



Anchor Resources Limited

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ASX Code: AHR

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18th April 2016

QUARTERLY ACTIVITY REPORT – MARCH 2016

Anchor's field work focused on two New South Wales projects in the March Quarter 2016, the newly granted Gemini project in the Lachlan Orogen and the Blicks project in the New England Orogen.

Highlights from work completed during the Quarter include:

- **Gemini Project** – Anchor completed an initial prospect reconnaissance program and held meetings with landowners and other stakeholders at Gemini in March.
- **Blicks Project** – soil sampling and mapping at the Liberty prospect and rock-chip sampling and mapping at the Mulligan/Forster prospect.

Directors

| | |
|--------------------|----------|
| Mr. Jianguang Wang | Chairman |
| Mr. Ian Price | Director |
| Mr. Vaughan Webber | Director |
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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.



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

Blue Mountain Prospect

Based on Anchor’s compilation of previous explorers’ data, 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 (Figure 2). 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.

Previous drilling at the prospect was confirmed through inspection of 2 inclined diamond core holes and a single inclined RC drill collar. A gossanous quartz breccia discovered north of drill hole BMDD002 was scanned with a portable XRF returning values of Pb up to 0.1%, Zn ~230ppm, Cu ~400-500ppm, As 720ppm and Te 230ppm. It was also noted the anomalous Cu anomaly occurs in area of no outcrop so the target is completely concealed under thin cover.

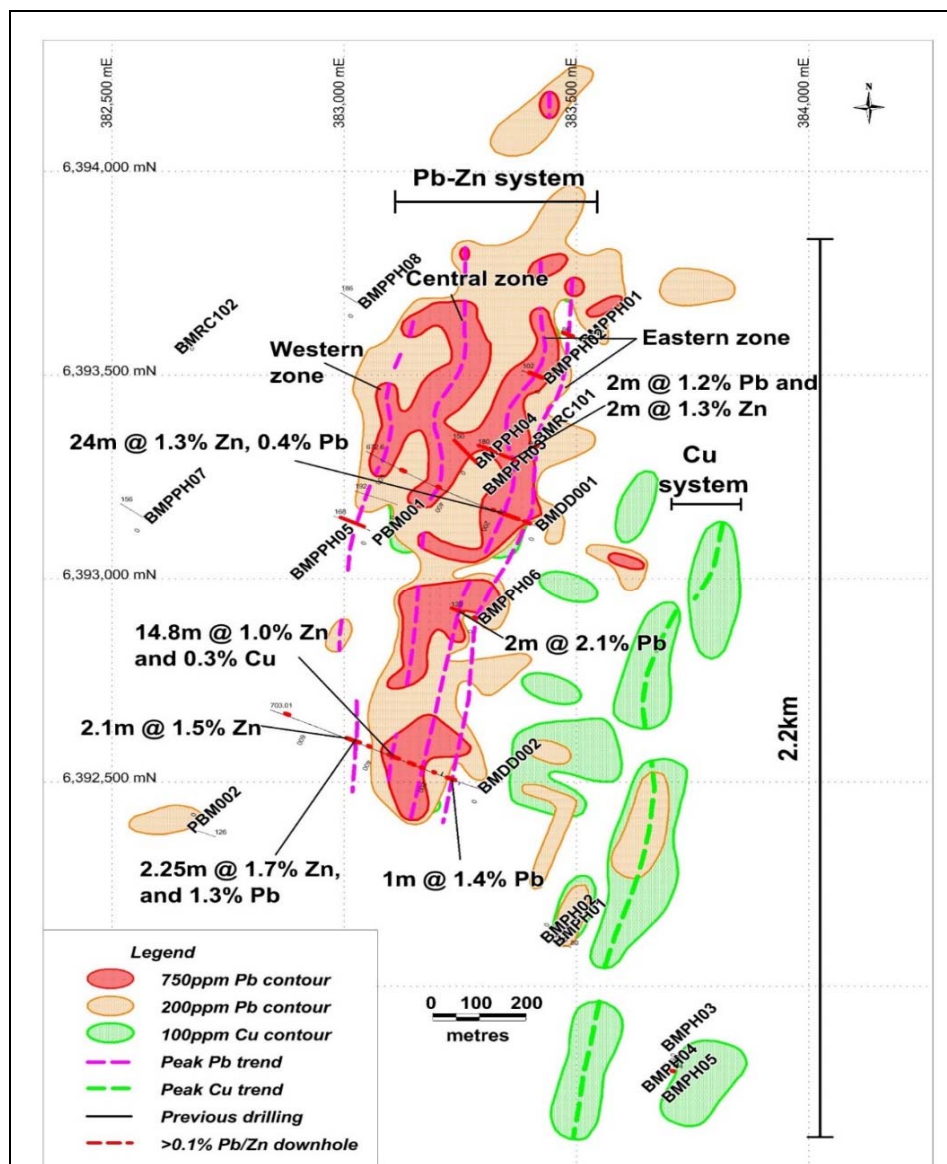


Figure 2: Blue Mountain Zn-Pb-Cu prospect bottom hole RAB Pb and Cu geochemistry

Anchor completed an initial prospect reconnaissance program and held meetings with landowners and other stakeholders at Gemini in March.

**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.

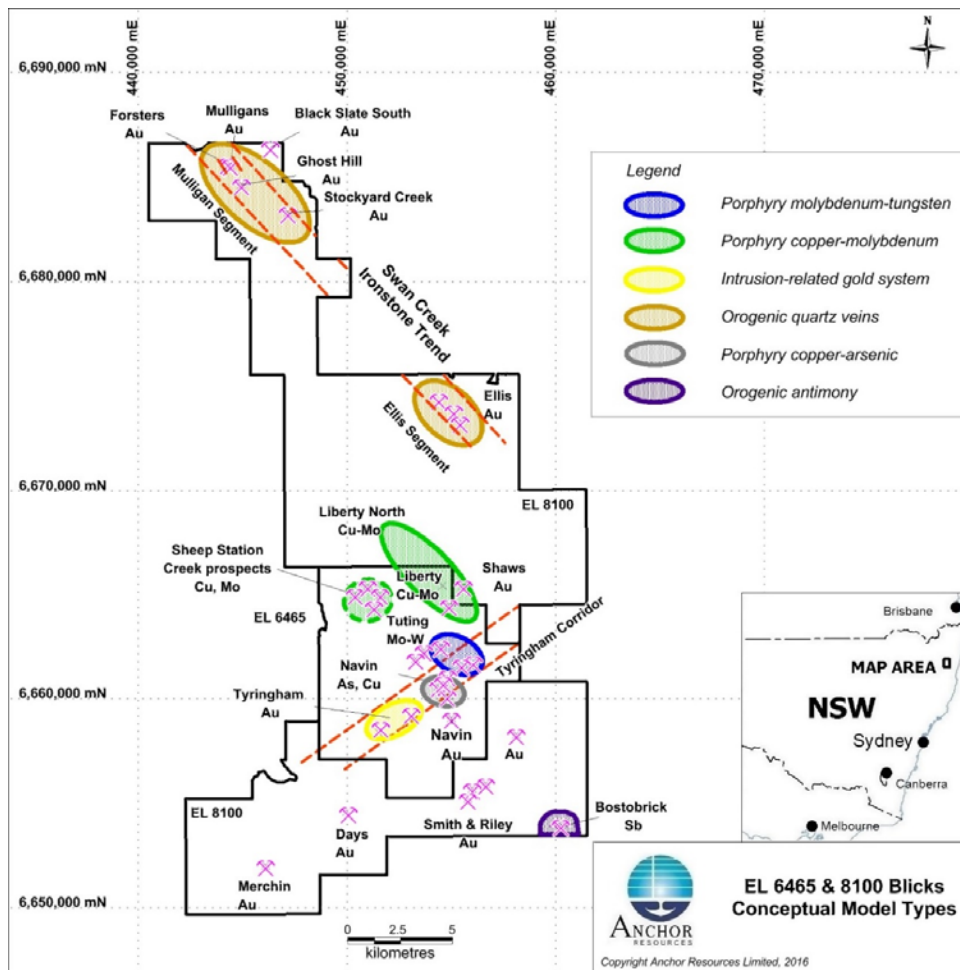


Figure 3: Blicks project showing Anchor’s priority target areas and reported mineral occurrences

Field work during the Quarter focused on the Liberty Cu-Mo and Mulligan-Forster Au prospects.

Liberty Copper-Molybdenum Prospect

The Liberty Cu-Mo prospect is centred on an elongate magnetic low that transgresses a magnetic ridge underlain by tonalite with sparsely disseminated chalcopyrite. Several magnetic highs along this linear magnetic anomaly are targeted for grid based soil sampling. The magnetic low is interpreted as a younger, separate and distinct intrusion or possibly a breccia pipe.

Exploration has commenced at the Liberty Cu-Mo prospect with concurrent grid based -80 mesh B-C horizon soil sampling and geological mapping. Several rock samples were collected for petrographic investigation to provide more rigorous technical control on the range of rock types in the area. This information will in turn enable a stronger interpretation of geochemical data at the completion of the program.

Mulligan-Forster Gold Prospects

The historic Mulligan and Forster gold (Au) workings 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 while the Forster workings treated 400 tonnes of ore to produce 1.328kg 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 style of quartz vein was worked at the Forster gold workings. Recorded gold production from the Dalmorton Goldfield is 486.5kg.

Geological mapping and rock-chip sampling of the Mulligan prospect has been completed. Selected quartz vein material was selected for analysis (Table 1). The quartz material was selected from the various quartz dumps around each of the workings. These dumps may be the ore dumps the original miners were processing. Results show gold is present in many of the quartz samples. From assessing the multi-element assay results and field observations, the exploration model for Mulligan is orogenic gold.

Table 1: rock-chip assay results of samples from various quartz dumps around each of the workings

| SAMPLE_ID | EAST_MGA94z56 | NORTH_MGA94z56 | RL | LITHOLOGY_1 | Au_ppm | Ag_ppm | As_ppm | Cu_ppm | Pb_ppm | Zn_ppm |
|-----------|---------------|----------------|-----|---------------------------------------|--------|--------|--------|--------|--------|--------|
| 74042 | 444469 | 6685466 | 740 | Quartz in dump | 0.725 | 0.13 | 108.5 | 2.5 | 14.6 | 6 |
| 74045 | 444453 | 6685477 | 747 | Quartz in dump | 59.9 | 2.62 | 1035 | 4.2 | 16.8 | 5 |
| 74046 | 444450 | 6685480 | 743 | Quartz in dump | 0.507 | 0.08 | 1125 | 4.4 | 13.4 | 4 |
| 74048 | 444450 | 6685480 | 743 | Chert in dump | 5.76 | 0.48 | 955 | 4 | 12.7 | 5 |
| 74049 | 444450 | 6685480 | 743 | Quartz in dump | 0.573 | 0.03 | 625 | 2.5 | 8.3 | 6 |
| 74050 | 444450 | 6685480 | 743 | Quartz and chert in dump | 0.55 | 0.13 | 1215 | 3.8 | 28.3 | 12 |
| 74303 | 444450 | 6685480 | 743 | Quartz in dump | 0.672 | 2.62 | 25 | 4 | 4 | 3 |
| 74304 | 444450 | 6685480 | 743 | Greywacke and quartz in dump | 5.74 | 0.42 | 1205 | 2.3 | 11.1 | 2 |
| 74304 | 444450 | 6685480 | 743 | Greywacke and quartz in dump | 8.61 | 2.15 | 403 | 2 | 10.3 | 3 |
| 74305 | 444450 | 6685480 | 743 | Greywacke with minor quartz from dump | 2.08 | 0.62 | 871 | 6.8 | 190 | 13 |
| 74311 | 444691 | 6685650 | 750 | Ironstone | 0.989 | 0.03 | 196 | 2.5 | 11 | 2 |
| 74322 | 444450 | 6685480 | 743 | Quartz from dump | 0.835 | 0.07 | 3940 | 5.3 | 31.4 | 7 |
| 74327 | 444479 | 6685477 | 768 | Quartz from dump | 30 | 3.71 | 1180 | 3.3 | 13.9 | 22 |
| 74332 | 444177 | 6685583 | 714 | Quartz from dump | 1.475 | 0.17 | 265 | 1.9 | 6.9 | 5 |
| 74333 | 444106 | 6685585 | 706 | Quartz from dump | 4.46 | 0.46 | 2990 | 1.3 | 7.6 | 5 |

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

The Tyringham prospect is an Intrusion-related Gold System (IRGS) that most commonly occurs as intrusion-hosted gold-bearing quartz vein arrays.

The Tyringham prospect consists of two spatially separate soil geochemical gold anomalies centred 1.7km apart. These gold bearing systems occur within a corridor of anomalous gold geochemistry extending for up to 6km long and 1km wide. At least three gold mineralised centres are currently known within this corridor

No field work was carried out during the Quarter.

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

The Bielsdown project is located in the southern portion of the New England Orogen in northeast New South Wales, 12km north of Dorrigo. The project includes the Bielsdown orogenic antimony deposit.

The Bielsdown Land Access Arbitration has been completed with the final determination handed down on 29 March 2016. The new Land Access Arrangement will enable Anchor to remediate former drill sites and access for further exploration.

No field work was carried out during the Quarter.

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

The Birdwood project is located in the southern portion of the New England Orogen 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.

The newly acquired EPM 25958 together with existing EPM 19447 provides Anchor with a contiguous area covering approximately 453 km² that is geologically prospective for the development of a variety of styles of mineralisation.

The area's prospectivity is inferred from reported mineral occurrences and historic reports recording gold and copper mineralisation associated with hydrothermal alteration systems, and in particular large porphyry copper-gold style deposits.

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 Gemini project, 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 18 April 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

Quarter ended ("current quarter")

49 122 751 419**31 March 2016**

Consolidated statement of cash flows

| | Current quarter | Year to date (9 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 | (181) | (542) |
| (b) development | | |
| (c) production | | |
| (d) administration | (202) | (550) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 2 | 7 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other | | |
| Net Operating Cash Flows | (381) | (1,085) |
| Cash flows related to investing activities | | |
| 1.8 Payment for purchases of: (a) prospects | | |
| (b) equity investments | | |
| (c) other fixed assets | (1) | (5) |
| 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 | (1) | (15) |
| 1.13 Total operating and investing cash flows (carried forward) | (382) | (1,100) |

| | | | |
|------|--|-------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (382) | (1,100) |
| | 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 | 600 | 1,350 |
| 1.17 | Repayment of borrowings | | |
| 1.18 | Dividends paid | | |
| 1.19 | Other - Share issue costs | | |
| | Net financing cash flows | 600 | 1,350 |
| | Net increase (decrease) in cash held | 218 | 250 |
| 1.20 | Cash at beginning of quarter/year to date | 479 | 447 |
| 1.21 | Exchange rate adjustments to item 1.20 | | |
| 1.22 | Cash at end of quarter | 697 | 697 |

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 | 107 |
| 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. | 43 |
| Payroll tax liability paid to related entity | 64 |

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 | 10,800 |
| 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 | 47 | 59 |
| 5.2 Deposits at call | 650 | 420 |
| 5.3 Bank overdraft | - | - |
| 5.4 Other (bills receivable and bank accepted bills) | - | - |
| Total: cash at end of quarter (item 1.22) | 697 | 479 |

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 | | | |

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:

18-Apr-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.