



Quarterly Activities Report

March 2014

ASX ANNOUNCEMENT

DATE: 24th April 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	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

Blicks project – intrusion-related gold systems

Tyringham East and West gold anomalies firm up as targets for planned deeper drilling

Tuting copper, gold and molybdenum anomaly discovered and drill testing planned

Birdwood project – porphyry systems

Birdwood North porphyry copper and molybdenum anomaly confirmed and drill testing planned

Aspiring project

Field work to commence at Aspiring project in next Quarter

Funding

Finance Facility increased by AUD\$5 million for exploration, drilling programs and working capital in the coming year

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

The Blicks project is located in the southern portion of the New England Fold Belt in northeast New South Wales, centred 90km northeast of Armidale and has been identified as an area hosting intrusion-related gold systems.

Three key mineralised areas have been identified by Anchor within EL 6465 and consist of:

- Tyringham West gold prospect;
- Tyringham East gold prospect; and
- Tuting copper/molybdenum±gold prospect.

Tyringham Gold Prospect

The Tyringham gold prospect shares many similarities with a number of new gold discoveries in the North American Tintina gold province which straddles Alaska in the USA and Yukon in Canada. The Tyringham gold prospect consists of two spatially separate areas known as Tyringham West and Tyringham East centred 1.7km apart (Figure 1).

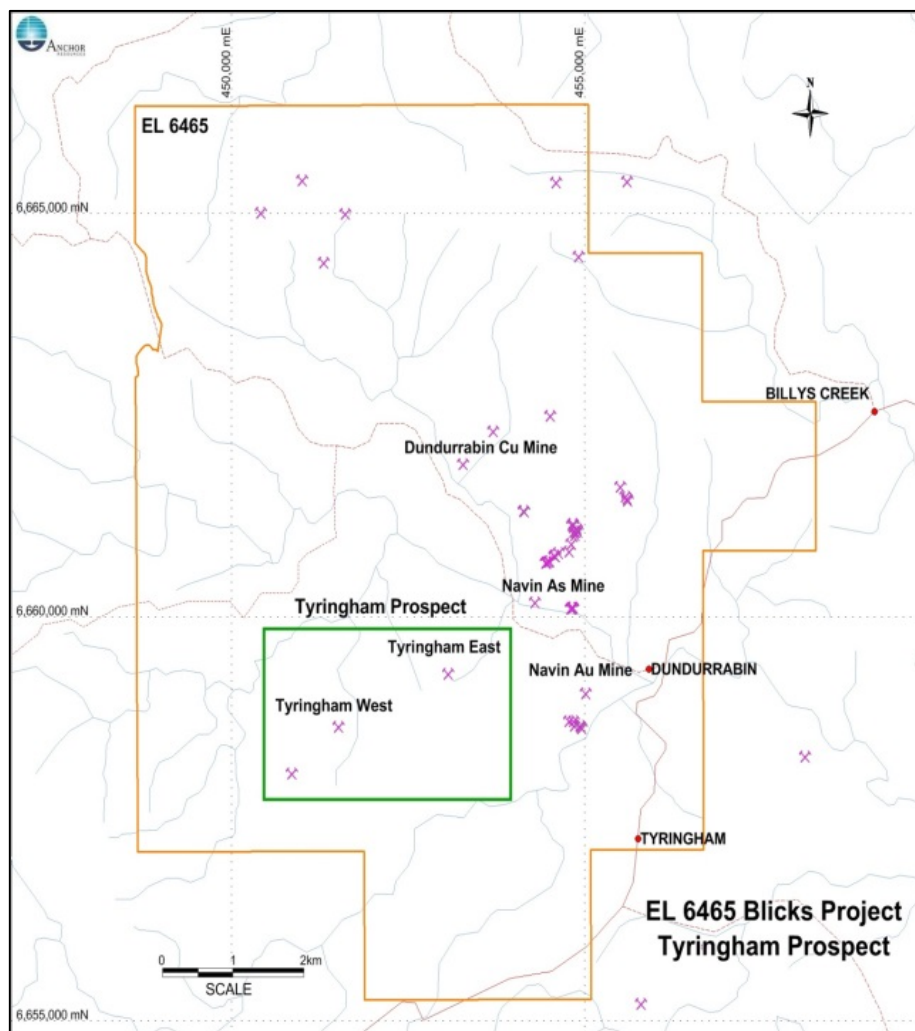


Figure 1: Tyringham gold prospect

Previous drilling at Tyringham intersected long intervals of low grade gold mineralisation at both mineralised centres.

The latest program diamond core drilling commenced at the Tyringham West gold anomaly in October 2013 and the final hole in the program, at the Tyringham East gold anomaly, was completed in January 2014. The program is summarised in Table 1.

Table 1: Tyringham gold prospect drilling program

Hole ID	Planned Depth (m)	Metres Drilled	Date Hole Completed	Anomaly Tested	Results Announced to ASX
TDD-003	400.00	400.00	28/10/2013	Tyringham West	10/1/2014
TDD-004	400.00	400.00	20/11/2013	Tyringham West	21/2/2014
TDD-005	400.00	400.00	08/12/2013	Tyringham West	6/3/2014
TDD-006	150.00	190.00	17/12/2013	Tyringham East	6/3/2014
TDD-007	280.00	290.00	24/01/2014	Tyringham East	28/3/2014

Exploration results, reported in accordance with the JORC 2012 Code, for each of the 5 holes drilled in this program, and referred to in Table 1, are contained in the respective announcements lodged with the ASX on 10th January 2014, 21st February 2014, 6th March 2014 and 28th March 2014.

Tyringham West Gold Anomaly

Tyringham West is a northerly trending zone of gold mineralisation up to 750m long and 110 to 150m wide hosted by a well-developed greywacke sequence with thick beds of siltstone, sandstone, greywacke, quartzite and conglomerate. Gold mineralisation in bedrock is defined on surface as a 120ppb gold-in-soil anomaly. Diamond core and RC drilling has intersected long intervals of low grade gold mineralisation averaging approximately 0.2g/t Au at no cut-off from surface to a vertical depth of ranging from 120 to 150m. Gold mineralisation is confined to thin fracture-controlled quartz veins within the sedimentary sequence.

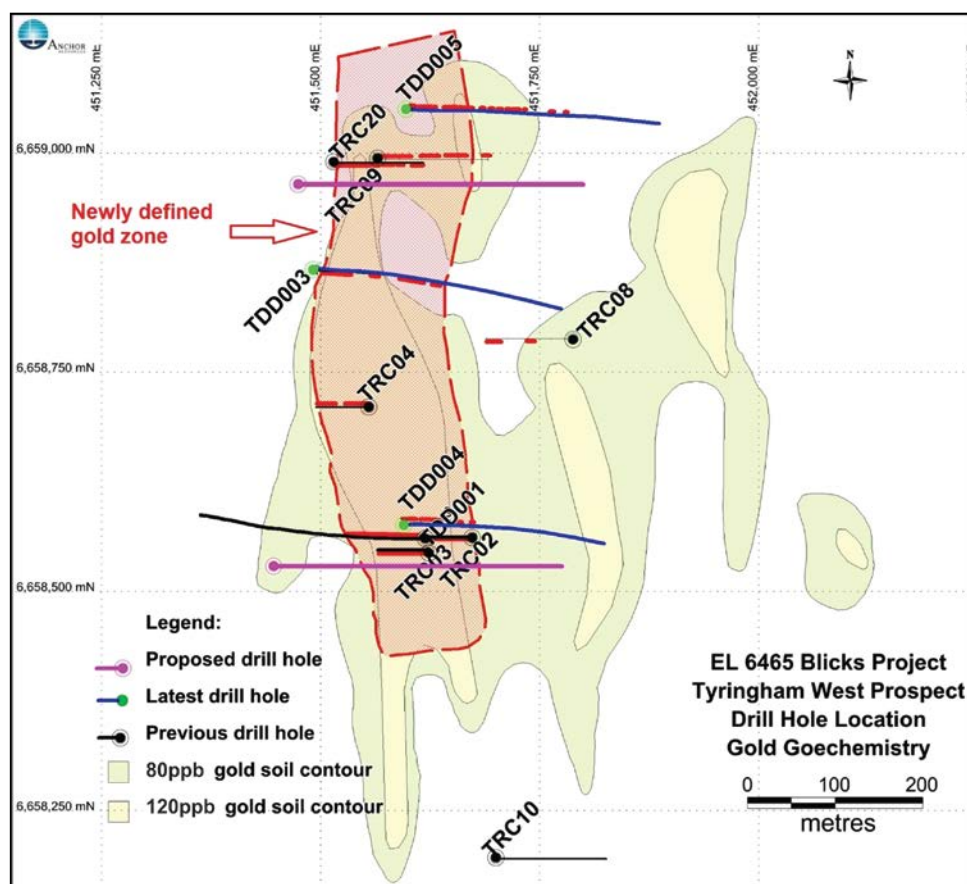


Figure 2: Tyringham West gold prospect showing existing and planned drill holes

Tyringham East Gold Anomaly

Tyringham East is an arcuate gold zone convex to the west and is approximately 500m long and up to 100m wide. The gold zone straddles a contact between granodiorite, porphyry, breccia and argillite. Gold mineralisation at surface is defined by a 200ppb gold-in-soil anomaly. Diamond core and RC drilling has intersected long intervals of low grade gold mineralisation averaging approximately 0.2g/t Au at no cut-off from surface to a vertical depth of approximately ranging from 120 to 150m. Gold grades in drill holes are remarkably similar to those at Tyringham West.

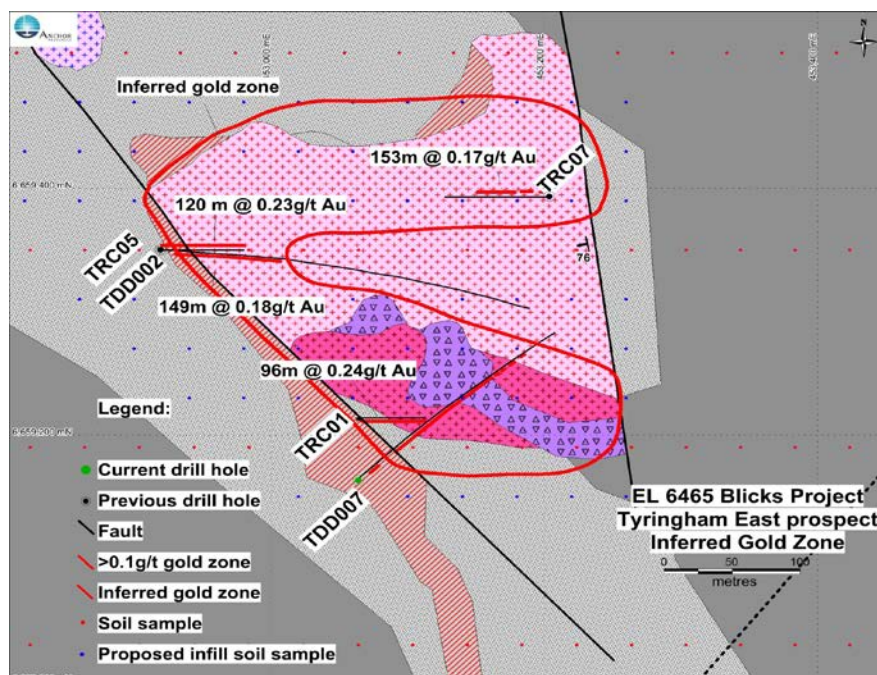


Figure 3: Tyringham East gold prospect showing existing drill holes

Tuting Prospect

The Tuting prospect is a strong molybdenum-tungsten geochemical anomaly coincident with a small elongate biotite monzogranite (Figure 4) discovered by Anchor. Further detail of exploration results, in accordance with the JORC Code 2012, is contained in the Company's announcement to the ASX on 21st February 2014. The prospect has never been drilled.

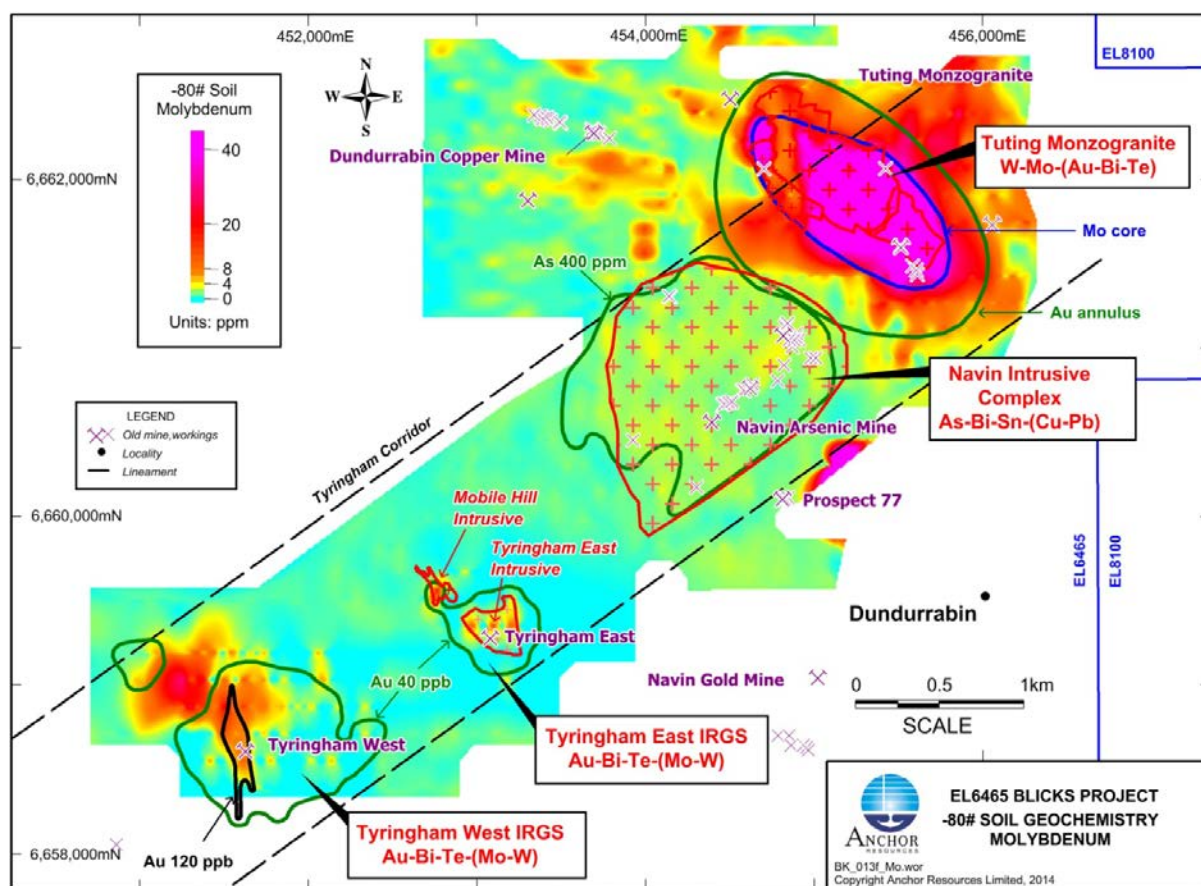


Figure 4: Tyringham Corridor soil molybdenum geochemistry

Juxtaposed to the west of the main molybdenum-tungsten soil geochemical anomaly at the Tuting prospect is an area of coincident gold, bismuth, tellurium, copper and molybdenum multi-element soil geochemistry with a coincident magnetic anomaly. Rock chip sampling along the western contact of the monzogranite has returned strongly anomalous gold, bismuth and tellurium values.

Intrusion-related gold systems often contain bismuth minerals. The presence of anomalous bismuth, together with anomalous tellurium, molybdenum, tungsten and copper is considered to encouraging for intrusion-related gold mineralisation in the Tuting area.

Blicks Project General

Detailed geological mapping has been completed along the “Tyringham Corridor” within EL 6465 (Blicks) and a regional regolith map over EL 6465 (Blicks) and EL 8100 (Blicks Extended) was completed in January 2014. These mapping programs have provided a greater understanding of geology and controls on mineralisation in the area.

Blicks Project Upcoming Work Programs

Anchor now plans to commence drilling programs at all three prospects in the coming months, subject to regulatory approvals. A summary of this work program is outlined below:

- Tyringham West gold prospect. A drilling program consisting of up to 2 deep, inclined core holes is planned to test the down-dip extension of the near surface gold zone with the objective of discovering higher gold grades at depth.
- Tyringham East gold prospect. A drilling program consisting of 1 deep, inclined core hole is planned to test the down-dip extension of the near surface gold zone with the objective of discovering higher gold grades at depth.

- Tuting molybdenum-tungsten-copper-gold prospect. A drilling program consisting of up to 10 inclined RC drill holes is planned to test various molybdenum, tungsten, copper, gold and bismuth anomalies within and peripheral to the Tuting monzogranite.
- In addition to drilling programs at Tyingham West, Tyingham East and Tuting Anchor plans to continue soil sampling over new areas considered prospective for gold, copper and molybdenum mineralisation, undertake age dating work on various intrusive rocks, and geological mapping over areas of interest.

***Birdwood Project, EL 6459 (Anchor 100%)
New South Wales – copper, silver, molybdenum***

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.

The Birdwood project is prospective for concealed porphyry copper-gold deposits of the Ridgeway and Northparkes types. Previous core drilling 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.

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

There has been a considerable increase in knowledge and understanding of the Birdwood project within the first quarter of 2014. Field and office work has enabled a conceptual porphyry copper target to be defined at Birdwood North.

The target is a hypothetical concealed pipe-like porphyry copper deposit suggested to be at a depth >300 metres below the peak copper (and molybdenum) anomaly and magnetic low anomaly (Figure 5).

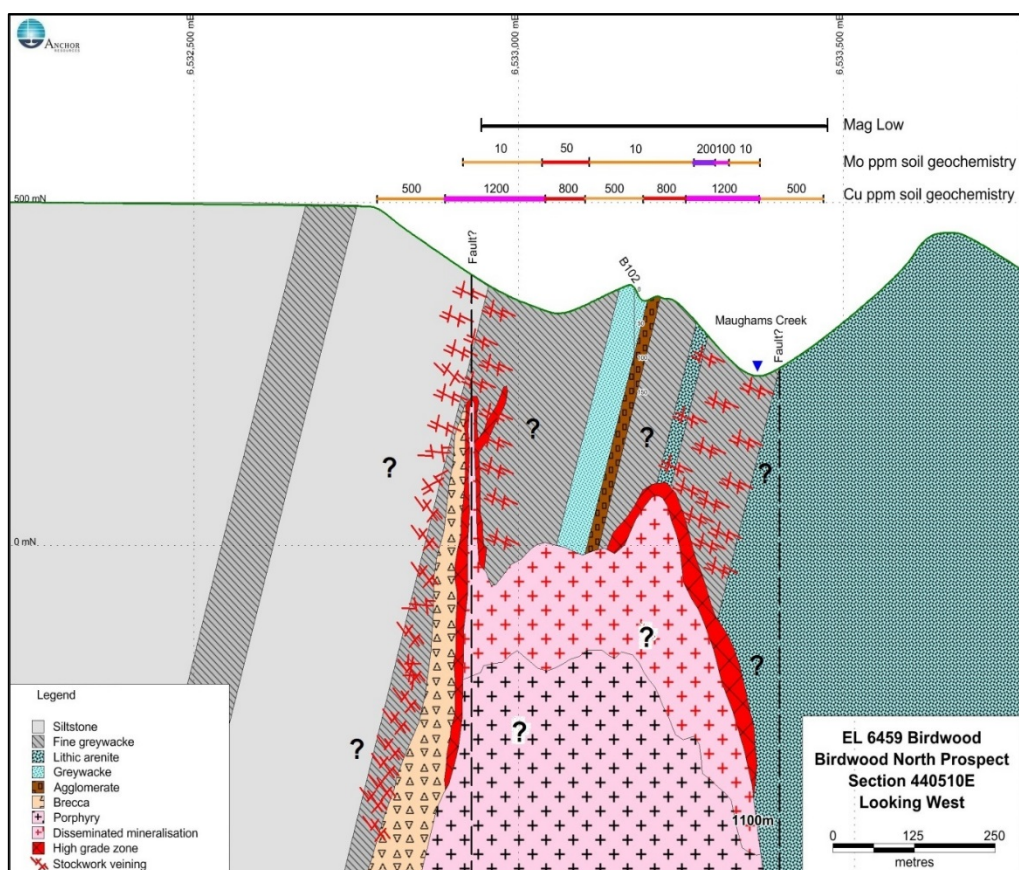


Figure 5: Schematic cross section showing Birdwood North hypothetical porphyry copper target at depth below copper and molybdenum geochemical anomalies and a magnetic low

Further details of all recent exploration work at the Birdwood project are reported, in accordance with the JORC Code 2012, in the Company's announcement to the ASX lodged on 10th April 2014.

Birdwood Project Upcoming Work Program

A drilling program consisting of one deep, inclined core hole is planned to test the coincident copper-molybdenum geochemical anomaly and magnetic low anomaly at a depth greater than 300m below surface. The target is a concealed pipelike porphyry copper deposit.

Application for New Exploration Licence – Birdwood Extended ELA 5012

Encouraging results from field and office work on the Birdwood project prompted Anchor's wholly owned subsidiary, Scorpio Resources Pty Ltd, to apply for a new exploration licence surrounding its existing exploration licence (Figure 6). The Birdwood Extended exploration licence application was announced to the ASX on 11th April 2014.

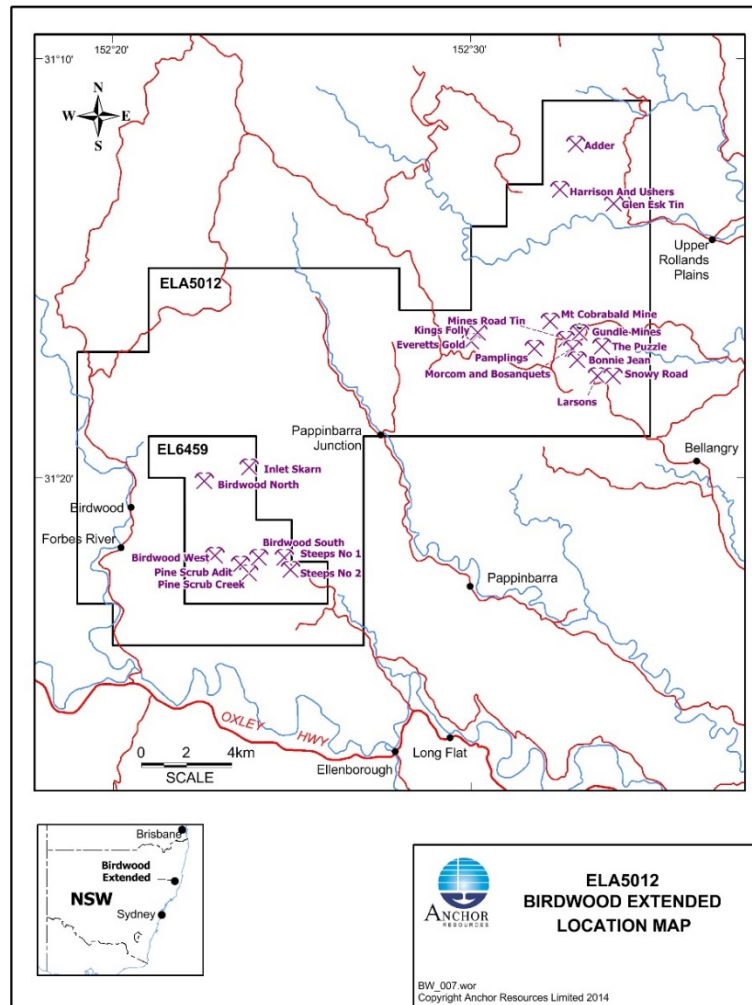


Figure 6: ELA 5012 (Birdwood Extended)

**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 the known mineralisation at the Wild Cattle Creek deposit.

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

The Aspiring project is located in the Chillagoe mining district northeast of the Red Dome (0.96 Moz gold produced plus a 1.40 Moz gold resource) and Mungana (1.1 Moz gold resource) porphyry-skarn deposits. The Ruddygore porphyry copper deposit and Redcap skarn deposit provide further evidence of intrusion-related type mineralisation in the area. Red Dome and Mungana are also spatially associated with negative remanent magnetic anomalies.

Within the Aspiring project several areas prospective for gold-copper-silver-lead-zinc deposits and uranium deposits have been selected for detailed "boots-on-ground" follow-up using a portable Niton XRF analyser.

Aspiring Project Upcoming Work Program

This program is planned to commence next Quarter and will follow-up some unexplained strongly anomalous geochemical values reported from the Anchor helicopter reconnaissance program in 2012, several negative remanent magnetic anomalies together with several historic base metal and uranium prospects where limited previous exploration has been completed. Concurrent geological mapping over the Niton surveyed areas will also be completed.

Areas to be targeted in the upcoming field program are shown in Figure 7.

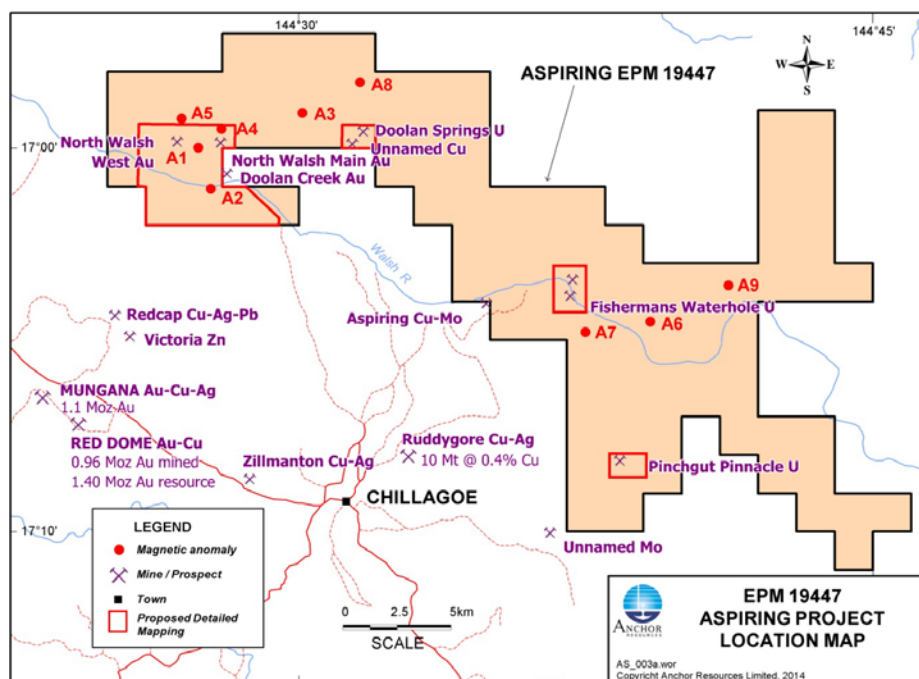


Figure 7: Aspiring project field program target areas

Corporate

During the Quarter Mr Steven Yu resigned as Chief Executive Officer of the Company and will remain as a non-executive Director.

In April the Company announced an increase and extension of the funding arrangement with its major shareholder, China Shandong Jinshunda Group Co., Ltd. The facility was increased by AUD\$5 million and its term extended to 28th March 2017.

These funds will be used to accelerate exploration on the Company's tenements in the coming year and in particular to carry out drilling of some targets (subject to regulatory approvals being obtained) presently identified at:

- Tyringham West, Tyringham East and Tuting intrusion-related gold systems at the Blinks project;
- Birdwood North copper and molybdenum porphyry anomaly at the Birdwood project;
- Aspiring project; and
- Wild Cattle Creek antimony deposit at the Bielsdown project.

Ian L Price
Managing Director
Anchor Resources Limited

Competent Person Statement

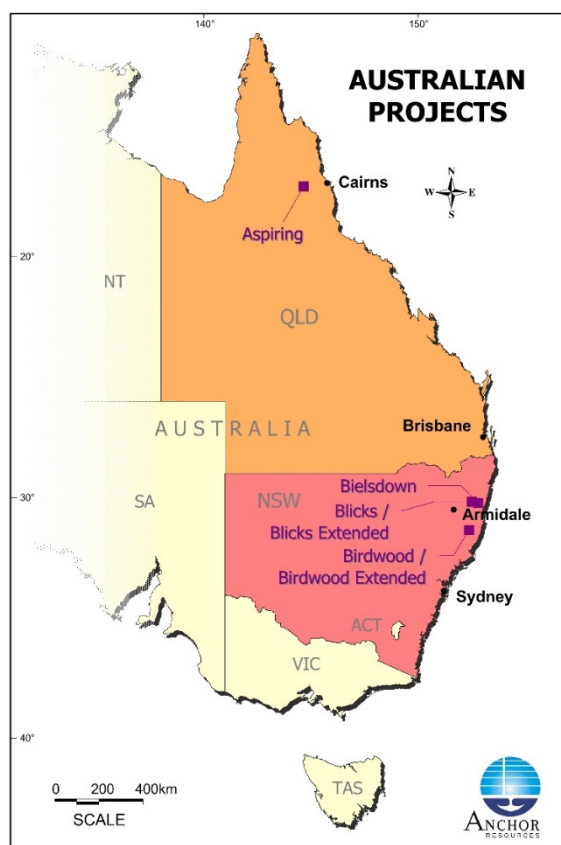
The information relating to the Exploration Results and geological interpretation for the Blicks project, Bielsdown project, Birdwood project and Aspiring project is based on information compiled by Mr Graeme Rabone, MAppSc, FAIG. Mr Rabone is Exploration Manager for Anchor Resources Limited and provides 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 22nd April 2014

TENEMENT NUMBER	NAME	LOCATION	HOLDER	DATE OF FIRST GRANT	DATE RENEWED	TERM OF RENEWAL	AREA km ²
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
ELA 5012	BIRDWOOD EXTENDED	NSW	Scorpio Resources Pty Ltd	Pending	-	-	293
EPM 19447	ASPIRING EXTENDED	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

Location Map of Projects



Appendix 5B

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

ANCHOR RESOURCES LIMITED

Quarter ended ("current quarter")

31 March 2014

Cash flows related to operating activities

		Current quarter	Year to date (6 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors		
1.2	Payments for		
	(a) exploration & evaluation	(632)	(1,717)
	(b) development		
	(c) production		
	(d) administration	(156)	(711)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	4	11
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
Net Operating Cash Flows		(784)	(2,417)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects		
	(b) equity investments		
	(c) other fixed assets	(41)	(144)
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 deposit)	3	23
Net investing cash flows		(38)	(121)
1.13	Total operating and investing cash flows (carried forward)	(822)	(2,538)

1.13	Total operating and investing cash flows (brought forward)	(822)	(2,538)
	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	750	2,750
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	Net financing cash flows	750	2,750
	Net increase (decrease) in cash held	(72)	212
1.20	Cash at beginning of quarter/year to date	566	282
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	494	494

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	115
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

For personal use only

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	6,150
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	200
Total	1,200

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	16	26
5.2 Deposits at call	358	320
5.3 Bank overdraft	-	-
5.4 Other (bills receivable and bank accepted bills)	120	220
Total: cash at end of quarter (item 1.22)	494	566

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 <i>(description)</i>				
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 <i>(description)</i>	Nil			
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
- 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)	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 <i>(totals only)</i>	Nil			
7.12 Unsecured notes <i>(totals only)</i>	Nil			

For personal use only

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-Apr-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.