**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 2016

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 2016 ("3Q2016"):-

For the previous quarter (financial period from 1 July 2016 to 30 September 2016 ("**3Q2016**"), 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 | 2,638 | 2,868 | (230) | (1) |
| Payment for mining related infrastructure and equipment | 317 | 729 | (412) | (2) |
| Royalty | 48 | 196 | (148) | (3) |
| Acquisition expenses | 1,683 | 918 | (765) | (4) |
| General working capital | 5,760 | 3,134 | (2,626) | (5) |
| **Total** | **10,446** | **7,845** | **2,601** | |

(1) The actual payment for property, plant and equipment is lower than the projected payment by RM0.23 million as some of the expenditure to be incurred are still pending final certification of work done.

(2) The actual payment for mining related infrastructure and equipment is lower than expected by RM0.41 million mainly because the actual amounts incurred for dewatering and construction of waste dam were RM0.28 million and RM0.13 million lower than projected, respectively.

(3) The actual payment of royalty is lower than the projected amount due to timing differences between invoice from the relevant authority and actual sales of gold.

(4) Acquisition expenses incurred for the proposed acquisition of GGT Manufacturing Sdn Bhd ("**Proposed Acquisition**") are higher than projected mainly due to a payment of RM1.52 million for general corporate consultancy work done related to the Proposed Acquisition.

(5) The actual payment of general working capital is RM2.63 million higher than the projected amount mainly due to higher general corporate and administrative expenses.

**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 2016 to 31 December 2016 ("**4Q2016**")), the Group's use of funds/cash for development and production activities are expected to be as follows:-

| **Purpose** | **Amount (RM'000)** |
|---|---|
| | |
| Payment for property, plant and equipment | 300 |
| Payment for mining related infrastructure and equipment | 680 |
| Royalty | 750 |
| Acquisition expenses | 670 |
| General working capital | 3,800 |
| **Total** | **6,200** |

The Group's development and production plans for 4Q2016 are as follows: -

a. commissioning and testing of hard rock processing equipment;
b. blasting, crushing and stock piling of material for hard rock processing;
c. continuous improvement of the hard rock processing recovery;
d. continuous improvement of site infrastructure like access road and waste water dam to cater for future mining activities;
e. reconfiguration of existing processing plant to cater for hard rock processing; and
f. further expansion on the production crew to cater for increase in production activities.

For further detailed information on the Group's development plan, please refer to the sections entitled "General Information on Our Group – Business Strategies and Future Plans" of the Company's Offer Document dated 9 March 2016 ("**Offer Document**").

**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;**

In 3Q2016, there was no capitalisation for exploration and evaluation expenditures as no exploration and mining development activity were carried out by the Company.

However, we had carried out activities related to development of hard rock mining. Continuous improvement of access roads and infrastructure and dewatering activities at the main pit of the Lubuk Mandi Mine had been commissioned in preparation for hard rock mining. Equipment for hard rock processing had also been procured and installed in 3Q2016.

**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.**

The Company had disclosed in its annual report for the financial year ended 31 December 2015 a summary of reserves and resources as at 30 September 2015 (being the effective date of the Independent Qualified Person's Report) and included a reference to the Offer Document on Catalodge where shareholders may obtain a copy of the Independent Qualified Person's Report dated 3 December 2015 ("**IQPR**"). As at 30 September 2016, the Company has no material updates on the IQPR.

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

Lim Chiau Woei
Managing Director

7 November 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalist. The Sponsor has not independently 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 and Mr Josh Tan, Vice President, who can be contacted at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*