ANCHOR RESOURCES LIMITED

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

ENTRY INTO SUPPLEMENTAL AGREEMENT WITH GREAT AIMS RESOURCES SDN BHD

1. INTRODUCTION

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 and 1 August 2017 in relation to, *inter alia*, the entry by the Company's wholly-owned subsidiary, Angka Alamjaya Sdn. Bhd. ("**AASB**") into the Mining Agreement with Great Aims Resources Sdn Bhd ("**GAR**") (the "**Previous Announcements**").

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

The Board wishes to announce that AASB has on 16 April 2018 entered into a supplemental agreement to the Mining Agreement with GAR (the "**Supplemental Agreement**", together with the Mining Agreement, the "**Revised Mining Agreement**") to vary, modify and/or amend certain terms and conditions in the Mining Agreement.

Pursuant to the existing Mining Agreement, the Revenue (net of all tributes and royalty payments) generated from sale of gold produced in connection with the Mining Agreement was distributed between GAR and AASB on a 65:35 basis. In addition, AASB was to bear all costs related to the renewal of the relevant permits and licenses while GAR was to bear all costs (whether operational or incidental) incurred in connection with such works at the Lubuk Mandi Mine.

2. PRINCIPAL AMENDMENTS TO THE MINING AGREEMENT

The principal amendments to the Mining Agreement pursuant to the Supplemental Agreement are set out below:

2.1 Sharing of Revenue

Under the Revised Mining Agreement, the Revenue shall now be distributed in the following manner ("**Sharing Ratio**"):

(a) Hard Rock

(i) in the event the gold recovery is 80% and above of the average monthly recovery rate, the Revenue shall be distributed between GAR and AASB on a 65:35 basis for the first 100,000 tonnes;

(ii) in the event the gold recovery is below 80% of the average monthly recovery rate, the Revenue shall be distributed between GAR and AASB on a 50:50 basis for the first 100,000 tonnes; and

(iii) the Revenue shall be distributed between GAR and AASB on a 50:50 basis after the first 100,000 tonnes; and

(b) Tailings

(i) the Revenue shall be distributed between GAR and AASB on a 20:80 basis for the first 200,000 tonnes; and

(ii) the Revenue shall be distributed between GAR and AASB on a 50:50 basis after the first 200,000 tonnes.

2.2 Rights and obligations of AASB

Under the Revised Mining Agreement, AASB shall also now be responsible for and/or obligated to:

(a) renew the relevant permits and licenses and bearing the expenses incurred therein in proportion to the Sharing Ratio;

(b) invest up to the amount of Ringgit Malaysia Two Million (RM2,000,000) for additional flotation cells, classifier, filter press, relocation of ballmill and excavator for the purpose of mining tailings materials;

(c) bear 100% of the electricity, water and diesel operating expenditure for the project;

(d) bear 50% of the chemical, steel balls and liner operating expenditure for the project; and

(e) apply for the operational mining scheme from the relevant authorities for underground gold mineral mining at any location of the mine as requested and deemed fit by GAR and renewal thereof, if any and in connection thereof, and shall bear the costs and expenses for the said application in proportion to its Sharing Ratio.

2.3 Rights and obligations of GAR

Under the Revised Mining Agreement, GAR shall now be responsible for and/or obligated to:

(a) bear the expenses incurred therein in proportion to the Sharing Ratio in relation to renewal of the relevant permits and licenses;

(b) bear 50% of the chemical, steel balls and liner operating expenditure for the project; and

(c) pay various tributes and fees to the Terengganu state government in proportion to its Sharing Ratio.

2.4 Sharing of costs and expenses

Notwithstanding the provisions in 2.2(c), 2.2(d) and 2.3(b) above, in the event the gold recovery for hard rock is 80% and above of the average monthly recovery rate for the first 100,000 tonnes, GAR shall bear 100% of all costs (whether operational or incidental) incurred in connection with the works at the Lubuk Mandi Mine.

For the avoidance of doubt, in the case of tailings, the relevant expenses incurred in proportion to the Sharing Ratio shall remain unchanged regardless of the gold recovery rate.

Save as disclosed above, all other material terms in the Mining Agreement remain unchanged.

3. INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Revised Mining Agreement, other than through their shareholdings in the Company, if any.

By Order of the Board
ANCHOR RESOURCES LIMITED

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

16 April 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 Sponsor has also not drawn on any specific technical expertise in its review of 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.