



## ANCHOR RESOURCES LIMITED

(Company Registration No.: 201531549N)  
(Incorporated in the Republic of Singapore on 12 August 2015)

### Additional Disclosure Required for Mineral, Oil and Gas Companies For First Quarter Ended 31 March 2018

The Board of Directors (the "**Board**") of Anchor Resources Limited (the "**Company**") wishes to provide additional disclosure required for mineral, oil and gas companies pursuant to Rules 705(6) and 705(7) of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") as set out below:

#### 1a. Rule 705(6)(a) of the Catalist Rules

##### i. Use of funds/cash for the quarter ended 31 March 2018 ("1Q2018"):-

For the quarter (financial period from 1 January 2018 to 31 March 2018 ("1Q2018"), funds/cash was mainly used for the following activities:-

Purpose	Amount (RM'000) Actual Usage	Amount (RM'000) Projected Usage	Amount (RM'000) Variance	Remarks
Payment for property, plant and equipment	156	271	(115)	(1)
Payment for mining related infrastructure and equipment	-	50	(50)	(2)
Royalty	-	218	(218)	(3)
General working capital	2,991	5,261	(2,270)	(4)
<b>Total</b>	<b>3,147</b>	<b>5,800</b>	<b>(2,653)</b>	

- (1) The actual payment for property, plant and equipment is lower than the projected payment by RM0.12 million mainly due to the partial payment of RM0.13 million instead of the full RM0.25 million capital expenditure for quarrying activities at Bukit Chetai Mine. The payment of the remaining RM0.12 million for the additional block cutters and extension of factory will be made in next immediate quarter.
- (2) There was no payment for mining related infrastructure and equipment as the opening of new quarry face has been deferred to the next immediate quarter. The capital expenditure incurred for the mining related infrastructure and equipment at the Bukit Chetai Mine which is to be expensed off, will be classified under general

working capital in next immediate quarter.

- (3) There was no payment of royalty as the Company has yet to receive the finalised charge from the relevant party.
- (4) Actual payment of general working capital was RM2.27 million lower than the projected amount mainly due to lesser payment for interior fit-out project of RM2.22 million due to extended time taken for certification of progress billing by the relevant authority before payment could be made. The payment of the balance RM2.22 million is backed by expected collection of RM3.39 million from interior fit-out project.

**ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-**

For the next immediate quarter (financial period from 1 April 2018 to 30 June 2018 (“**2Q2018**”)), the Group’s use of funds/cash for development and production activities are expected to be as follows:-

<b>Purpose</b>	<b>Amount (RM’000)</b>
Payment for property, plant and equipment	2,593
Royalty	211
General working capital	8,287
<b>Total</b>	<b>11,091</b>

The above projected use of funds/cash relates to the Group’s development and production plans at the Lubuk Mandi Mine and Bukit Chetai Mine, as well as the interior fit-out business of GGTM for 2Q2018 are as follows: -

- a. Additional capital expenditure of RM1.5 million and RM1.1 million for Lubuk Mandi Mine and Bukit Chetai Mine, respectively. Capital expenditure to be incurred for Lubuk Mandi Mine is for the purchase of flotation cells, classifier, filter press and excavator for gold and relocation of ball mill for gold mining and processing purposes following the supplemental agreement entered into with our contractor Great Aims Resources Sdn. Bhd. (“**GAR**”) on 16 April 2018. Capital expenditure to be incurred for Bukit Chetai Mine are mainly for acquisition of additional block cutters, factory extension, diamond wire saw and circular saw in order to expand our production capabilities.
- b. Payments under general working capital of RM8.29 million include expected payment of (i) RM2.68 million for interior fit-out project, (ii) RM0.24 million for GAR at Lubuk Mandi Mine, and (iii) the remaining RM5.37 million for general corporate and administrative expenses. The payment for interior fit-out project and gold mining contractor are backed by expected collection of RM3.39 million from interior fit-out project, estimated collection of receivables of RM1.51 million as end of 1Q2018, estimated cash collection of RM1.40 million from sale of gold and granite in 2Q2018

as well as proceeds of RM4.5 million from the issuance of bonds in April 2018.

**1b. Rule 705(6)(b) of the Catalist Rules**

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

**2a. Rule 705(7)(a) of the Catalist Rules**

**Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated;**

**Lubuk Mandi Mine**

In 1Q2018, no exploration and development work were conducted. However, a test run of processing 50 tonnes of ore per day of pilot trial was carried out by GAR and semi-processed gold concentrated ore with more than 20 g/t of gold was produced. The first shipment of semi-processed gold concentrated ore was exported to a customer in China in March 2018.

Additional equipment will be installed in May 2018 to improvise on the production capacity of the plant by alternating hard rock and tailing processing. Testing and commissioning are planned to take place by end of May 2018.

Relocation of 600 tonnes/day ball mill was completed at the end of March 2018. Foundation work for flotation cells and classifier has been constructed pending on the arrival of equipment at site before trial runs could commence. The underground tunnelling work was in progress at a length of 170 metres with a 70-metre vertical depth. The work progress was slower than expected due to the building of additional structure to counter soil impediment.

**Bukit Chetai Mine**

In 1Q2018, the following activities had been carried out:

- (a) Construction of factory extension and workers' quarters within the quarry at Bukit Chetai;
- (b) Procuring new machinery to expand production capabilities;
- (c) Preparing and clearing site at the identified location for the opening of a new quarry face targeting to produce predominantly Sekayu White (SW); and
- (d) Improve surface conditions of gravel roads and block stockpile area to facilitate the planned expansion of production activities

**Construction of factory extension and workers' quarters within the quarry at Bukit Chetai**

Earthworks, including levelling and filling, for the infrastructure and to facilitate the construction of the factory extension were completed in February 2018. Levelled ground topped with granite aggregates to provide a hard surface to receive concreting and other earthworks were completed in mid-March 2018. Construction of factory building including workers' quarters has commenced in March 2018 and is expected to complete by June 2018.

Procuring new machinery to expand production capabilities

Two units of multi-blade block-cutters were purchased and is expected to be delivered by May 2018 and commissioned by June 2018.

**2b. Rule 705(7)(b) of the Catalist Rules**

**Update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.**

**Lubuk Mandi Mine and Bukit Chetai Mine**

The Company had disclosed an updated summary of reserves and resources for both the Lubuk Mandi Mine and Bukit Chetai Mine as at 31 December 2017 (being the effective date of the Independent Qualified Person's Reports (the "IQPRs") in its annual report for the financial year ended 31 December 2017 (the "AR2017") to update shareholders on its reserves and resources information. The IQPRs are contained in the AR2017. A soft copy of the AR2017 is available for download on the SGXNET. As at 31 March 2018, the Company has no material updates on the reserves and resources for both the Lubuk Mandi Mine and Bukit Chetai Mine as to those disclosed in the IQPRs.

By Order of the Board  
**ANCHOR RESOURCES LIMITED**

Lim Chiau Woei  
Managing Director

11 May 2018

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*This announcement has been prepared by Anchor Resources Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.*

*The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

*This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*