



ANCHOR RESOURCES LIMITED

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

**Additional Disclosure Required for Mineral, Oil and Gas Companies
For Third Quarter Ended 30 September 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 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 2020 to 30 September 2020 ("3Q2020"), 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	27	19	8	
Royalty	0	210	(210)	(1)
General working capital	2,180	2,438	(258)	(2)
Total	2,207	2,667	(460)	

- (1) There is no royalty payment for current quarter, as discussion regarding repayment arrangement for royalty and contract is still on-going. The Management is discussing with PMINT to standardise the gold semi processed concentrates ore tributes at 5% of sales.
- (2) Actual payment of general working capital of RM2.18 million was lower than the projected amount mainly due to reschedule of payment arrangement to suppliers of RM0.23 million to the financial period from 1 October 2020 to 31 December 2020 ("4Q2020").

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

For the next immediate quarter for 4Q2020, 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	100	(1)
Royalty	210	(2)
General working capital	10,930	(3)
Total	11,240	

The above projected use of funds/cash relates to the Group's development and production plans at the Lubuk Mandi Gold Mine and Bukit Chetai Granite Mine for 4Q2020 are as follows: -

- (1) Additional capital expenditure for headquarter office and for mining and quarrying activities at Lubuk Mandi Gold Mine and Bukit Chetai Granite Mine.
- (2) Royalty expenditure of RM0.21 million.
- (3) General working capital of RM10.93 million which consists of expected payment of (i) RM5.74 million for the bonds settlement arrangement, (ii) the outstanding director remuneration of RM2.33 million and (iii) the remaining of RM2.86 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 Gold Mine

During 3Q2020, Lubuk Mandi Gold Mine continued to produce gold concentrate from processing of tailings materials. A total of 46,111 dry tonnes of tailings materials were being processed. Total gold concentrated ore produced was approximately 450 tonnes with an average of 41.0 gram of gold per tonne of gold concentrated ore. The dry tonnes of tailings materials processed increased as the condition under the Movement Control Order (“MCO”) were relaxed by the Malaysia Government and the plant was fully operational from July 2020 to September 2020. However, the Malaysia Government implemented a Conditional MCO to Sabah, Kuala Lumpur, Selangor and Putrajaya from 14 to 27 October 2020 and further extended to 9 November 2020, of which our tailings operations in Kuala Terengganu are not affected for now.

Great Aims Resources Sdn. Bhd. (“**GAR**”) was not able to conduct the underground tunneling works in 3Q2020 as their workers were not able to return to site due to Covid-19 travel restrictions.

Bukit Chetai Granite 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. The Bukit Chetai Mine did not produce block, tiles and joggle pavers in 3Q2020.

By Order of the Board
ANCHOR RESOURCES LIMITED

Lim Chiau Woei
Managing Director

Chan Koon Mong
Executive Director

27 October 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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