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

BUSINESS UPDATE

The board of directors (the "**Board**") of Anchor Resources Limited (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the Company's announcements dated 18 May 2017, 1 August 2017, 25 October 2017, 6 November 2017, 26 December 2017, 23 January 2018, 10 April 2018 and 16 April 2018 in relation to, *inter alia*, the matters set out below (the "**Previous Announcements**").

Unless otherwise defined, all capitalised terms used herein shall bear the meanings ascribed to them in the Previous Announcements.

Further to the Previous Announcements, the Board wishes to inform the shareholders of the Company (the "**Shareholders**") of key updates following the Company's implementation of its business strategy to improve the Group's overall business, operational and financial performance.

Selling of aggregates by GGTM Sdn Bhd ("GGTM") and its subsidiary

As previously announced, the Company's wholly-owned subsidiary, GGTM entered into a memorandum of understanding (the "**MOU**") with Mohd Sukri Bin Ismail ("**Sukri**") on 9 April 2018, pursuant to which it was the intention of GGTM and Sukri to combine their respective resources in order to tender for the East Coast Rail Line ("**ECRL**") project and other projects to be jointly identified, via an unincorporated joint venture (the "**Consortium**"). Since there has been a delay on the ECRL after the general election of Malaysia, GGTM commenced sourcing for new projects.

On 15 August 2018, GGTM, through its 100% owned subsidiary Stonetrade Sdn Bhd ("**STONETRADE**"), entered into an agreement with SIVLI Sdn Bhd ("**SIVLI**") to supply in total 3.6 million tonnes of granite aggregates in the next four (4) years at Bruneian Dollar ("**BND**") 21 per tonne, with a valid export permit. The price per tonne is subject to adjustments if there are variations of more than 10% of the currency exchange and/or crude oil price. The total contract sum amounts to approximately Singapore Dollar ("**SGD**") 75 million (on the basis of BND1 being equal to SGD1).

SIVLI, founded in 1993 at Brunei Darussalam, is a leading provider of engineering, procurement and construction services. SIVLI is involved in construction works related to earth works, sea dredging and reclamation, piling, reinforced concrete and structure and retaining wall. The SIVLI group has been involved in a number of mega projects in Brunei.

SIVLI has been entrusted with various projects particularly in the verticals of Mechanical & Electical Engineering, Telecommuncation, Civil and Structural. Since its inception in 1993 in Brunei Darussalam, it has grown and now has a presence in ASEAN countries.

Pursuant to the agreement, SIVLI is required to provide STONETRADE with a delivery schedule every three months. In accordance with the terms of the agreement, each such delivery schedule is required to be mutually agreed by both parties by way of SIVLI raising a purchase order to STONETRADE two months before the commencement of delivery.

Payment for the delivered granite aggregates shall be made by SIVLI by way of a letter of credit at sight acceptable by major financial institutions in Malaysia. The letter of credit shall be presented to STONETRADE prior to the shipping of the granite aggregates.

Underground mining at Lubuk Mandi Mine

As previously announced, the Company's wholly-owned subsidiary, Angka Alamjaya Sdn Bhd ("**AASB**")

had, on 18 May 2017, entered into a mining agreement with Great Aims Resources Sdn Bhd ("**GAR**") (as amended by the supplemental agreement entered into between AASB and GAR on 16 April 2018), pursuant to which GAR was engaged to carry out gold mineral mining works at the Lubuk Mandi Mine.

The Board wishes to update the Shareholders that GAR is currently in the process of building the underground tunnel at the Lubuk Mandi Mine and hard rock production is expected to commence in December 2018.

As at the date of this announcement, GAR has carried out the following works for the processing plant:

a. reconfigured the existing processing plant to improve the processing processes by relocating the ball mill used for hard rock and tailings processing to the processing plant and installed the control panel;
b. relocated and modified the main electrical switch board to suit current requirements;
c. added seven (7) units of flotation cells to the processing plant to improve the grade of gold concentrated ore;
d. installed classifier, apron feeder, feed chute, vacuum dryer, pipe lines and flow lines to the existing processing plant; and
e. performed testing and commissioning of upgraded processing plant since 22 June 2018.

In addition, GAR has constructed approximately 210 metres of tunnel in length with estimated vertical depth of 90 metres and is now be able to access the targeted lode. GAR will now construct a horizontal working and storage area which will take about three (3) months to complete, and GAR targets to commence hard rock production by December 2018.

With the upgraded capacity, GAR is able to process approximately 22,000 tonnes of tailings materials per month or 12,000 tonnes of hard rock materials per month. GAR plans to alternate the processing of tailings materials and hard rock materials approximately every three to four months to maximise the recovery of the Group's gold deposits.

Exportation of semi-processed gold concentrated ore

As previously announced, the Group had embarked on exporting semi-processed gold concentrated ore with its first shipment in March 2018. The Board wishes to update the Shareholders that as at the end of July 2018, the Group had, through AASB, exported approximately 74 tonnes of semi-processed gold concentrated ore with average 34 gram / tonne of gold concentrate.

The Company will keep Shareholders updated as and when there are material developments to the above matters.

By Order of the Board
ANCHOR RESOURCES LIMITED

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

15 August 2018

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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.*

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, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.