



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 First Quarter Ended 31 March 2019

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 January 2019 to 31 March 2019 ("**1Q2019**")), 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	177	167	10	
Payment for mining related infrastructure and equipment	900	900	-	
General working capital	3,714	5,064	(1,350)	(1)
Total	4,791	6,131	(1,340)	

- (1) Actual payment of general working capital was RM1.35 million lower than the projected amount due to (i) the expected payment for interior fit-out project of RM0.95 million has not been made in 1Q2019 as a result of extended time taken for certification of progress billing by the relevant authority before payment could be made, (ii) lower expenses for Bukit Chetai Mine granite extraction operations of RM0.23 million as a result of lower production output and (iii) lower expenses of RM0.17 million incurred for the proposed issue of 1% unsecured redeemable equity-linked notes due 2022 which was withdrawn in April 2019.

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 April 2019 to 30 June 2019 (“2Q2019”)), 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	210
Royalty	79
General working capital	13,297
Total	13,586

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 2Q2019 are as follows: -

- (1) Additional capital expenditure for mining and quarrying activities at Lubuk Mandi Mine, Bukit Chetai Mine as well as for offices.
- (2) General working capital of RM13.30 million which consists of expected payment of (i) RM7.84 million for repayment of bonds due on 3 May 2019, (ii) RM1.10 million for interior fit-out project after obtaining certification of progress billing by the relevant authority, and (iii) the remaining RM4.36 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

In 1Q2019, there was no capitalisation for exploration and evaluation expenditures as there was no exploration and mining development activity being carried out by the Company at

Lubuk Mandi Mine. On 18 January 2019, the Company's wholly-owned subsidiary, Angka Alamjaya Sdn. Bhd. ("**AASB**") entered into a Technical Services Agreement with Great Aims Resources Sdn. Bhd. ("**GAR**") pursuant to which GAR is engaged to carry out core drilling in the Lubuk Mandi Mine for a period of 12 months. Planning of the core drilling works is in progress.

During 1Q2019, GAR continued to carry out production of gold concentrated ore from processing of tailings materials. A total of 38,033 dry tonnes of tailings materials were processed. Total gold concentrated ore produced was approximately 468 tonnes with average of 31.4 gram of gold per tonne of gold concentrated ore. Production was low in January 2019 due to monsoon rain. The volume of tailings materials processed increased from February to March 2019 with improving weather conditions.

Due to heavy monsoon rains and the resultant erosion problem within the tunnel complex GAR could not carry out much works within the tunnel complex. GAR plans to carry out repair and improvement works to the infrastructure within the tunnel complex in April and May 2019.

Bukit Chetai Mine

There were no excavation works at the production platform during 1Q2019 due to the monsoon season and the return of some of the China workers to China for the Chinese New Year festival.

A total of 24 m³ of blocks were produced from boulders (an alternative method of production), comprising of 49% Terengganu Green ("**TG**") blocks and 51% Sekayu White ("**SW**") blocks.

A total of 1,586 m² of tiles were produced, comprising of 25% TG tiles and 75% SW tiles.

Pursuant to the co-operative agreement dated 16 January 2019 with Jianning County Huasheng Stone Co. Ltd ("**Huasheng**") to cooperate on the Bukit Chetai dimension granite stone processing operation, Huasheng has officially taken over the factory together with the existing equipment at end of March 2019 to carry out dimension granite stone processing at the Bukit Chetai Mine.

By Order of the Board
ANCHOR RESOURCES LIMITED

Lim Chiau Woei
Managing Director

15 May 2019

*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 not independently 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 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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