



ANCHOR RESOURCES LIMITED

(Company Registration Number 201531549N)

(Incorporated in the Republic of Singapore)

ENTRY INTO HEADS OF AGREEMENT WITH AUSTRAL MINERAL BERHAD

The board of directors (the “Board”) of Anchor Resources Limited (the “Company” and together with its subsidiaries, the “Group”) wishes to announce that the Company’s wholly-owned subsidiary, GGTM Sdn Bhd (“**GGTM**”) has on 5 June 2020, entered into a heads of agreement (the “**HOA**”) with Austral Mineral Berhad (“**Austral**”) on the assignment of concession right at Bukit Machang Assets (“**BM**”).

GGTM had on 16 September 2015 entered into an exclusive dimension stone granite concession work contract agreement (“Concession Agreement”) with Perbadanan Memajukan Iktisad Negeri Terengganu, the statutory body established pursuant to the Terengganu State Economic Development Corporation Enactment 1965, to carry out any works in relation to quarrying operation, mining, production and sales of granite products and dimensional granite stone from the BM (located at H.S. (D) 1122, PT 7812 (now known as PN 9746, Lot 60416)(“BM Lot 1”) and H.S (D) 1123, PT 7813 (now known as PN 9747, Lot 60417)(BM Lot 2”), Bukit Machang, Mukim Hulu Berang, Daerah Hulu Terengganu for a 14 year period commencing from 16 September 2015 and expiring on 26 October 2029. The BM is a greenfield quarry without mining licence and no development plan since the concession rights is granted.

Austral is a mineral and mining company incorporated in Malaysia under the provisions of Section 52 (1)(b)(iii) of the Companies Act 1965 helmed by founder, Tuan Seri Aman Mulia,. According to its website, Austral’s principal activity is involving in exploration, evaluation and acquiring mineral deposits including quarry site and gold mine in Malaysia, Western Australia and the rest of Asia. Austral plans acquire a quarry site to supply aggregate sand and granite to Singapore, Brunei and Maldives markets.

Pursuant to the HOA, GGTM and Austral have agreed in principle that GGTM will assign the concession right at BM to Austral and start negotiations in good faith on the terms and conditions of a definitive agreement with the intent that such definitive agreement be executed on or before the date falling six (6) months from the date of the HOA or such other date agreed by the parties.

The two essential terms on the assignment of concession rights, shown below, have been agreed upon between both parties subject to due diligence exercises to be conducted by Austral:

- (i) Indicative purchase price of RM10 million subject to final confirmation by both parties in the definitive agreement; and
- (ii) Earnest deposit of RM200,000, being 2% of Purchase Price, shall be placed into client’s account of a solicitor appointed by the parties for the entire duration of the Exclusivity Period.

The exclusivity period shall continue and remain in full force and effect, until the first to occur of the following dates:

- (a) The date falling six (6) months from the date of the HOA or such other date agreed by the parties.
- (b) The date the definitive agreement is duly executed by the parties.

- (c) The date the Purchaser gives notice in writing to the Vendors that the Purchaser is not satisfied with the results of the due diligence exercise.

None of the directors, nor the controlling shareholder of the Company has any direct or indirect interest in the HOA, save through their shareholding interests in the Company.

The Company will make further announcement(s) in relation to the HOA as and when there are any material developments on the same.

By Order of the Board

Dr Wilson Tay Chuan Hui
Lead Independent Director and Non-Executive Chairman
5 June 2020

*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 relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made, or reports contained in this announcement.

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