



ANCHOR RESOURCES LIMITED

(Company Registration No.: 201531549N)
(Incorporated in the Republic of Singapore)

**Additional Disclosure Required for Mineral, Oil and Gas Companies
For First Quarter Ended 31 March 2020**

The Board of Directors (the "Board") of Anchor Resources Limited (the "Company") wishes to provide additional disclosure required for mineral, oil and gas companies pursuant to Rules 705(6) and 705(7) of the Listing Manual Section B: Rules of Catalyst ("Catalist Rules") as set out below:

1a. Rule 705(6)(a) of the Catalyst Rules

i. Use of funds/cash for the current reporting quarter:-

For the quarter financial period from 1 January 2020 to 31 March 2020 ("1Q2020"), funds/cash was mainly used for the following activities:-

Purpose	Amount (RM'000) Actual Usage	Amount (RM'000) Projected Usage	Amount (RM'000) Variance	Remarks
Payment for property, plant and equipment	89	106	(17)	(1)
Royalty	0	210	(210)	(2)
General working capital	864	2,890	(2,026)	(3)
Total	953	3,206	(2,253)	

- (1) The actual payment for property, plant and equipment is lower than projected payment by RM0.02 million was mainly due to bank moratorium facility given by banks in February and March to defer the lease instalment for a six-months period as a result of COVID-19 outbreak.
- (2) There is no royalty payment for current quarter, as discussion regarding repayment arrangement for royalty and contract is still on-going.
- (3) Actual payment of general working capital was RM2.03 million lower than the projected amount mainly due to (i) accrued of manpower cost including directors' remunerations and director fees of RM1.07 million, (ii) reschedule of payment arrangement to suppliers of RM0.68 million due to Movement Control Order in

Malaysia and (iii) projected bond interest payment of RM0.21 million to Koh Ah Luan did not materialize as the Company was during 1Q2020 negotiating for a settlement arrangement with Koh Ah Luan and subsequently entered into a deed of settlement on 29 April 2020 to settle the outstanding principal amount with all interest accrued and payable by way of transfer of 9,628,827 shares of Angka Alamjaya Sdn. Bhd. to Koh Ah Luan.

ii. Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:-

For the next immediate quarter for the financial period from 1 April 2020 to 30 June 2020 (“**2Q2020**”), the Group’s use of funds/cash for development and production activities are expected to be as follows:-

Purpose	Amount (RM'000)	Remarks
Payment for property, plant and equipment	22	(1)
Royalty	210	(2)
General working capital	1,853	(3)
Total	2,085	

The above projected use of funds/cash relates to the Group’s development and production plans at the Lubuk Mandi Mine and Bukit Chetai Mine, as well as the interior fit-out business of GGTM for 2Q2020 are as follows: -

- (1) Additional capital expenditure for headquarter office and for mining and quarrying activities at Lubuk Mandi Mine and Bukit Chetai Mine.
- (2) Royalty expenditure of RM0.21 million.
- (3) General working capital of RM1.85 million which consists of expected payment of (i) RM0.63 million for professional fee regarding bond settlement, and (ii) the remaining of RM1.22 million for general corporate and administrative expenses.

1b. Rule 705(6)(b) of the Catalist Rules

The Board confirms that to the best of its knowledge, nothing has come to its attention which may render the above information provided to be false or misleading in any material aspect.

2. Rule 705(7) of the Catalist Rules

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the

expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

Lubuk Mandi Mine

Scheduled maintenance was completed during the quarter and the tailings processing plant recommenced in March 2020. However, the tailings processing plant stopped operation from 18 March 2020 until 12 May 2020 in compliance with the notice of the Movement Control Order issued by Government of Malaysia due to the COVID-19 outbreak. A total of 10,843 dry tonnes of tailings materials were being processed during 1Q2020. Total gold concentrated ore produced was approximately 75 tonnes with an average of 36.2 gram of gold per tonne of gold concentrated ore.

Great Aims Resources Sdn. Bhd. ("**GAR**") was not able to conduct the underground exploration works in 1Q2020 as the underground workers were not able to return to site due to the COVID-19 travel restrictions by Malaysian Government.

Bukit Chetai Mine

The workers of Jianning County Huasheng Stone Co., Ltd. ("**Huasheng**") were not able to return to Malaysia due to the COVID-19 travel restrictions by Malaysian Government. The Bukit Chetai Mine did not produce block, tiles and joggle pavers in 1Q2020.

By Order of the Board
ANCHOR RESOURCES LIMITED

Lim Chiau Woei
Managing Director

Chan Koon Mong
Executive Director

8 May 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 Catalist.*

The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

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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