



Anchor Resources Limited

ABN: 49 122 751 419

ASX Code: AHR

Website: anchorresources.com

28th January 2016

QUARTERLY ACTIVITY REPORT – DECEMBER 2015

Anchor focused on two projects in the December Quarter 2015, the newly granted Gemini project in the Lachlan Orogen of central-west New South Wales and the Blicks project in the New England Orogen of north-east New South Wales. The Gemini project is considered prospective for polymetallic Cobalt-type base metal deposits while the Blicks project is considered prospective for multi-metal porphyry molybdenum-tungsten, porphyry copper-molybdenum, intrusion-related gold systems (IRGS) and orogenic gold deposits.

Highlights from work completed during the Quarter include:

- **Gemini Project** - definition of strong lead and copper geochemical anomalies at the Blue Mountain zinc – lead – copper prospect; and
- **Blicks Project** - anomalous gold values returned from rock chip sampling at the Mulligan gold prospect (Dalmorton Goldfield).

Directors

Mr. Jianguang Wang	Chairman
Mr. Ian Price	Director
Mr. Vaughan Webber	Director
Mr. R N (Sam) Lees	Director

Address

6 Chepstow Drive, CASTLE HILL, NSW 2154

Investor & Media Enquiries

Ian Howarth | Ph.: +61 407 822 319

**GEMINI PROJECT, EL 8398 (Anchor 100%)
New South Wales – copper, lead, zinc, gold & silver**

The Gemini project covers a prospective, under-explored area of the Cobar Basin south of Cobar and includes the Blue Mountain zinc-lead-copper prospect. The EL area is considered prospective for Cobar-type polymetallic base metal (zinc-lead-copper-silver-gold) deposits. The Blue Mountain zinc-lead-copper prospect, Mallee Bull copper-silver-gold deposit and Hera gold-silver-lead-zinc deposit all lie in close proximity to the regional northeast trending Nymagee-Wagga Tank lineament (Figure 1). Blue Mountain is 120km south of Cobar.

The Cobar Basin continues to yield new discoveries since the first copper discovery in 1869. The discovery rate has increased in the past few years as the geology of the region is better understood.



Figure 1: EL 8398 (Gemini) regional geology showing the location of the Blue Mountain zinc-lead-copper prospect, regional metallogeneses and Nymagee-Wagga Tank lineament

EL 8398 (Gemini) was granted on 7 October 2015 for a term of 3 years and covers an area of 289km² centred 120km south of Cobar. Mount Hope is the nearest township.

During the December Quarter Anchor reviewed previous work relating to the Gemini project area with a focus on the Blue Mountain zinc-lead-copper (Zn-Pb-Cu) prospect. The prospect has been subject to intermittent exploration since 1990 by other companies, including RAB (6,299m in 1,182 holes), RC and open hole percussion (2,165m in 20 holes), and diamond (1,375.6m in 2 holes) drilling, which has culminated in a legacy of significant, useful data which Anchor has used to re-interpret geochemical results and define anomalies for detailed follow-up work.

The Blue Mountain zinc-lead-copper prospect has a strong multi-element geochemical signature extending over a strike length of 2,200m defined by previous RAB drilling. A strong bottom hole RAB lead (Pb) anomaly defined by the 200ppm Pb contour extends over a length of 1,400m and width varying from 200m to 500m (Figure 2). Within the 200ppm Pb anomaly is an almost continuous 750ppm Pb anomaly with a peak value of 5,300ppm Pb. Historic drilling intersected numerous zones of zinc-lead-copper mineralisation averaging >0.1% Zn and/or Pb which can often be correlated with high Pb assay values in bottom hole RAB drill results. Four separate zones of Zn-Pb±Cu mineralisation, collectively named the “Pb-Zn system”, within the 200ppm Pb anomaly can be interpreted from the drilling data. Significant intercepts reported from previous diamond drilling includes 47m @ 0.78% Zn, 0.24% Pb, and 0.06% Cu from 129m including 24m @ 1.29% Zn, 0.37% Pb, and 0.08% Cu from 146m in BMDD001, and 30m @ 0.61% Zn, 0.05% Pb, and 0.26% Cu from 322m including 14.8m @ 0.95% Zn, 0.06% Pb and 0.29% Cu from 337.2m in BMDD002. Approximately 350m east of the Blue Mountain “Pb-Zn system” is a linear northerly trending copper anomaly defined by the 100ppm Cu contour with a peak value of 250ppm Cu. The copper anomaly is discontinuous over a length of 1,500m and varies in width from 80 to 160m. This copper anomaly is known as the “Cu system”. The “Cu system” copper anomaly has never been drilled. There is a coincident 200ppm lead anomaly in the central segment of the “Cu system” copper anomaly. Several smaller 100ppm copper anomalies proximal to the main copper anomaly may form part of the “Cu system”. Copper anomalies also coincide with the lead anomaly in the “Pb-Zn system”.

The anomalous multi-element Zn-Pb-Cu geochemistry and anomaly footprint, sphalerite-galena-chalcopyrite association, lensoidal geometry of the mineralisation intersected in drilling, and interpreted structural architecture of the Blue Mountain zinc-lead-copper prospect has many similarities to other Cobar-type deposits, including the major producing CSA mine at Cobar.

Further work is required by Anchor to validate this historic work and to develop an exploration program to test these anomalous zones and other possible targets in the project area.

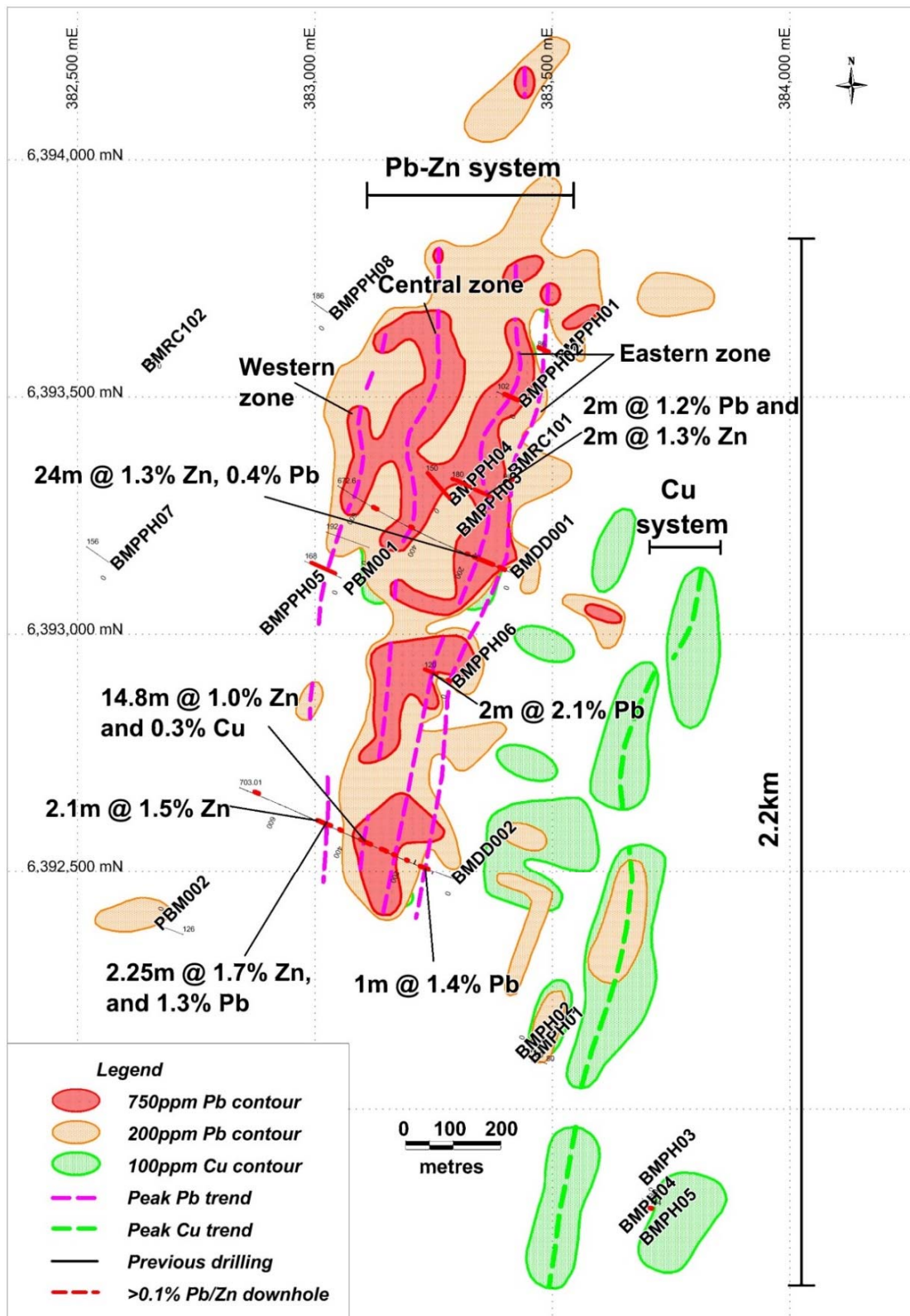


Figure 2: Blue Mountain Zn-Pb-Cu prospect bottom hole RAB Pb and Cu geochemistry

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

The Blicks project is located in the southern segment of the New England Orogen in northeast New South Wales, 95km northeast of the major regional centre of Armidale. Anchor's key target areas and reported historic mineral occurrences within the Blicks project are shown in Figure 3.

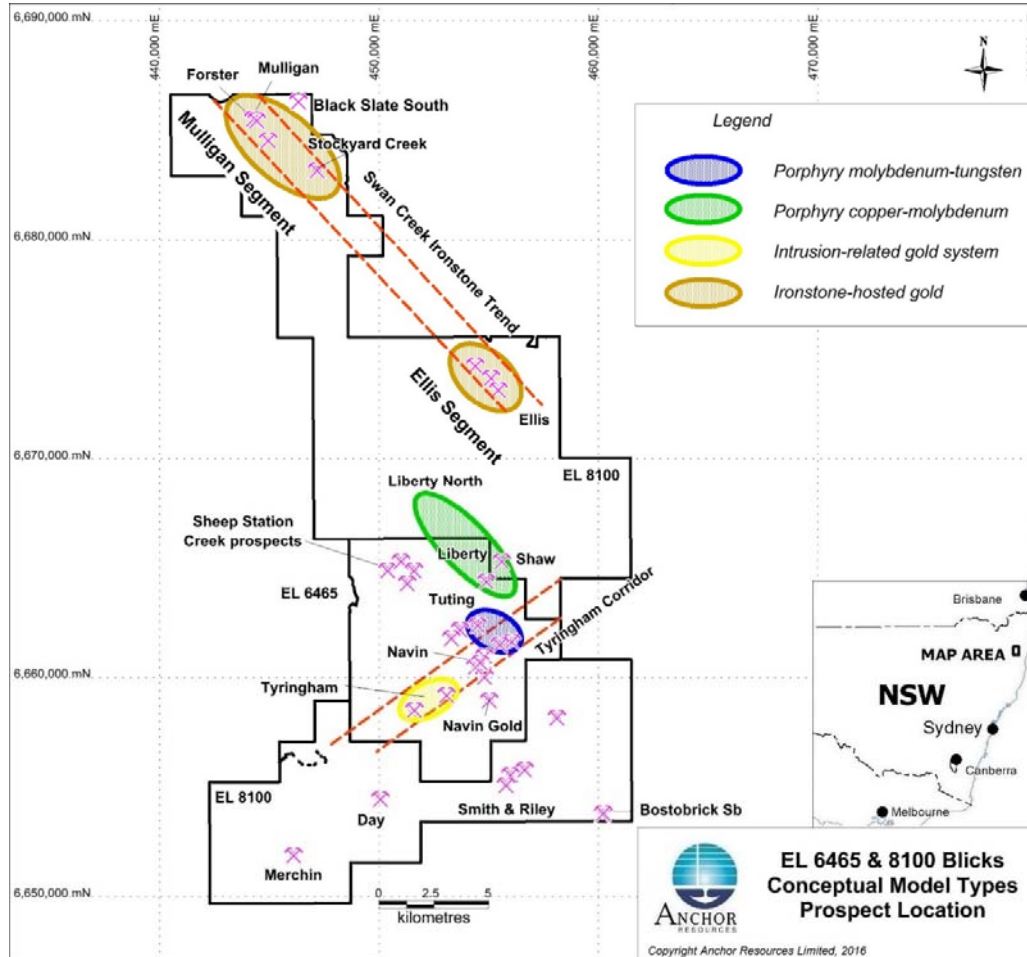


Figure 3: Blicks project showing Anchor's priority target areas and reported mineral occurrences

Field work during the Quarter was focused on the Mulligan and Forster gold prospects.

Mulligan-Forster Gold Prospects

The historic Mulligan and Forster gold (Au) workings (Figure 3) are located in the north of EL 8100 (Blicks Extended) and at the south end of the Dalmorton Goldfield. Reported gold production from the Mulligan workings is 7.282kg (257 ounces) while the Forster workings treated 400 tonnes of ore to produce 1.328kg (47 ounces) at an average recovered grade of 3.65g/t Au. Mining concentrated on flat lying quartz veins up to 0.3m thick and 30m long at the Mulligan workings. A similar quartz vein was worked at the Forster gold workings. Recorded gold production from the Dalmorton Goldfield is 486.5kg (17,000 ounces).

Rock chip sampling returned strongly anomalous gold values in quartz at the Mulligan workings with a peak value of 59.9g/t Au reported (Figure 4). The workings are hosted by clastic sedimentary rocks (sandstone and siltstone), chert, and cherty argillite assigned to the Brooklana Beds of inferred Carboniferous age. A felsic igneous rock, considered to be a microporphyritic rhyodacite, was identified near the Mulligan gold workings. Multiple generations (possibly 3) of quartz veins of possible syn-tectonic origin are present in the old workings.

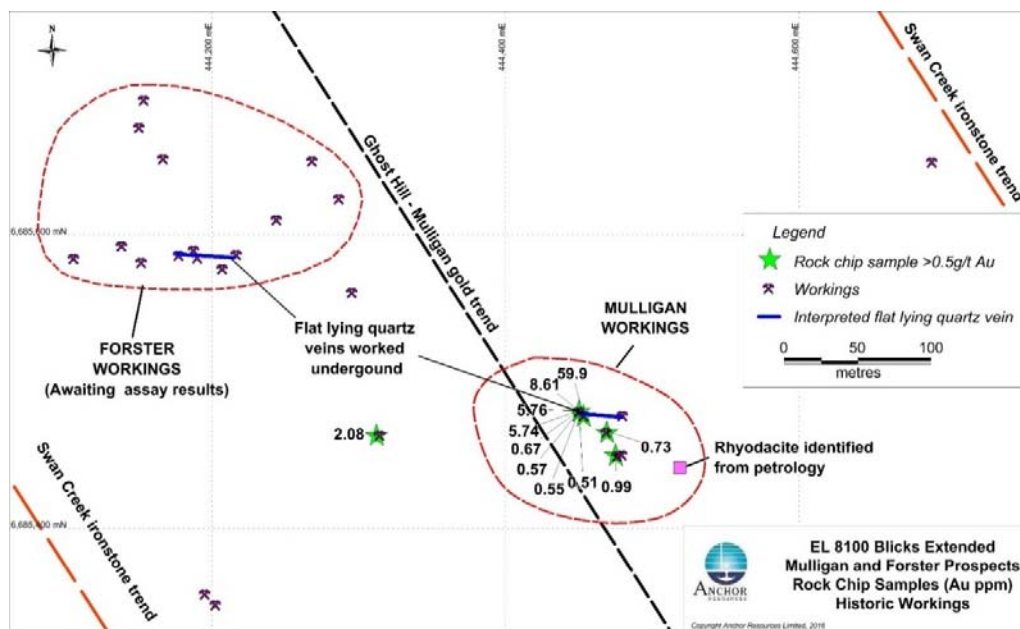


Figure 4: Mulligan and Forster gold workings showing gold values >0.5g/t Au from rock chip sampling

Rock chip samples containing >0.5g/t Au are shown in Table 1.

Table 1: Mulligan workings rock chip sampling results >0.5g/t Au

Sample	Au_ppm	Ag_ppm	As_ppm	Bi_ppm	Cu_ppm	Pb_ppm	Te_ppm	Zn_ppm
74042	0.7	0.1	108.5	0.7	2.5	14.6	0.1	6.0
74045	59.9	2.6	1035.0	0.2	4.2	16.8	0.2	5.0
74046	0.5	0.1	1125.0	0.4	4.4	13.4	0.2	4.0
74048	5.8	0.5	955.0	0.2	4.0	12.7	0.1	5.0
74049	0.6	0.0	625.0	0.0	2.5	8.3	0.0	6.0
74050	0.6	0.1	1215.0	0.6	3.8	28.3	0.1	12.0
74303	0.7	2.6	25.0	0.0	4.0	4.0	0.0	3.0
74304	5.7	0.4	1205.0	0.2	2.3	11.1	0.0	2.0
74306	8.6	2.2	403.0	0.2	2.0	10.3	0.1	3.0
74308	2.1	0.6	871.0	0.3	6.8	190.0	0.1	13.0
74315	1.0	0.0	196.0	0.0	2.5	11.0	0.0	2.0

The Pearson's Correlation coefficient shows a strong relationship between gold and silver despite silver values being relatively low. Gold has a weak correlation with other elements. Arsenic is anomalous in many gold bearing samples and is present in quartz veins as arsenopyrite. The quartz veins also contain sporadic fine grained pyrite.

An orogenic exploration model is proposed for gold mineralisation in the Mulligan-Forster area. The gold – arsenic (Au-As) geochemical association is typical of orogenic gold systems. There is no indication from the multi-element geochemistry completed on the rock chip sample suite of an association with base metals, or with bismuth (Bi), molybdenum (Mo), tellurium (Te) and tungsten (W) suggesting there is little link with granitic intrusion-driven hydrothermal systems. The target is a system of stacked flat lying quartz veins possibly connected by sub-vertical quartz veins. At the Mulligan workings there is evidence of at least 2 sub-parallel flat lying quartz veins and further work is required to evaluate the potential for additional flat lying veins in the immediate area of the old workings. A thin (<5cm) gold-bearing sub-vertical quartz vein assays 2.1g/t Au occurs at the Mulligan workings suggesting the flat lying veins may be linked by vertical structures.

Further work is planned in the Mulligan-Forster area and will consist of detailed geological mapping and additional rock chip sampling.

Liberty Copper-Molybdenum Prospect

The Liberty copper-molybdenum prospect is centred on a small elongate magnetic low anomaly within the Billys Creek Tonalite which is coincident with a strong linear magnetic high anomaly. Several peaks along this linear magnetic anomaly are targeted for future grid based soil sampling. The magnetic low is interpreted as a younger, separate and distinct intrusion or possibly a breccia pipe.

No field work was carried out during the Quarter.

Tuting Molybdenum-Tungsten±Copper Prospect

The Tuting prospect is a large molybdenum-tungsten soil geochemical anomaly coincident with an underlying elongate polyphase biotite monzogranite intrusion prospective for molybdenum, tungsten and copper.

No field work was carried out during the Quarter.

Tyringham Gold Prospect

No field work was carried out during the Quarter.

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

Land access to complete remediation at three former drill sites, as directed by the Environmental Sustainability Unit, Department of Trade & Investment in January 2012, and for further exploration is currently being negotiated with the landowner. The matter is currently under arbitration with results pending.

No field work was carried out during the Quarter.

**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 is prospective for porphyry copper-molybdenum style mineralisation.

No field work was carried out during the Quarter.

**Aspiring Project, EPM 19447 and EPM 25958 (Anchor 100%)
Queensland – copper, gold, silver, lead & zinc**

The Aspiring project is located in the Chillagoe mining district which forms part of the Hodgkinson Province in Far North Queensland.

EPM 25958 application (Walsh River) covering approximately 162.4 km² was granted on in December 2015 for five years (Figure 5).

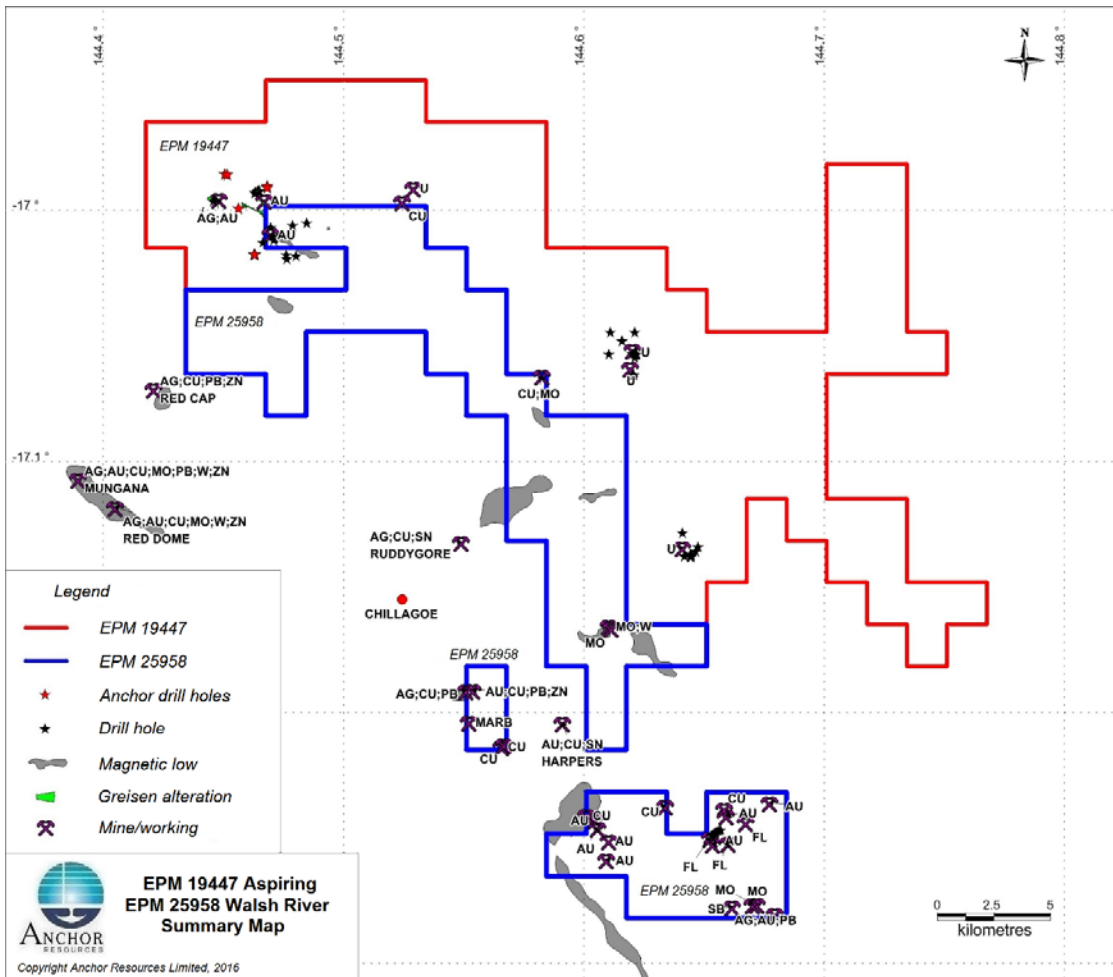


Figure 5: EPM 19447 (Aspiring) and EPM 25958 (Walsh River) showing negative remanent magnetic anomalies of interest and recorded mineral occurrences

The additional blocks provide Anchor with strategic access to an area contiguous with its current EPM 19447 that is geologically prospective for the development of mineralisation with good evidence inferred from historic reports recording gold and copper mineralisation associated with hydrothermal alteration systems close to the current Anchor EPM boundary.

No field work was carried out during the Quarter.

New Ventures

The generally subdued level of exploration activity has continued throughout Australia and Anchor continues to review opportunities to acquire an interest in new ventures.

Ian L Price
Director
Anchor Resources Limited

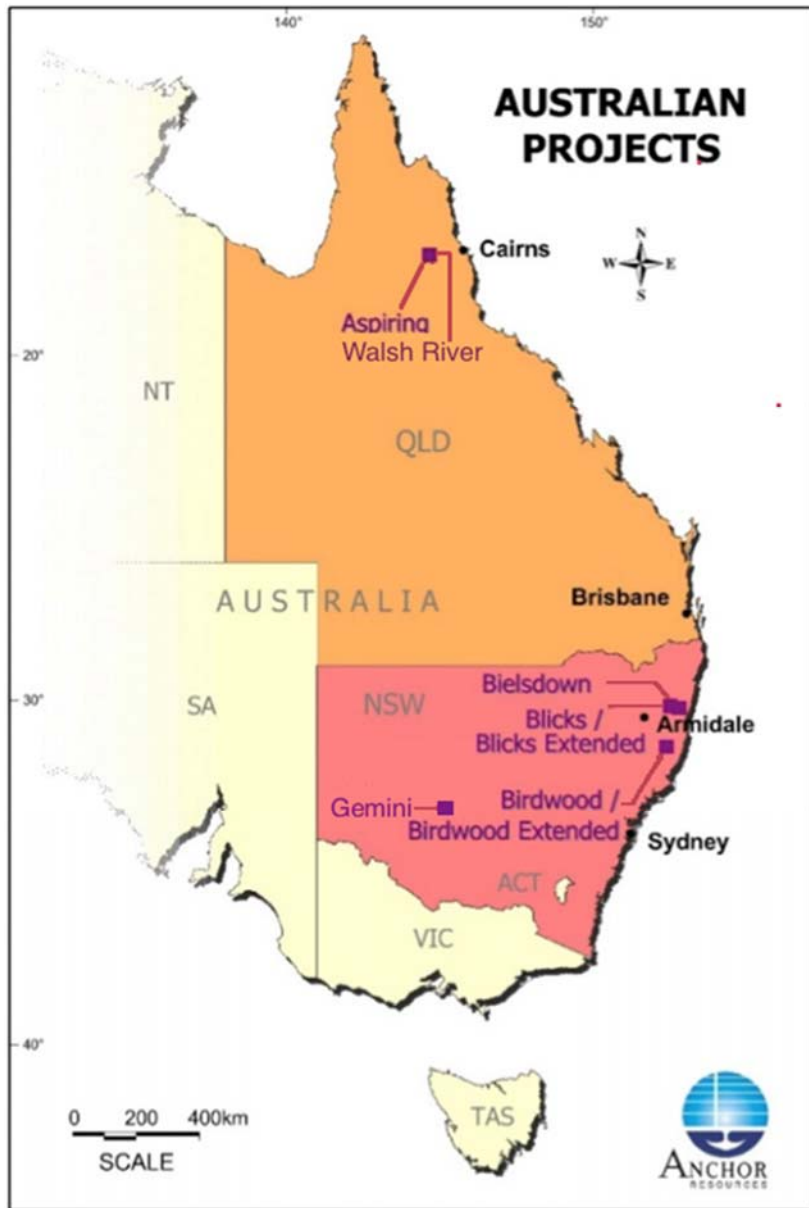
Competent Person Statement

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 21 January 2016

TENEMENT NUMBER	NAME	LOCATION	HOLDER	DATE OF FIRST GRANT	TERM OF RENEWAL	AREA km ²
EL 6388	BIELSDOWN	NSW	Anchor Resources Limited	04.03.05	3 Years	35
EL6465	BLICKS	NSW	Scorpio Resources Pty Ltd	29.09.05	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	2 Years	36
EL 8295	BIRDWOOD EXTENDED	NSW	Scorpio Resources Pty Ltd	12.08.14	2 Years	293
EL 8398	GEMINI	NSW	Scorpio Resources Pty Ltd	07.10.15	3 Years	289
EPM 19447	ASPIRING	QLD	Sandy Resources Pty Ltd	08.07.13	3 Years	291
EPM 25958	WALSH RIVER	QLD	Sandy Resources Pty Ltd	07.12.15	5 Years	190

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



Reporting of Exploration Results – EL 8100 (Blicks Extended) 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	<ul style="list-style-type: none"> 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. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 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. 	<ul style="list-style-type: none"> Rock chip samples were selected on the basis of lithology and visible mineralisation for standard analysis at a commercial laboratory to identify areas where further work is warranted. Rock chip samples are representative of mineralisation styles and host lithology and collected in a consistent manner at each sample location. Rock chip sampling is useful as a preliminary exploration tool for gold and base metal mineralisation to identify areas of interest for further investigation.
Drilling techniques	<ul style="list-style-type: none"> 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). 	<ul style="list-style-type: none"> n/a.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	<ul style="list-style-type: none"> n/a.
Drill sample recovery (continued)	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 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. 	<ul style="list-style-type: none"> n/a. n/a.

Criteria	JORC Code Explanation	Commentary
Logging	<ul style="list-style-type: none"> • 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. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> • Rock chip samples are routinely qualitatively described by an experienced exploration geologist at the point of sample collection. Rock chip samples of high interest are collected for further petrographic investigation by a consultant. • n/a. • n/a.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the <i>in situ</i> material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • n/a. • n/a. • Rock chip samples are dried, crushed and pulverised in the laboratory prior to sample dissolution for assay. • 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. • Sampling is considered representative of <i>in situ</i> material collected. No field duplicate rock chip samples have been collected. • Sample size is considered appropriate given the style of mineralisation and previous success in discovering gold mineralisation in bedrock at this region.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • 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 standards. • Procedures for rock chip samples: crush to >70% passing -6mm then approximately 1kg pulverised to 85% passing 75 µm with 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-AES finish (technique for higher grade samples). • n/a.

Criteria	JORC Code Explanation	Commentary
	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Anchor has used a small number of certified reference materials inserted blindly and randomly into all batches of soil and rock chip 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	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Graeme Rabone & Associates Pty Ltd supervised the rock chip sampling program. n/a. Primary data is recorded electronically into a hand held GPS unit and downloaded onto a PC each day. Data back-up is completed on a routine basis. No adjustments are made to assay data.
Location of data points	<ul style="list-style-type: none"> 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. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> Sample points located by GPS with a ± 5 meter error. Anchor data is in MGA94 Zone 55. Coordinate information includes easting, northing and elevation.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Rock chip sampling is focused on old workings and outcrop in the vicinity of the old workings. Rock chip sampling is designed to establish the style of mineralization present in the area and detection of large mineralised systems for potential further work. No sample compositing has been undertaken.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. 	<ul style="list-style-type: none"> Rock chip sampling along veins and structures used to determine potential of veins and structures to host mineralisation. n/a.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Chain of custody is managed by Anchor staff. Samples are stored in a secure 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). Samples are

Criteria	JORC Code Explanation	Commentary
		submitted to the laboratory using a standard “ALS Sample Submittal Form”.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audit or review completed.

Section 2 – Reporting of Exploration Results

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

Criteria	JORC Code Explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Exploration Licence 8100 (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. The small village of Dundurrabin lies adjacent to the tenement. 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. Tenement is current and in “good standing”.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgement and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> Historic work completed by prospectors, NSW Geological Survey, Little River Goldfields, Endurance Mining Corporation, International Mining Corporation, and Caledonian Pacific Minerals and related parties. No resources were identified. Current tenure explored by Anchor with no other parties involved.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Conceptual porphyry molybdenum-tungsten, porphyry copper-molybdenum, intrusion-related gold systems and orogenic gold exploration models.

Criteria	JORC Code Explanation	Commentary
<i>Drill hole Information</i>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ○ 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 ○ 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. 	<ul style="list-style-type: none"> • Current work not undertaken in areas of previous drilling. • There is no exclusion of information. Recent exploration is “grass roots” in nature.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • n/a. • n/a. • No metal equivalents used.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • 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’). 	<ul style="list-style-type: none"> • n/a. • n/a. Geometry of mineralised zones currently not known. • n/a.
<i>Diagrams</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Plan of work areas shown in current report.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Reporting of exploration results is balanced and comprehensive.

Criteria	JORC Code Explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Rock chip sampling used to identify areas of interest in stage 1 exploration. Soil sampling has proved to be a successful technique in locating gold and base metals in bedrock. Geological mapping, structural analysis and geophysical survey results are used in conjunction with soil geochemical results and are important attributes in selecting potential targets.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Follow up work is planned to determine the prospectivity of the preliminary targets identified. Soil sampling may be undertaken should follow up rock chip geochemical results be encouraging. Insufficient work completed to determine possible mineralisation extensions.

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

49 122 751 419

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

	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	(162)	(361)
(b) development		
(c) production		
(d) administration	(141)	(348)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	5
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(300)	(704)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects		
(b) equity investments		
(c) other fixed assets	(4)	(4)
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)	-	(10)
Net investing cash flows	(4)	(14)
1.13 Total operating and investing cash flows (carried forward)	(304)	(718)

1.13	Total operating and investing cash flows (brought forward)	(304)	(718)
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	300	750
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other - Share issue costs		
	Net financing cash flows	300	750
Net increase (decrease) in cash held			
		(4)	32
1.20	Cash at beginning of quarter/year to date	483	447
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	479	479

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	43
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	Amount used
	\$A'000	\$A'000
3.1 Loan facilities		
Loan facility with China Shandong Jinshunda Group	13,000	10,200
3.2 Credit standby arrangements	Nil	Nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	Nil
4.3 Production	Nil
4.4 Administration	200
Total	400

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	Previous quarter
	\$A'000	\$A'000
5.1 Cash on hand and at bank	59	48
5.2 Deposits at call	420	435
5.3 Bank overdraft	-	-
5.4 Other (bills receivable and bank accepted bills)	-	-
Total: cash at end of quarter (item 1.22)	479	483

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			
6.2	Interests in mining tenements acquired or increased			
	Gemini	Beneficial	0%	100%
	Walsh River	Beneficial	0%	100%

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)			<i>Exercise price</i>	<i>Expiry date</i>
- Unquoted Options (ESOP)	1,395,000	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:

28-Jan-16

(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.