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 Third Quarter Ended 30 September 2017

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 30 September 2017 ("**3Q2017**"):-

For the quarter (financial period from 1 July 2017 to 30 September 2017 ("**3Q2017**"), 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	73	185	(112)	(1)
Payment for mining related infrastructure and equipment	10	240	(230)	(2)
Royalty	1,260	452	808	(3)
Acquisition expenses	2,609	2,704	(95)	
General working capital	6,567	13,434	(6,867)	(4)
Total	**10,519**	**17,015**	**(6,496)**	

(1) The actual payment for property, plant and equipment is lower than the projected payment by RM0.11 million mainly due to deferment of capital expenditure for quarry sites at Bukit Chetai Mine in particular fencing, access road, quarry site office and lightning protection station totalling RM0.10 million, due to change in priority of development plans.

(2) The actual payment for mining related infrastructure and equipment is lower than expected by RM0.23 million pursuant to the mining agreement with the outsourced contractor Great Aims Resources Sdn Bhd ("**GAR**"), all mining related development at Lubuk Mandi Mine shall be carried out by GAR and all capital and operating expenditures will be borne by them.

(3) Actual payment of royalty is higher than the projected amount by RM0.81 million mainly due to payment RM1.07 million of royalty to Perbadanan Memajukan Iktisad Negeri Terengganu, the State Economic Development Corporation of Terengganu, Malaysia in relation to accrual of minimum payment charged in 2016 and 2017.

(4) Actual payment for general working capital is RM6.87 million lower than projected amount was mainly due to lesser payment for (i) interior fit-out project of RM5.97 million as a result of delay in project completion and (ii) Bukit Chetai Mine granite extraction operations of RM1.07 million due to lower production output.

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 October 2017 to 31 December 2017 ("**4Q2017**")), the Group's use of funds/cash for development and production activities is expected to be as follows:-

Purpose	**Amount (RM'000)**
Payment for property, plant and equipment	220
Royalty	200
Acquisition expenses	318
General working capital	6,967
Total	**7,705**

The above projected use of funds/cash relates to the Group's development and production plans at the Bukit Chetai Mine and Lubuk Mandi Mine, as well as the interior fit-out business of GGTM for 4Q2017 as follows: -

a. Additional capital expenditure for quarrying activities at Bukit Chetai Mine.
b. Payment under general working capital of RM2.50 million for interior fit-out project backed by expected collection of RM4.66 million to be collected from customers. The remaining use of funds/cash under general working capital is for the payment of general corporate and administrative expenses.

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 3Q2017, there was no capitalisation for exploration and evaluation expenditures as there was no exploration and mining development activity being carried out by the Company at Lubuk Mandi Mine.

However, pursuant to the mining agreement with GAR, all mining related development at Lubuk Mandi Mine shall be carried out by GAR and all capital and operating expenditures will be borne by them. In 3Q2017, GAR has built the followings at Lubuk Mandi Mine for the underground mining operation:

a. Tunnel of approximately 10 metres depth and 30 metres length have been constructed around main pit;
b. Stainless steel multi stage high pressure pumps are under commissioning for the purpose of dewatering the main pit;
c. Fabrication of pontoon for the pumps are underway and are expected to be put into operations by last quarter of 2017; and
d. Additional 50 tonnes per day flotation cells has also been installed.

Bukit Chetai Mine
The Company had excavated some 453.60 cubic metres of materials from Bukit Chetai Mine in 3Q2017, of which 396.4 cubic metres are removal of weather rocks. Barring any unforeseen circumstances such as the worsening weather during the monsoon season, the Company expects that the granite production will increase by about 100 cubic metres in 4Q2017 given that the platform size will be expanded with deeper cut into the granite deposit. As at the date of this announcement, the platform size is 40 meters length by 10 meters width.

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
The Company had disclosed an updated summary of reserves and resources in the Lubuk Mandi Mine as at 31 December 2016 (being the effective date of the Independent Qualified Person's Report (the "**LMM IQPR**")) in its annual report for the financial year ended 31 December 2016 (the "**AR2016**") to update shareholders on its reserves and resources information. The LMM IQPR is contained in the AR2016. A soft copy of the AR2016 is available for download on the SGXNET. As at 31 September 2017, the Company has no material updates on the reserves and resources in the Lubuk Mandi Mine as to those disclosed in the LMM IQPR.

Bukit Chetai Mine

The Company had disclosed a summary of reserves and resources in the Bukit Chetai Mine as at 31 January 2017 (being the effective date of the Independent Qualified Person's Report (the "**BCM IQPR**") and included in the Company's circular dated 30 June 2017 ("**Circular**"). A soft copy of the Circular is available for download on the SGXNET. As at 30 September 2017, the Company has no material updates on the reserves and resources in the Bukit Chetai Mine as to those disclosed in the BCM IQPR.

By Order of the Board
ANCHOR RESOURCES LIMITED

Lim Chiau Woei
Managing Director

14 November 2017

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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 persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President and Mr Josh Tan, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.