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**") wishes to provide the following update on the business of the Group:-

Gold mining

The Company's wholly-owned subsidiary, Angka Alamjaya Sdn Bhd ("**AASB**") has successfully produced gold concentrate ore from the Lubuk Mandi Mine located in Terengganu, Malaysia in 2019, and has exported more than 1,169 metric tons of gold concentrate ore to China. AASB is the first and only company in Malaysia, licensed by the Ministry of Water, Land and Natural Resources to export gold concentrate ore.

On 10 February 2020, the Company had received a letter from the Kelantan State Land Authority, the Land and Mineral Director Office ("**PTG**") dated 4 February 2020, for an approval-in-principle on the joint venture proposal between the Company and PTG for retreatment of tailings / rock materials / waste or mine residue to produce gold concentrate ore by using flotation cell method without using any dangerous chemicals in Kelantan, Malaysia subject to certain conditions being fulfilled by the Company. A definitive agreement will be entered into with PTG after the terms have been finalised.

As announced on 25 February 2019, AASB received a non-binding letter of intent ("**Letter**") from Motivac Enterprises Sdn Bhd ("**Motivac**") setting out its intention to appoint AASB as its exclusive operator to carry out mining operations and processing of hard rock gold in Terengganu, Malaysia. The appointment of AASB under the Letter is subject to, among others, the approval of environmental impact assessment reports from the relevant environmental authorities to Motivac. As at the date of this announcement, Motivac is pending approval of the environmental impact assessment reports from the relevant environmental authorities and approval of the mining leases by Pejabat Tanah Dan Galian, Terengganu.

The Company's gold mining tailings operation is not affected by the COVID-19 outbreak as the Great Aim Resources Sdn. Bhd. ("**GAR**") workers from China had all arrived at site in Malaysia prior to the travel restrictions being imposed.

In respect of the underground mining operations, AASB has been assessing a more efficient extraction method for approaching the targeted lode at the location which we have called "UG1". Further, some of GAR's underground tunneling workers were not able to return to site after the travel restrictions were imposed. AASB is closely monitoring the situation and the performance

of GAR operations.

The Company will make further announcements as and when there are any material developments on the same.

Granite and aggregates

As announced on 29 April 2019, the Company's wholly-owned subsidiary, GGTM Sdn Bhd ("**GGTM**") and Mohd Sukri Bin Ismail ("**Sukri**") had agreed to extend the term of the memorandum of understanding to set out the intention to combine their respective resources in order to tender for the East Coast Rail Line ("**ECRL**") project to 8 April 2020. The quarry site of Sukri is located at Pengkalan Berangan, Terengganu, Malaysia, which is in the "Package A" segment of the ECRL, as named by the Malaysian rail authority, and which runs from Kota Baru to Dungun. GGTM's collaboration with Sukri is to tender to supply aggregates to the station at Pengkalan Berangan, Terrengganu. The Package A is slated to start operations in the second half of 2020.

The sales of quarry aggregates to SIVLI Sdn. Bhd. in Brunei is delayed to June 2020 due to the delays by the project owner in Brunei.

Several contractors of GGTM from Wenzhou, China are not able to return to Malaysia due to the COVID-19 travel restrictions. The delay of the return of these Chinese contractors has delayed the deliveries of granite dimension stones, for both local and overseas customers.

The Group has informed the affected customers on such delay and the Group will endeavor to deliver the backlog orders as soon as practicable when the contractors return to work. As the situation on the COVID-19 outbreak remains uncertain, the Group will continue to monitor the financial impact.

The Company will make further announcement(s) in a timely matter on the above matters as and when there are any material developments.

By Order of the Board
ANCHOR RESOURCES LIMITED

Dr Wilson Tay Chuan Hui
Lead Independent Director and Non-Executive Chairman
12 February 2020

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

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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

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