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

Additional Disclosure Required for Mineral, Oil and Gas Companies For Third Quarter Ended 30 September 2018

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 Catalist ("**Catalist Rules**") as set out below:

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

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

For the quarter (financial period from 1 July 2018 to 30 September 2018 ("**3Q2018**")), 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	438	492	(54)	(1)
Royalty	65	65	-	
General working capital	3,306	5,700	(2,394)	(2)
Total	**3,809**	**6,257**	**(2,448)**	

(1) The actual payment for property, plant and equipment is lower than the projected payment by RM0.05 million mainly due to the delay in payment of final tranche for factory extension to the next immediate quarter.

(2) Actual payment of general working capital was RM2.39 million lower than the projected amount as the expected payment for interior fit-out project of RM2.29 million has not been made in 3Q2018 as a result of extended time taken for certification of progress billing by the relevant authority before payment could be made.

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

For the next immediate quarter (financial period from 1 October 2018 to 31 December 2018 ("**4Q2018**")), the Group's use of funds/cash for development and production activities are expected to be as follows:-

Purpose	**Amount (RM'000)**
Payment for property, plant and equipment	335
Royalty	62
General working capital	7,494
Total	**7,891**

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 4Q2018 are as follows: -

(1) Additional capital expenditure of RM0.06 million and RM0.27 million for Lubuk Mandi Mine and Bukit Chetai Mine, respectively. Capital expenditure to be incurred for Bukit Chetai Mine is mainly payment for factory extension.

(2) General working capital of RM7.49 million which consists of expected payment of (i) RM2.29 million for interior fit-out project, and (ii) the remaining RM5.20 million for general corporate and administrative expenses. The payments are backed by (a) expected collection of RM2.31 million from interior fit-out project, (b) estimated collection of receivables as at 30 September 2018 of RM1.78 million, as well as (c) estimated cash collection of RM1.52 million from sale of gold and granite, by 4Q2018.

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

The exploration, mining and refining operations at the Lubuk Mandi Mine are outsourced to the contractor, Great Aims Resources Sdn. Bhd. ("**GAR**").

During 3Q2018, a total of 44,974 dry tonnes of tailings materials were being processed. Total gold concentrated ore produced was approximately 390 tonnes with average of 35 gram of gold per tonne of gold concentrated ore.

The works platform, discharge and storage silos with connecting track, and water retention sump with pipes and pumps within the tunnel complex were completed. Tunnelling works towards the gold lode are ongoing. GAR targets to commence hard rock mining by end November 2018. However, the tonnage of hard rock mined is expected to be low at the beginning due to the restricted working surface whereby only one team is allowed to work on one surface at a time, as well as the lack of a vertical ventilation shaft whereby more time is required to clear the toxic gases and dust generated by each blast.

Blasting is used to mine the gold lode hard rock within the tunnel complex. During blasting processes, toxic gases and suspended fine particles or dust are generated within the tunnel complex. For safety reasons, the tunnel complex is evacuated until the toxic gases and dust are removed. As the existing ventilation system requires three to four hours to remove these gases and dust, GAR plans to construct a vertical ventilation shaft to expedite the removal to about one hour. As GAR plans to carry out two blasts a day, with the ventilation shaft, the evacuation time per day would be reduced to about two hours compared to about six to eight hours. The construction of the vertical ventilation shaft is expected to commence in December 2018 or January 2019 and the construction is expected to take thirty to fifty calendar days.

Bukit Chetai Mine

The construction of the factory extension building, store and workers' quarters were completed in July 2018. Two units of multi-blade block cutters, installed at the factory extension, were commissioned in early July 2018 and had commenced cutting of the granite blocks to sawn strip-slabs of Terengganu Green ("TG") and Sekayu White ("SW"). The Company has purchased and expected to receive new blades in November 2018 with higher specifications, suitable for the grades of granites mined from the site to boost the production volumes of the block cutters to the design capacities.

The first platform / bench for the new quarry face to produce predominantly SW blocks has been raised in September 2018. Currently, weathered SW and TG rocks are being excavated. Works to excavate deeper into the deposit are ongoing.

Excavation works continued at the predominantly TG quarry face. A total of 1,243 m^3 of rocks were excavated up to Bench 10 during 3Q2018. Of those excavated, TG constituted about 73% of the total volume whilst SW constituted about 27%. The quality of the blocks improved at Bench 10 and the Company expects such quality to continue to improve as it excavates deeper into the granite deposit.

By Order of the Board
ANCHOR RESOURCES LIMITED

Lim Chiau Woei
Managing Director

14 November 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.*

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. 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.

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