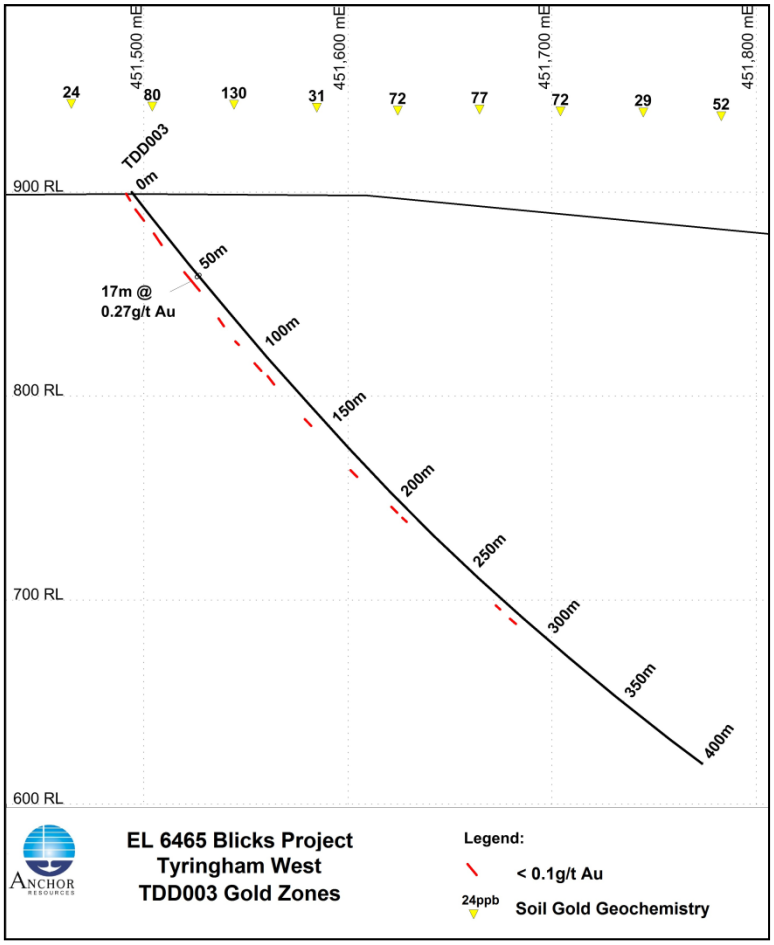

Figure 9: Cross section TDD003 showing gold zones at nominal 0.1g/t Au cut-off grade over >3m down hole length (see Table 1 for gold grades of other intersections)

Diamond drilling resumed after the Christmas-New Year holiday break with drilling currently underway at Tyringham East. To date four diamond core holes have been completed. Logging is proceeding steadily and assay results will be reported once they become available.

Aspiring Project, EPM 19447 (Anchor 100%)
North Queensland - Gold, base metals (copper, lead, zinc), uranium

Anchor's Aspiring project area (EPM 19447) lies within the Chillagoe mining camp in Far North Queensland, <12 km from the Red Dome/Mungana intrusion-related gold systems (IRGS) (historic production of 1Moz Au, 4.3Moz Ag, 35kt Cu, and a combined production and defined resource of 2.7Moz Au, 273kt Cu, 34Moz Ag).

In August 2013 Anchor engaged geological consultants Global Ore Discovery ("Global") to conduct a review of past exploration carried out on this tenement, to assess the exploration potential of the tenement and to make recommendations on further exploration work. The results of this work were reported in the Quarterly Activities Report September 2013 lodged by Anchor with the ASX on 18th October 2013.

Global reported that the project area is prospective for late Carboniferous to Permian age IRGS and magmatic related uranium (Mo-F).

Anchor's geological team has prepared a work program with field work to commence in April/May 2014, subject to approval by the Board.

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

The Bielsdown project (NSW) includes the Wild Cattle Creek antimony deposit and several other historic antimony prospects. There has been no field work during the Quarter pending resolution of land access matters.

Birdwood Project, EL 6459 (Anchor 100%)
New South Wales - Copper, molybdenum

The Birdwood project (Figure 10) covers the Birdwood copper/molybdenum prospect where previous drilling has intersected anomalous copper and molybdenum mineralisation in a number of diamond core holes drilled in 1969.

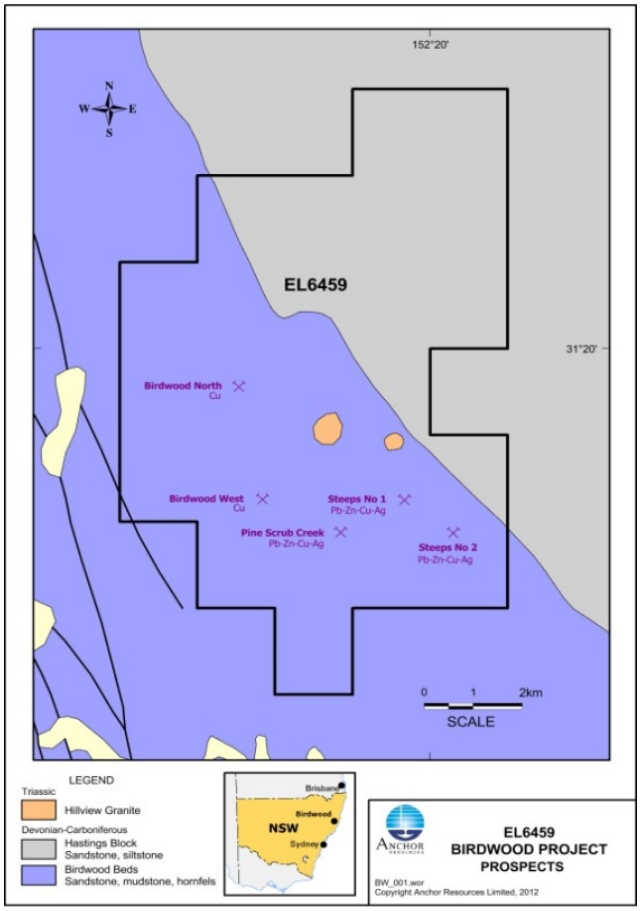

Figure 10: Birdwood project

Following a recent review of the historic data, together with re-processed magnetic data from Anchor's heli-magnetic/radiometric survey completed in 2007, two circular magnetic "lows" were identified at Birdwood North. Previous diamond drilling in this area intersected strongly anomalous copper and molybdenum mineralisation (Figure 11).

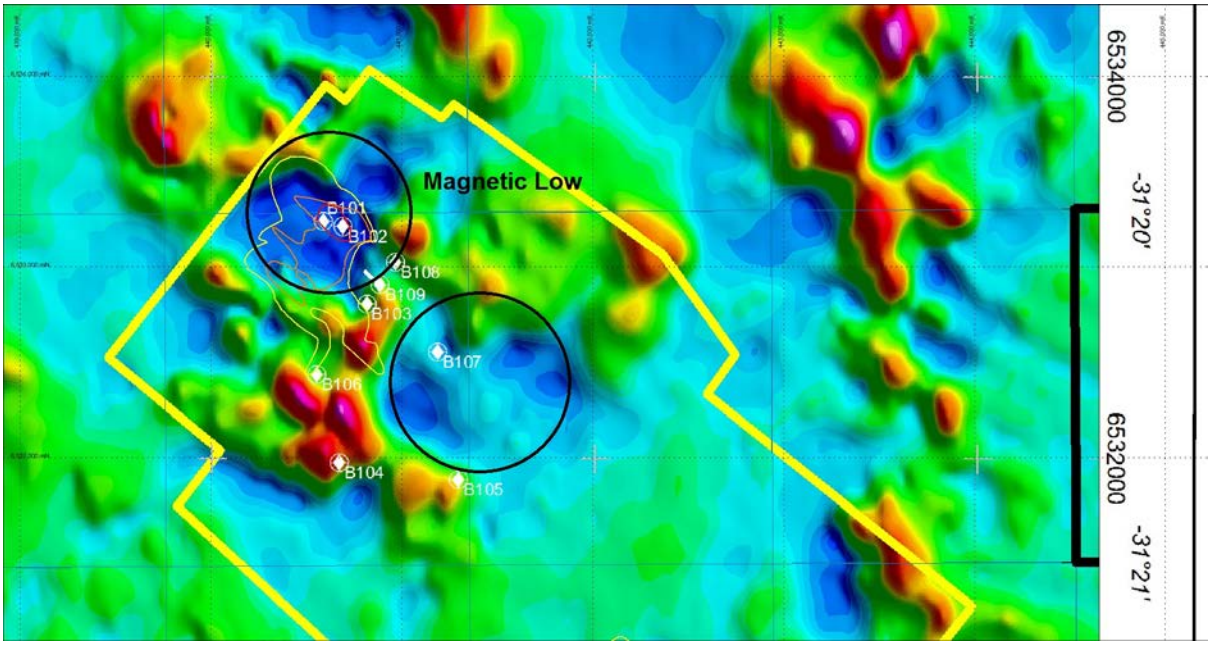

Figure 11: Magnetic image showing two circular magnetic "lows" at Birdwood North. Previous diamond drilling in this area intersected strongly anomalous copper and molybdenum mineralisation

Anchor has postulated potential for Northparkes-type porphyry copper-gold mineralisation at the Birdwood North prospect. Further work is planned to follow-up this exploration model.

Work has commenced on collating and reprocessing historical data into digital format that is compatible with modern GIS systems. This data consists of historical soil geochemistry, geological mapping, drill holes, and stream sediment sampling which all originate from previous exploration programs by others in the late 1960's early 1970's. Modern data consists of earth satellite photography and topographical data along with aeromagnetic surveys flown for Anchor in 2007.

All of this data will be presented on a common database and subject to land access, it is planned that a field program will be undertaken in the current Quarter to follow up and ground check the historic data.

Corporate

Anchor continues to review opportunities for the acquisition of new projects to expand its project portfolio. During the Quarter a number of projects were considered but to date none have been identified that satisfy Anchor's corporate criteria.

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, and 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.

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.*	• The Tyringham prospect was discovered in 1999 by B-C horizon soil sampling after follow up of a stream sediment BLEG anomaly. Work by Anchor has been systematic grid based regional soil sampling following on from the previous work. The Tyringham gold prospect was sampled by diamond core drilling using HQ tools. A total of 1 diamond core hole has been drilled and assayed for a total of 400m in the current program. Three additional diamond core holes are currently subject to core processing. The majority of the holes were inclined toward the east to optimally intersect the gold anomalies. Anchor has previously completed 941.60m of diamond core drilling in 2011 and 205m of RC drilling in 2008.
	• *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. The drill hole collar locations were surveyed using a hand held GPS unit and down hole surveys were completed at regular intervals by the drilling contractor. Diamond core was used to obtain high quality samples that were logged for lithological, structural, geotechnical, density, magnetic susceptibility and other attributes. Sampling was carried out by a rig geologist in accordance with Anchor protocols and QAQC procedures as per industry best practice.
	• *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.*	• B-C horizon soil samples collected manually using a "clamshell" post hole digger to obtain 1-2kg of uncontaminated material generally 20-30 cm and up to 50 cm below surface which was subsequently bagged and sent to a commercial laboratory then dried at 105°C and sieved to -80# (-180µm) prior to weighing 1 gram of material for multi-acid digestion.
Sampling techniques (continued)		Diamond core from the 2013-2014 (latest) drilling program is dominantly HQ3 (61.1mm) size, sampled on 1m intervals or significant geological boundaries and then sawn longitudinally in half. Half core was sent to the ALS laboratory in Brisbane to be dried, crushed, riffle split to a maximum of 3kg, then pulverised to produce a sub-sample for analysis for 48 elements. Sample analysis followed a four acid "near total" acid digestion on a 1g sample. RC drilling was used to obtain 1m samples from which 3kg was pulverised to produce a sub-sample for assaying as above. Gold determination on a 50 gram charge by fire assay ICP-AES finish, other elements using four acid "near total" digestion on a minimum sample size of 1 gram and ICP-MS and ICP-

Criteria	JORC Code explanation	Commentary
		AES finish.
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).*	• Diamond core drilling consists of HQ triple tube core (61.1mm) with a PQ collar (85.0mm). HQ core is oriented using a Reflex ACT III electronic orientation device.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.*	• Diamond core samples are logged and recorded in the database. Overall recoveries are >95% and there are no core loss issues or significant sample recovery problems.
	• *Measures taken to maximise sample recovery and ensure representative nature of the samples.*	• Diamond core is reconstructed into continuous runs on an angle iron cradle for orientation marking. Depths are checked against the depth marked on the core blocks and rod counts are routinely carried out by the drillers, the consistency of mineralised intervals is considered to preclude any issue of sample bias due to material loss or gain.
	• *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.*	• The sample sizes are considered to be appropriate given the style of mineralisation at Tyringham, the thickness and consistency of the intersections and the sampling methodology.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	• All holes have been logged geologically and geotechnically in detail, including core recovery and RQD.
	• *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.*	• Logging of diamond core recorded lithology, colour, grainsize, bedding/foliation, weathering, hardness, brecciation, veining, alteration, faulting, RQD and mineralisation. Core was photographed in both wet and dry mode. Small rock chips in soil samples are routinely qualitatively logged by an on-site exploration geologist at the point of sample.
	• *The total length and percentage of the relevant intersections logged.*	• All drill holes were logged in full.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.*	• Core was sawn in half onsite. Longitudinal half core samples were taken for assay.
	• *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• No RC samples were collected in the current drilling program.
	• *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 assay. The sample preparation of diamond core follows industry best practice involving oven drying at 105°C, coarse crushing to >70% passing ~6mm, riffle splitting to maximum of 3kg if necessary, pulverising to 85% passing 75 micron (75µm).
Sub-sampling techniques and sample preparation (continued)	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Field QC procedures involve the use of standard reference material with a range of assay values as assay standards and blanks routinely 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 is considered representative of *in situ* material collected. For diamond core half sawn core is sampled. No field duplicate soil samples have been collected.

Criteria	JORC Code explanation	Commentary
	sampling. • *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 at this locality.
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.* • *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.*	• 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. Gold determination on a 50 gram charge by fire assay ICP-AES finish, other elements determined using four acid "near total" digestion on a minimum sample size of 1 gram and ICP-MS finish. • No geophysical tools were used to determine any element concentrations. • Anchor has used a small number of certified reference materials inserted blindly and randomly into some 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. During drilling activities Anchor's field QC procedures involve the use of multiple standard reference materials as assay standards and blanks routinely inserted blindly and randomly into the sample order. Laboratory QAQC involves the use of internal laboratory standards using certified reference material and blanks as part of their in house procedures. Core orientation achieved by a Reflex ACT III core orientation device used after each drill core run.
Verification of sampling and assaying *Verification of sampling and assaying (continued)*	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Graeme Rabone & Associates Pty Ltd and Solid Geology Pty Ltd have supervised the soil sampling program and inspected the Tyringham diamond drill core. • In 2011 Anchor drilled diamond core holes TDD-001 and TDD-002 to twin two Caledonian Pacific Minerals RC holes, TRC-03 and TRC-05 respectively. • Primary data was initially recorded as hand written logs, and then entered in an Excel spread sheet. Primary data from drill core and soil sampling is now captured using a PC tablet in the field. • 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.*	• Drill hole collar locations were surveyed by a hand held GPS unit with ±5m error. Down hole surveys were completed using a Reflex Ezi-Shot™ electronic solid-state single shot drill hole survey tool. Diamond core holes were surveyed down hole at a nominal 30m interval. Soil sample locations are identified by hand held GPS unit with ±5m error or a PC tablet independent of 3G

Criteria	JORC Code explanation	Commentary
		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.*	• Drill hole spacing is too wide spaced for resource estimation. Down hole nominal 1m sampling provides good information for grade distribution in all drill holes. Soil sampling has been completed at 40 meter sample centres along east-west lines 160 meters apart and provides good definition of gold in the underlying bedrock.
	• *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.*	• Drilling is insufficient to establish the degree of geological and grade continuity appropriate for resource estimation. 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.*	• Drill hole orientation achieves unbiased sampling of possible structures.
	• *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 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 geology and drilling at the Tyringham gold prospect was completed by Graeme Rabone and Associates in July 2012. Specialist consultants, including Insight Geology, Solid Geology, Paul Ashley Petrographic and Geological Services, GeoDiscovery and Brovey Mapping Services, have provided specialist services.

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 northeastern NSW.

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td></td><td>• 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.</td><td>The EL is for Group 1 metals. Tyringham gold prospect is located on freehold land. The company has signed land access arrangements with the relevant landowners.
• Tenement is current and in “good standing”.</td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgement and appraisal of exploration by other parties.</td><td>• 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.</td></tr>
<tr><td>Geology</td><td>• Deposit type, geological setting and style of mineralisation.</td><td>• Intrusion-related gold system exploration model, conceptual porphyry molybdenum model, and orogenic gold models.</td></tr>
<tr><td>Drill hole Information

Drill hole Information (continued)</td><td>• 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:
o easting and northing of the drill hole collar
o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar
o dip and azimuth of the hole
o down hole length and interception depth
o hole length.</td><td>
<table>
<tr><th>Hole ID</th><th>Easting MGA94z56</th><th>Northing MGA94z56</th><th>RL m</th><th>Dip</th><th>Azimuth Mag N</th></tr>
<tr><td>TRC 20</td><td>451517</td><td>6658987</td><td>898</td><td>-60°</td><td>079°</td></tr>
<tr><td>TDD 001</td><td>451618</td><td>6658552</td><td>921</td><td>-60°</td><td>259°</td></tr>
<tr><td>TDD 002</td><td>452916</td><td>6659349</td><td>949</td><td>-60°</td><td>078°</td></tr>
</table>
<table>
<tr><th>Hole ID</th><th>From m</th><th>To m</th><th>Length m</th></tr>
<tr><td>TRC20</td><td>0</td><td>23</td><td>23</td></tr>
<tr><td>includes</td><td>15</td><td>16</td><td>1</td></tr>
<tr><td></td><td>27</td><td>32</td><td>5</td></tr>
<tr><td></td><td>36</td><td>90</td><td>54</td></tr>
<tr><td>includes</td><td>58</td><td>59</td><td>1</td></tr>
<tr><td>and</td><td>76</td><td>77</td><td>1</td></tr>
<tr><td></td><td>94</td><td>101</td><td>7</td></tr>
<tr><td></td><td>105</td><td>117</td><td>12</td></tr>
<tr><td></td><td>124</td><td>134</td><td>10</td></tr>
<tr><td></td><td>139</td><td>159</td><td>20</td></tr>
<tr><td></td><td>185</td><td>194</td><td>9</td></tr>
<tr><td>includes</td><td>190</td><td>192</td><td>2</td></tr>
<tr><td></td><td>198</td><td>202</td><td>4</td></tr>
<tr><td>includes</td><td>200</td><td>201</td><td>1</td></tr>
<tr><td>TDD001</td><td>0</td><td>25.5</td><td>25.5</td></tr>
<tr><td>includes</td><td>1</td><td>3</td><td>2</td></tr>
<tr><td>and</td><td>13</td><td>14</td><td>1</td></tr>
<tr><td>and</td><td>17</td><td>18</td><td>1</td></tr>
<tr><td></td><td>31</td><td>33</td><td>2</td></tr>
<tr><td></td><td>37</td><td>58</td><td>21</td></tr>
<tr><td>includes</td><td>42</td><td>45.2</td><td>3.2</td></tr>
<tr><td></td><td>62</td><td>64</td><td>2</td></tr>
</table>
</td></tr>
</table>

Criteria	JORC Code explanation	Commentary

	67	**81.2**	**14.2**
includes	67	72	5
	76	77	1
	89	**97**	**8**
includes	93	95.9	2.9
	101	**129**	**28**
includes	102	106.2	4.2
and	110	116.5	6.5
and	126	129	3
	152	**158**	**6**
includes	152	153	1
	168	**169**	**1**
	273	**273.5**	**0.5**
	332.8	**335**	**2.2**
TDD002	**10**	**32**	**22**
includes	15	16	1
and	24	26	2
	37	**40**	**3**
includes	39	40	1
	46	**58**	**12**
includes	46	47	1
and	50	51	1
	62	**67**	**5**
includes	64	66	2
	71	**153**	**82**
includes	71	72	1
and	80	81	1
and	85	86	1
and	92	100	8
and	107	133	26
	203	**205**	**2**
includes	204	205	1
	234	**236**	**2**

Drill hole Information (continued)	• *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.*	• There is no exclusion of information.
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*	• Weighted average grades reported for all down hole intersections. Nominal 0.1g/t Au cut-off grade applied and no top cuts applied. • Higher grade gold zones defined by a nominal 3 times cut off grade to highlight zones of higher grade

Criteria	JORC Code explanation	Commentary
	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.*	mineralisation. • 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 gold zones is 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 is 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.*	• Aggregate reporting is appropriate as mineralisation is consistent throughout the host rock.
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; potential deleterious or contaminating substances.*	• 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.
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).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Diamond core drilling is planned to locate zones of higher grade gold mineralisation at Tyringham and additional regional soil sampling is planned to evaluate additional prospective areas. • Diamond core drilling is planned to test lateral areas of the currently defined soil gold anomaly and coincident geological and structural targets at Tyringham not tested by previous drilling.

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
49 122 751 419	**31 December 2013**

Consolidated statement of cash flows

		Current quarter $A'000	Year to date (6 months) $A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration & evaluation	(774)	(1,161)
	(b) development		
	(c) production		
	(d) administration	(222)	(479)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4	7
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(992)	(1,633)
	Cash flows related to investing activities		
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(69)	(103)
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)	20	20
	Net investing cash flows	(49)	(83)
1.13	Total operating and investing cash flows (carried forward)	(1,041)	(1,716)

1.13	Total operating and investing cash flows (brought forward)	(1,041)	(1,716)
	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	1,200	2,000
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	Net financing cash flows	1,200	2,000
	Net increase (decrease) in cash held	159	284
1.20	Cash at beginning of quarter/year to date	407	282
1.21	Exchange rate adjustments to item 1.20		
1.22	**Cash at end of quarter**	566	566
		-	-

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	151
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	8,000	6,100
3.2	Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	600
4.2	Development	Nil
4.3	Production	Nil
4.4	Administration	150
	Total	**750**

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	26	15
5.2	Deposits at call	320	392
5.3	Bank overdraft	-	-
5.4	Other (bills receivable and bank accepted bills)	220	-
	Total: cash at end of quarter (item 1.22)	566	407

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)	275,000	Nil	$0.38	22 May 2014
	- Unquoted Options (ESOP)	20,000	Nil	$0.25	27 Sep 2014
	- Unquoted Options (ESOP)	1,990,000	Nil	$0.305	20 Nov 2016
7.8	Issued during quarter				
	- Unquoted Options (ESOP)	1,990,000	Nil	$0.305	20 Nov 2016
7.9	Exercised during quarter				
	- Unquoted Options (ESOP)	Nil	Nil		
7.10	Expired during quarter				
	- Unquoted Options (ESOP)	1,155,000	Nil	$0.38	11 Nov 2013
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: 17-Jan-14

(~~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.