



## ANCHOR RESOURCES LIMITED

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

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- (1) **TERMINATION OF THE MINING CO-OPERATION AGREEMENT WITH SINOMINE RESOURCE EXPLORATION CO., LTD; AND**
  - (2) **ENTRY INTO MINING AGREEMENT WITH GREAT AIMS RESOURCES SDN BHD**
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### 1. **TERMINATION OF THE MINING CO-OPERATION AGREEMENT WITH SINOMINE RESOURCE EXPLORATION CO., LTD**

The board of directors (the “**Board**”) of Anchor Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the mining co-operation agreement dated 14 August 2015 (the “**Co-operation Agreement**”) entered into between the Company’s wholly-owned subsidiary, Angka Alamjaya Sdn. Bhd. (“**AASB**”) and Sinomine Resource Exploration Co., Ltd (“**Sinomine**”), pursuant to which, AASB engaged Sinomine on a non-exclusive basis to carry out, *inter alia*, hard rock gold mining, processing and smelting works at the Group’s Lubuk Mandi Mine.

The Board wishes to announce that AASB and Sinomine have on 18 May 2017 entered into a termination agreement (the “**Termination Agreement**”), pursuant to which, AASB and Sinomine have mutually agreed to terminate the Co-operation Agreement in accordance with the terms and conditions set out in the Termination Agreement (the “**Termination**”), and to, *inter alia*, release and discharge each other from all claims and other actions arising from the Co-operation Agreement.

AASB and Sinomine had further agreed that AASB shall pay to Sinomine an outstanding amount of US\$306,487.53 and a penalty amount of US\$30,648.75 (collectively, the “**Outstanding Amounts**”) for drilling work undertaken by Sinomine which fell outside the scope of the Co-operation Agreement. The Outstanding Amounts shall be paid by AASB to Sinomine by way of the allotment and issue of new shares in the Company by 31 October 2017 (the “**Issuance Date**”), the number of new shares to be allotted and issued to be determined based on an agreed calculation to be decided by AASB and Sinomine at a later date (the “**Sinomine Share Issuance**”). The rationale of the Sinomine Share Issuance is to settle the Outstanding Amounts whilst preserving cash reserves of the Group.

The Company will make the necessary announcement(s) in relation to the Sinomine Share Issuance as and when there are any material developments on the same.

### 2. **ENTRY INTO MINING AGREEMENT WITH GREAT AIMS RESOURCES SDN BHD**

Following the Termination, the Board also wishes to announce that AASB has on 18 May 2017 entered into a mining agreement (the “**Mining Agreement**”) with Great Aims Resources Sdn Bhd (“**GAR**”), pursuant to which, AASB has engaged GAR on an exclusive basis to carry out gold mineral mining works at the Group’s Lubuk Mandi Mine.

GAR was incorporated in Malaysia on 23 August 2013 and is an associated company of Fujian Zhongye Construction Project Co., Ltd. (福建中冶建设工程有限公司), a company incorporated in the People’s Republic of China which specialises in providing construction services for mine and tunnel infrastructure projects.

The scope of work under the Mining Agreement includes the provision by GAR of (a) underground gold mineral mining services by building up tunnels and/or shafts into the earth, and (b) hard rock gold mineral mining and tailings processing services, based on the current and prospective gold mineral resources and reserves at the Lubuk Mandi Mine (the “**Scope**”). The works to be carried out by GAR under the Scope of the Mining Agreement include, *inter alia*, the (a) building and/or

maintenance of tunnel(s), the processing facilities and office at the Lubuk Mandi Mine; (b) management and supervision of gold mining works; (c) heightening of the existing tailings dam and constructing new tailings dams; (d) maintenance of the flood control facility and waste water treatment plant; and (e) if necessary, modification of the existing gold processing facilities with the written permission of AASB. GAR shall also bear all costs (whether operational or incidental) incurred in connection with the aforementioned Works at the Lubuk Mandi Mine.

In consideration of the services provided by GAR pursuant to the Mining Agreement, the revenue ("**Revenue**") (net of all tributes and royalty payments) generated from sale of gold produced in connection with the Mining Agreement shall be distributed between GAR and AASB on a 65:35 basis. Additionally, AASB and GAR have agreed that GAR shall pay to AASB monthly payments representing GAR's 65% share of the aggregate tributes and royalties, respectively, payable in respect of any Revenue earned in that month, subject to a minimum payment by GAR of RM80,000 per month which shall be applied towards payment of the tributes (the "**GAR Minimum Contribution**"). The GAR Minimum Contribution shall be payable regardless of whether any Revenue is earned in the relevant month and payment by GAR of the GAR Minimum Contribution shall commence from 1 August 2017.

The Mining Agreement shall take effect on the business day following the expiry of the three (3) month period (comprising a two (2) month grace period for preparatory works and one month takeover period) commencing from the date of the Mining Agreement (the "**Commencement Date**"). Unless the Lubuk Mandi Mine becomes, in the reasonable opinion of GAR, uneconomical, the Mining Agreement shall continue for a period of five (5) years from the Commencement Date, and may be extended thereafter for a further period of five (5) years at the option of GAR.

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Mining Agreement, other than through their shareholdings in the Company, if any.

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

Lim Chiau Woei  
Managing Director

18 May 2017

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

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