ANCHOR RESOURCES LIMITED

(Company Registration No.: 201531549N)

PRESS RELEASE

Anchor Resources' losses narrow on absence of impairment

- **Total operating expenses reduced by 58.1% to RM17.6 million largely due to lower cost incurred with the engagement of Great Aims Resources Sdn. Bhd ("GAR")**
- **New underground mining facility at Lubuk Mandi Mine is progressing well, hard rock production expected to start in second quarter of 2019**
- **Performance will continue to improve with increasing gold production and further granite contract secured**

Singapore, 4 March 2019 – Anchor Resources Limited ("**Anchor Resources**" or the "**Company**" and, together with its subsidiaries, the "**Group**"), a Malaysian operator of gold mine and dimension stone granite quarry and architectural stone and interior fit-out service provider, is pleased to announce the financial results for the year ended 31 December 2018 ("**FY2018**"). The Group registered a net loss of RM15.5 million in FY2018, representing a decrease of 20.8%% as compared to a net loss of RM19.5 million in financial year ended 31 December 2017 ("**FY2017**")**.**

Financial Highlights

RM'000	FY2018	FY2017	Change (%)
Revenue	1,879	24,185	(92.2)
Operating expenses	17,621	42,070	(58.1)
Loss for the year	15,475	19,537	(20.8)
Loss per share (sen)	(1.49)	(1.91)	(22.0)

The Group's revenue decreased by 92.2% from RM24.2 million in FY2017 to RM1.9 million in FY2018 due mainly to absence of contribution from interior-fit project which was completed in December 2017, partially offset by an increase in sales of concentrated ore of RM1.8 million.

The Group re-aligned its granite quarrying strategy to open up a second quarry face while Great Aim Resources Sdn Bhd ("**GAR**") reconfigured the gold processing plant to improve processing processes in order to increase recovery and production of gold concentrated ore. Subsequently, the Group resumed its gold production and started shipping semi-processed gold concentrated ore only in July 2018. The Group managed to achieve only RM1.8 million in gold sale as the processing of tailings yields a lower

gold percentage at an average of 3kg per month as compared to hard rock production which has yet to commence operations.

A total of RM0.4 million of contractor expenses was incurred in FY2018 as compared to RM15.3 million in FY2017, representing a significant decrease of 97.4%. This was mainly due to cessation of contractor expenses relating to an interior fit-out project completed in FY2017. Other expenses also reduced by 69.9% from RM12.9 million in FY2017 to RM3.9 million in FY2018, mainly attributable to absence of one-off expenses related to the acquisition of 100% equity of GGTM Sdn. Bhd., decrease in interior fit-out project expenses, absence of impairment in property, plant and equipment and absence of impairment in exploration and evaluation asset.

As a result of the above, the Group registered a lower net loss of RM15.5 million in FY2018 as compared to RM19.5 million in FY2017.

Outlook

The underground mining for Lubuk Mandi Mine is progressing well where our contractor, GAR, has completed approximately 210 metres of tunnel length with an estimated vertical depth of 90 metres and is now able to access the targeted lode. The Group expects to commence hard rock production in the second quarter of 2019. Meanwhile, the Group has entered into a technical services contract with GAR in January 2019 to carry out core drilling to estimate additional gold reserves and resources at Lubuk Mandi Mine which will take about 2 years to complete.

Recently, the Group's wholly-owned subsidiary, GGTM Sdn. Bhd., has engaged Jianning County Huasheng Stone Co., Ltd. ("**Huasheng**") as its contractor to carry out granite dimension stone processing at Bukit Chetai on a non-exclusive basis. Huasheng is to process yearly 2,000 cubic metres of granite dimension stone, at Huasheng's own resources and cost.

Mr Lim Chiau Woei, Managing Director of Anchor Resources, commented, **"We are glad that our strategy is gradually taking effect. The developments of the gold and granite mines are progressing well. We remain on track to start hard rock production at Lubuk Mandi Mine in the second half of this year and will continue to sell granite aggregates while upgrading the dimension stone processing facility. We believe that the Group's turnaround is imminent once both growth engines start firing."**

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About Anchor Resources Limited

Headquartered in Malaysia, Anchor Resources Limited ("**Anchor Resources**" or the "**Company**" and, together with its subsidiaries, the "**Group**") is principally engaged in the business of exploration, mining and production of gold for sale in Malaysia and overseas, exploration, mining, quarry extraction, processing and sale of granite products and granite dimension stone, and architectural stone and interior fit-out services.

The Group's gold mine, Lubuk Mandi Mine, is located at the Eastern gold belt in Peninsular Malaysia in the district of Marang, state of Terengganu. Spanning a project area of 221.53 hectares, the mineral assets comprise gold-bearing tailings mineral resources together with in-situ mineral resources. Currently, the Group's tailing reprocessing plant has the capacity to process 1,000 tonnes of tailings material per day. Separately, the Group has engaged Great Aims Resources Sdn Bhd to carry out underground mining works at the Lubuk Mandi Mine. The Group is the first to secure approval from Malaysia's authority in relation to underground mining and the exportation of semi-processed gold concentrated ore. As at 31 December 2018, the Lubuk Mandi Mine had JORC-compliant tailing mineral resources of 1.22 million tonnes at a grade of 0.73 g/t in the Measured, Indicated and Inferred categories for a total of 28,350 ounces and in-situ mineral resources of 1.8 million tonnes at a grade of 1.39 g/t in the Measured, Indicated and Inferred categories for a total of 79,100 ounces.

The Group's granite dimension stone quarries at Bukit Chetai and Bukit Machang are located in the district of Hulu Terengganu, state of Terengganu. The concession expiring on 26 October 2029, granted by Perbadanan Memajukan Iktisad Negeri Terengganu, includes a concession area of approximately 300 hectares. The types of granite dimension stone found within the concession area include green microgabbro, white granite and pink granite, which are marketed as "Terengganu Green" ("**TG**"), "Sekayu White" ("**SW**") and "Rosa Tenggo", respectively. Presently, the Group's main focus is on mining and extraction of granite dimension stone at the Bukit Chetai Mine, where TG and SW granite can be found. The Group has engaged Jianning County Huasheng Stone Co., Ltd. to carry out granite dimension stone processing at Bukit Chetai Mine. As at 31 December 2018, the total estimated granite dimension stone resources and total estimated granite dimension stone reserves at the Bukit Chetai Granite Quarry is 99.05 million cubic metres and 64.39 million cubic metres, respectively.

For more information, please visit http://www.angkaalam.com

Issued for and on behalf of Anchor Resources Limited
By Financial PR Pte Ltd

For more information, please contact:

Jing Wen YONG, jingwen@financialpr.com.sg
Yit Sung NGO, yitsung@financialpr.com.sg

Tel: (65) 6438 2990, Fax: (65) 6438 0064

This press release 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.

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The contact person for the Sponsor is Ms Lam Siew Hwa, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.