

## Anchor Resources Limited

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# QUARTERLY REPORT ON ACTIVITIES – SEPTEMBER 2018

## HIGHLIGHTS

### **Cobar Basin Project, New South Wales**

- Induced Polarization (IP) survey commenced at Blue Mountain (EL8398 Gemini) late in the Quarter and will be extended during the December Quarter;
- Altered, brecciated and weakly mineralised rocks identified at newly identified prospects Bowman and Zeus; (EL8398 Gemini)
- ELA 5691 was granted as EL 8795 (Aries) during the Quarter; and
- Anchor continued to appraise opportunities in the region.

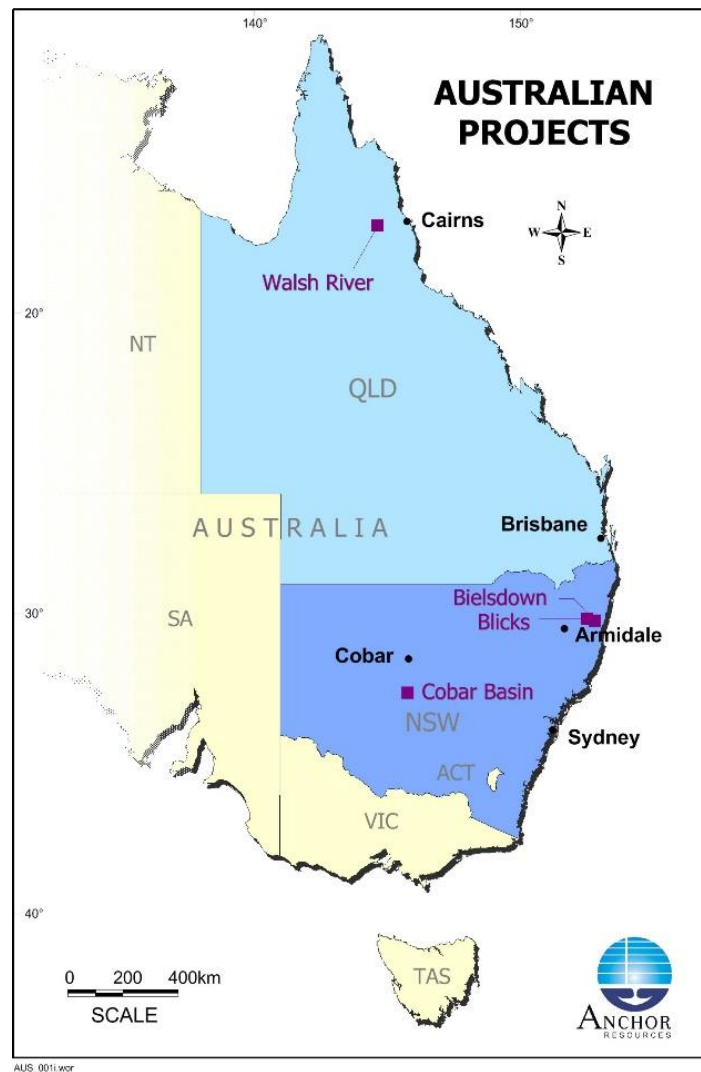
### **Walsh River Project, Queensland**

- Two epithermal gold vein systems have been identified for drilling within a recently discovered epithermal gold camp near Chillagoe.

Anchor Resources Limited's (Anchor, ASX: AHR) exploration projects host a number of encouraging targets with potential for significant new mineral deposits. In addition, its Bielsdown project in New South Wales has a JORC (2012) resource of antimony.

Anchor holds nine exploration licences in NSW, including EL 6465 & EL 8100 (Blicks project), EL 8398, EL 8723, EL 8724, EL 8725, EL 8743 and EL 8795 (Cobar Basin project), and EL 6388 (Bielsdown project). In Queensland, at the Walsh River project, it holds an exploration permit for minerals, EPM 25958 (Walsh River), where epithermal gold and polymetallic granite-related mineral systems have been identified by Anchor.

The location of Anchor's projects in eastern Australia are shown in Figure 1.



**Figure 1: Location of Anchor's projects in eastern Australia**

**Cobar Basin Project, EL 8398 (Gemini), EL 8723 (Libra), EL 8724 (Leo), EL 8725 (Taurus), EL 8743 (Aquarius) & EL 8795 (Aries) (Anchor 100%), New South Wales – copper, lead, zinc, gold, & silver**

The Cobar Basin has a long history of ongoing mineral discoveries extending from 1869 up to recent times confirming its potential as a world class mineral province prospective for major new discoveries. Cobar-type deposits are high grade, polymetallic mineral systems, viable under a wide range of economic conditions. The geometry of many deposits has in the past made them challenging targets for exploration however, as the understanding of these deposits increases and technology advances, new opportunities are created and new discoveries are being made in both brownfield and greenfield terranes. Anchor's Cobar Basin tenements are shown on Figure 2.



**Figure 2: Location of Anchor's Cobar Basin tenements**

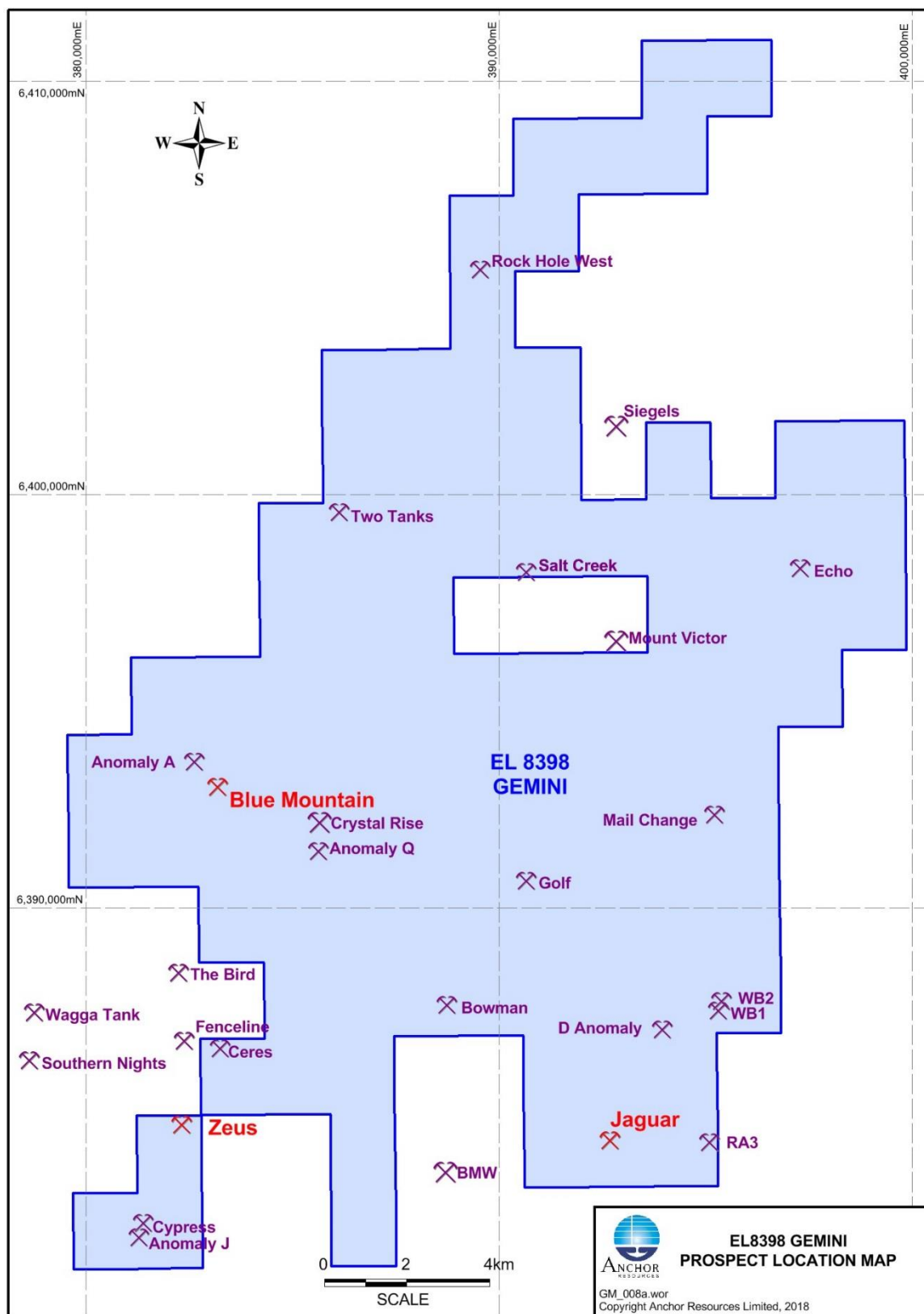
The granted exploration licences are partly contiguous within the southern and central part of the Cobar Basin. A new exploration licence, EL 8795 (Aries), was granted on 20 September 2018 for a term of 3 years.

IP surveying has proved to be a successful geophysical technique in locating concealed massive sulphide deposits in the Cobar Basin. Following encouraging results from field programs completed in the March Quarter (see AHR Quarterly Report dated 27 April 2018) an IP survey covering the Blue Mountain and Jaguar Group of prospects commenced at the end of the June Quarter. The Blue Mountain IP survey program will be extended during the December Quarter. Interpretation of results has commenced at Blue Mountain and Jaguar, and a report from the Company's consultant geophysicist is expected during the next Quarter.

Anchor continued their program of field assessment of selected target areas of interest within EL 8398 Gemini during the current Quarter. Assay results from fifteen rock chip samples collected during the previous Quarter yielded anomalous gold values at Bowman (0.18 g/t and 0.17g/t Au), and arsenic values at Zeus (up to 1,315ppm As). In addition, selected rock samples were collected for petrology. A petrographic investigation of a sample from the Bowman prospect is interpreted as a potassic-altered, low grade metamorphosed and veined felsic tuff. Several syn-tectonic (deformed) veins were emplaced, containing medium to coarse grained quartz, minor K-feldspar and traces of sericite, rutile and pyrite. Supergene alteration was imposed on this rock, with almost all pyrite being replaced by goethite pseudomorphs or leached out to form voids. A petrographic investigation of rocks from the Zeus prospect interpreted transitional strongly phyllic-silicic type hydrothermal alteration and veined porphyritic felsic volcanic rock, perhaps originally of dacitic composition. Petrographic investigations also confirmed a clast-supported breccia composed of fine grained sedimentary rock fragments and showing strong silicification and subsequent emplacement of veining and later supergene alteration. A few later veins were emplaced, with these being sub-planar and ranging from quartz-rich to those with considerable magnetite and/or hematite, as well as minor pyrite. A trace of pyrite also formed in the silicified breccia.

Additional targets remain to be field checked and sampled in a follow up field program during the next Quarter.

Reported mineral occurrences and anomalies within EL 8398 are shown in Figure 3.



**Figure 3: EL 8398 mineral occurrences and anomalies**

## Walsh River Project, EPM 25958 (Anchor 100%) Queensland – gold, silver, copper, lead & zinc

The Walsh River tenement is located in the Chillagoe mining district, which forms part of the larger Hodgkinson Province in Far North Queensland. Historically the Chillagoe mining district is the most productive region in the Hodgkinson Province. Subsequent to the end of the September Quarter the Walsh River EPM was reduced from 58 sub-blocks to 35 sub-blocks (23 sub-blocks) as part of the statutory requirement after 3 years.

The Walsh River project is close to known porphyry and skarn-related gold-copper-silver mineralisation with a mineral inventory in excess of 3.5 Moz Au, 335,000 tonnes Cu and 39 Moz Ag. Work last year by Anchor identified epithermal gold-silver mineralisation in the Fluorspar area. Epithermal gold-silver deposits are often found in regions of porphyry gold-copper mineralisation where they form an upper level continuum of porphyry systems. Exploration within EPM 25958 Walsh River is focused on low sulphidation epithermal gold systems in the recently discovered Fluorspar epithermal gold camp and granite-related multi-element mineralization (Figure 4).

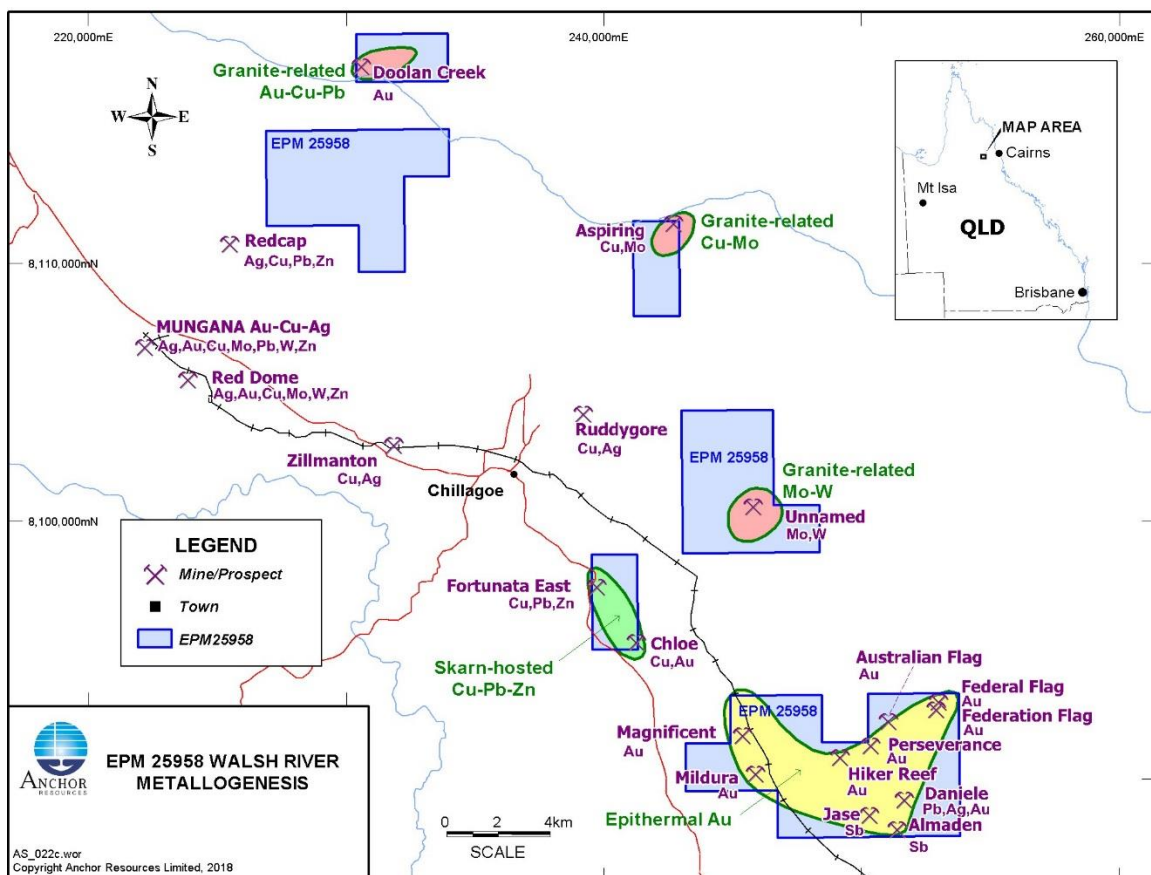
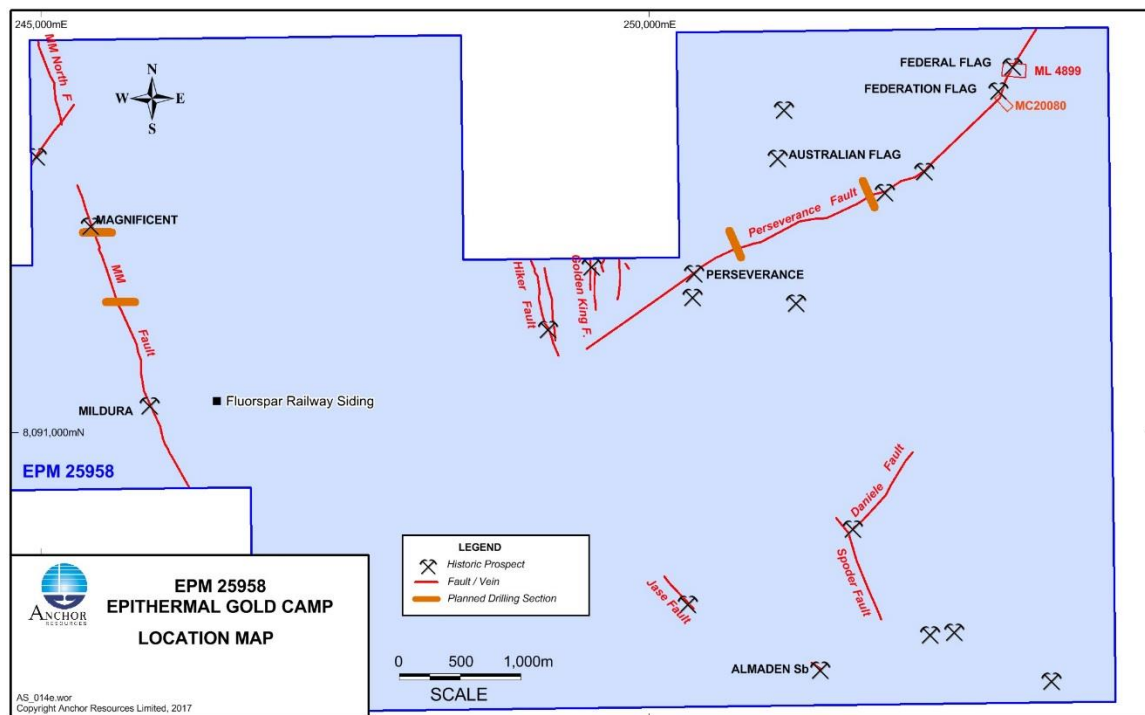


Figure 4: EPM 25958 Walsh River prospects

Two regional scale epithermal gold-silver vein systems have been identified for drilling:

- Perseverance Fault; and
- MM Fault.

A number of epithermal gold-bearing quartz veins have recently been defined (Figure 5) by Anchor's field exploration and sites have been selected for future drilling. A minimum program of 1,500 metres of RC drilling on 3 sections (2 holes per section) testing two different vein systems are required to validate the conceptual exploration model. The objective is to test for higher gold grades and widths at a depth up to 200 metres below surface.



**Figure 5: Fluorspar epithermal gold camp**

No field work was carried out in the Quarter.

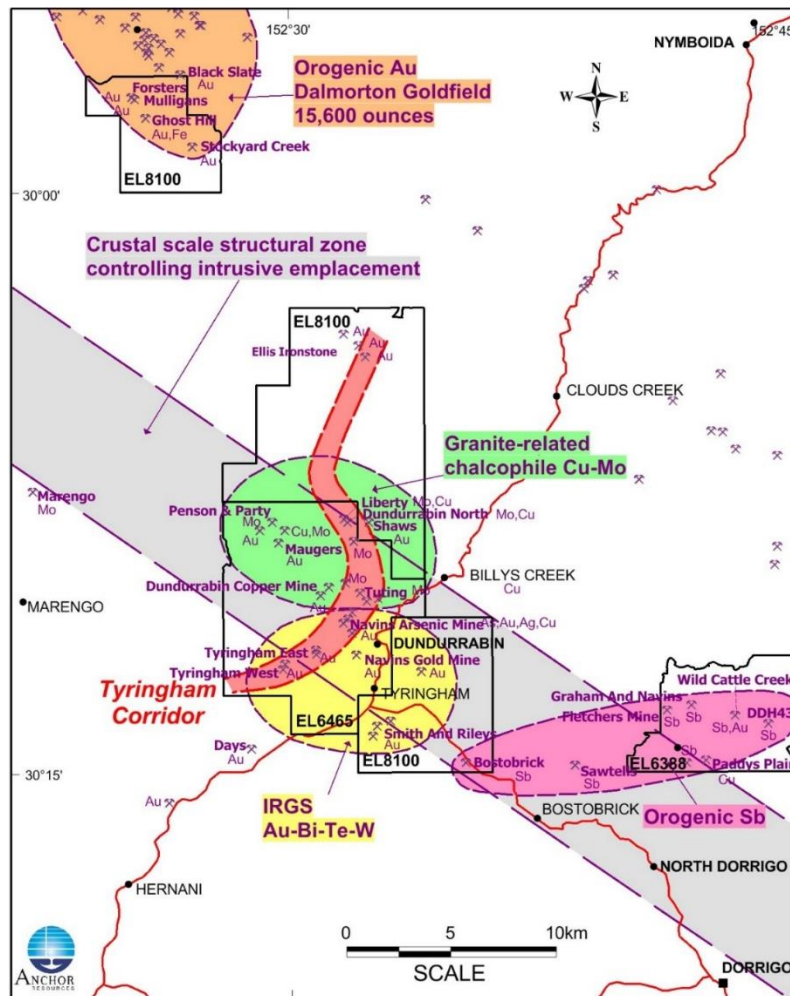
### **BLICKS PROJECT, EL 6465 and EL 8100 (Anchor 100%) New South Wales – gold, copper, molybdenum & tungsten**

The Blinks project is located in the Southern New England Orogen in northeast NSW, 90 km northeast of the major regional centre of Armidale. The project's main prospects are **Tyringham** (intrusion-related gold system), **Navin** (granite-related polymetallic), **Tuting** (granite-related molybdenum-tungsten) and **Liberty** (granite-related copper-molybdenum). This is a significant polymetallic mineral district with large, multi-element



soil geochemical anomalies associated with a transverse corridor hosting a number of granitoid intrusions of different ages over an area 12 km x 2 km.

The Tyringham Corridor is a transverse lineament where a number of intrusions have been emplaced over a period of 65 million years. The intrusions are often anomalous in a variety of metals. Intrusion-related gold mineralisation is present at Tyringham, granite-related arsenic-copper-zinc-silver mineralisation is present at Navin, molybdenum-tungsten mineralisation is present at Tuting, and copper-molybdenum mineralisation is found at Liberty and within the Billys Creek Tonalite either side of Liberty. Magnetic imagery suggests the Tyringham Corridor may extend a further 7 km northeast where another intrusion is interpreted from magnetics and granitoid float has been found (Figure 6).



**Figure 6: Tyringham Corridor and spatially associated diverse mineral systems**

A comprehensive technical review of the Blinks project was completed recently and has confirmed the potential of the project to host major mineral deposits.

No field work was carried out in the Quarter.



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

The Bielsdown Land Access Arbitration was 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 however, the landowner has not yet provided access to commence field activities.

No field work was carried out during the Quarter.

***Corporate***

As at the end of the Quarter the Company had cash on hand of \$1.68 million.

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**Competent Person Statement**

The information relating to the Exploration Results and geological interpretation for the Blinks, Bielsdown, Gemini, Libra, Leo, Taurus, Aquarius, Aries and Walsh River projects 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 at 26 October 2018

TENEMENT NUMBER	NAME	LOCATION	HOLDER	DATE OF FIRST GRANT	EXPIRY	AREA km <sup>2</sup>
EL 6388	BIELSDOWN	NSW	Anchor Resources Limited	04/03/2005	03/03/2019	35
EL 6465	BLICKS	NSW	Scorpio Resources Pty Ltd	29/09/2005	29/09/2019	80
EL 8100	BLICKS EXTENDED	NSW	Scorpio Resources Pty Ltd	11/06/2013	11/06/2019	150
EL 8398	GEMINI	NSW	Scorpio Resources Pty Ltd	07/10/2015	07/10/2018	289
EL 8723	LIBRA	NSW	Cobar Minerals Pty Ltd	29/03/2018	29/03/2021	35
EL 8724	LEO	NSW	Cobar Minerals Pty Ltd	29/03/2018	29/03/2021	631
EL 8725	TAURUS	NSW	Cobar Minerals Pty Ltd	29/03/2018	29/03/2021	313
EL 8743	AQUARIUS	NSW	Cobar Minerals Pty Ltd	04/05/2018	04/05/2021	208
EL 8795	ARIES	NSW	Cobar Minerals Pty Ltd	20/9/2018	20/9/2021	61
EPM 25958	WALSH RIVER	QLD	Sandy Resources Pty Ltd	07/12/2015	06/12/2020	115

*Note: Scorpio Resources Pty Ltd, Sandy Resources Pty Ltd and Cobar Minerals Pty Ltd are wholly owned subsidiaries of Anchor Resources Limited*