



ANCHOR RESOURCES LIMITED

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

BUSINESS UPDATE – MINING AGREEMENT WITH GREAT AIMS RESOURCES SDN BHD

The board of directors (the “**Board**”) of Anchor Resources Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 18 May 2017 in relation to, *inter alia*, the entry by the Group into the Mining Agreement with Great Aims Resources Sdn Bhd (“**GAR**”) (the “**Previous Announcement**”).

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

The Board wishes to update the shareholders of the Company that, following entry into the Mining Agreement, GAR has carried out and completed the necessary preparatory works at the Lubuk Mandi Mine. Accordingly, GAR shall, in accordance with the terms of the Mining Agreement, formally take over the mining operations at the Lubuk Mandi Mine with effect from 1 August 2017.

The scope of the Mining Agreement covers 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 the Company’s wholly-owned subsidiary, Angka Alamjaya Sdn. Bhd. (“**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 (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 the minimum payment by GAR of RM80,000 per month which shall be applied towards payment of the tributes (“**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 also commence from 1 August 2017.

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

1 August 2017

*This announcement as 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 persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Josh Tan, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.