

**RESULTS OF OPERATIONS**  
**Semi Annual Exploration Report**  
**OYADAO SOUTH CONCESSION, CAMBODIA,**  
**FOR THE PERIOD 2012:07:01 TO 2012:12:31**

**INTRODUCTION**

The period has been one of relative inactivity with work concentrated on collection and preparation of termite mound samples from the Dokyong area. Figure 1 depicts the location of the concession in Cambodia.



The Project is located 450 km northeast of the national capital city of Phnom Penh in the Province of Ratanakiri, the Provincial capital of which in Banlung. The concession is irregular in shape, and lies to the south of a contiguous block, Oyadao, to the east of the town of Banlung, hard against the Vietnam border. The table below details the concession.

Concession	Type	Area km <sup>2</sup>	Renewed Date
OYADAO SOUTH	Exploration Concession	248	2012-08-27

As the company has done no excavating, or ground disturbance no environmental liability has been incurred. A liability to rehabilitate is incurred once ground disturbance commences, for example by pitting, trenching or diamond drilling. The company has initiated a strict internal policy of site rehabilitation. It is to be noted, however, that illegal mining in the Phum Syarung prospect area has devastated the landscape over several square kilometers, and there is a particularly unpleasant environmental hazard associated with that area, as the illegals were using a copper plate amalgam scavenger to recover much of the gold from sluicing. The waste water, no doubt charged with mercury, was being discharged directly into creeks feeding the Dokyong River.

### **PREVIOUS WORK**

Reference should be made to previous semi-annual and annual reports by Prairie Pacific Mining Corporation and Liberty Mining International to the Ministry of Mines and Energy for the regional and local geology, geophysical framework and geochemical surveys on which the current programs are based.

### **PROGRAM OF WORK**

The following are the numeric statistics for the tenement for this semester:

LICENSE PROSPECT		OYADAO SOUTH	
		P SYARUNG	DOKYONG
Gridding		-	-
Augering		-	-
Termite	Sieved	-	3,153
	Panned	-	209
	Unprocessed	-	2,944
Rocks		-	1
Trenching	Metres	-	-
	Samples	-	-
Drilling	Metres	-	-
	Holes	-	-
	Samples	585	-
Geophysics	SEM	-	-
	Mag	-	-
	VLf-EM	-	-

### **CURRENT OPERATIONS**

#### **Dokyong Prospect**

Located in the extreme southwest of the concession, Dokyong area is promising. Interest in the area was triggered by a stream sediment geochemical survey which located several contiguous catchments in the area with anomalous values of gold and associated pathfinder elements such as copper, arsenic and molybdenum. This work was followed up by free traverse geological mapping and rock chip sampling, which showed some good gold, arsenic and other element concentrations; and outlined zones of intense silicification, clay alteration and oxide mineralization coincident with strong multi element geochemical rock chip anomalies; and by an auger 'C' zone soil survey was undertaken over a large area which indicated 6 strong soil anomalies, generating several drill targets. Based on the first pass soil analysis it was decided to extend the initial soil auger survey, which started in May. Instead of augered soil samples, the new geochemical soil survey was done on termite mounds, which our experimentation have shown to be equally effective and less costly.

## Phum Syarung

Reconnaissance mapping and sampling had already shown a great many workings following the Phum Syarung fault feature in the centre east of the concession, and sampling shows great gold values in several locations. Work was suspended after a short drill program in 2010.

Initially in 2012, 2 holes were drilled to investigate a single linear feature, originally discovered in 2010 in follow-up "scout" drilling on a 'C' zone soil geochemical lead-zinc anomaly which coincides with intense artisanal activity, and shows as a strong surface electromagnetic (SEM) geophysical anomaly located this season. PS12-012D intersected a half metre brecciated quartz vein with disseminated pyrite at 134m and a 15cm but well mineralized quartz breccia zone with pyrite, galena and sphalerite at 136m. The bulk of the drill core is granite, with a sericite altered shear zone at the predicted intercept depth of 196m. In PS12-013D the presence of numerous small (15 to 20cm) mineralised quartz veins every 2 to 5m from 96.5 – 135.3m, including visible gold (108.8 – 109m), in a slightly brecciated, crustiform, quartz-carbonate vein with strong molybdenite mineralization and trace chalcopyrite, close to the targeted SEM plate interval of 110m. The visible gold (size; up to 1mm inclusions; abundance; <1%), is strongly associated with the molybdenite. Very fine Au (<0.5mm) is observable throughout the mineralised interval. The bulk of the geology in the hole is granite. These results gave sufficient encouragement for drilling to continue. Significant results are listed below.

Hole #	From	To	Interval	Au g/t	Ag g/t	Cu %	Pb %	Zn %
PS10-006D	68.00	69.00	1.00	6.38	20.60	tr	4.48	5.92
PS12-012D	DID NOT REACH TARGET							
PS12-013D	105.80	109.05	3.25	6.67	0.90	0.04	0.35	0.43
PS12-014D	DID NOT REACH TARGET							
PS12-015D	90.50	92.80	2.30	4.72	1.85	0.03	0.32	0.15
PS12-016D	91.95	95.25	3.30	5.07	0.17	0.03	0.25	0.34
PS12-017D	DID NOT REACH TARGET							
PS12-018D	59.80	63.85	4.05	16.65	17.40	0.62	2.13	2.01
PS12-019D	40.75	47.80	7.05	1.20	0.42	0.00	0.08	0.10

The feature is a robust quartz vein of variable thickness; well mineralized with polymetallic sulphides, mainly galena+/-sphalerite+/- pyrite-chalcopyrite and minor molybdenum having crackle breccia at the upper and lower contacts; and mid-vein banding. Host rock is medium-grained, grey granitoid with weak potassic feldspar and biotite alteration, and pervasive very fine grained disseminated pyrite. The vein occurs within a fault zone that can be traced 10km south to the Dokyong 'Z', 'Y' and 'X' soil geochemical anomalies. The Dokyong sampling grid is being extended to the northeast along this fault zone.

All work is preceded by UXO clearance teams.

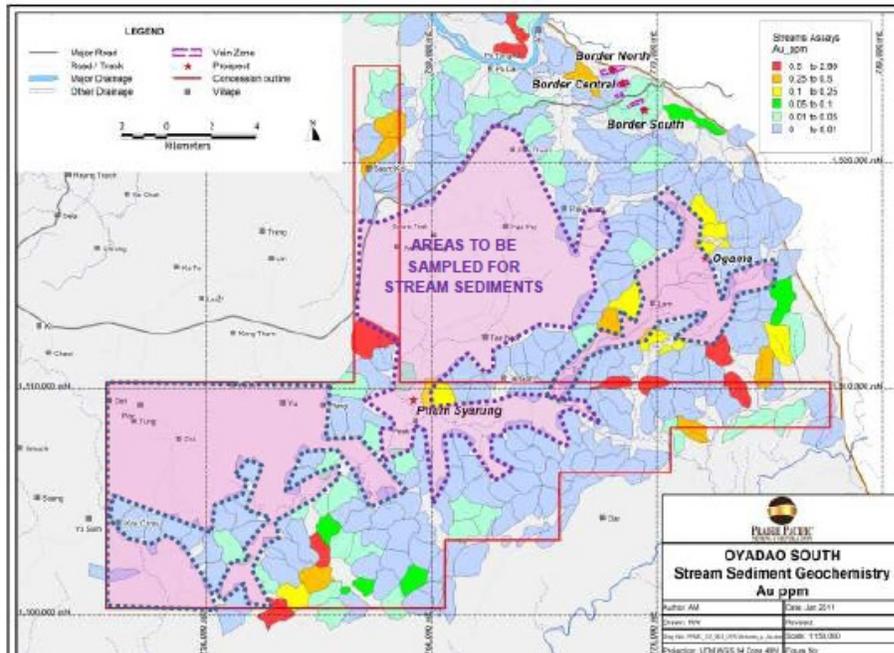
## EXPENDITURES

These figures are preliminary, and have not yet been audited. Much of the cost allocated this semester derives from previous accruals carried forward.

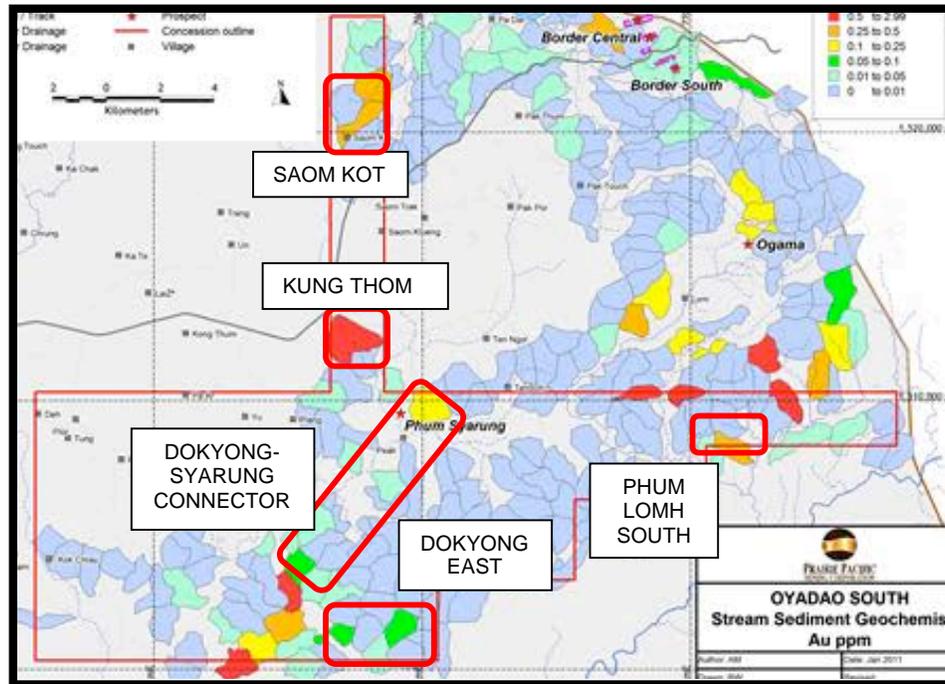
Oyadao South	
Salaries and Wages	\$60,791.25
Administration and General	\$45,354.71
Geological	\$66,955.88
Drilling	\$2,152.80
UXO & Earthworks	\$2,226.78
Assaying	\$26,811.55
Field Supplies	\$6,263.12
Accommodation, Meals	\$11,436.56
Vehicles, Transport, Fuel	\$16,356.48
Overheads	\$48,553.81
Community Development	\$17,587.68
Licence Fee's	\$30,175.00
<b>Total:</b>	<b>\$334,665.61</b>

**PROGRAM FOR THE NEXT SEMESTER**

Field mapping has shown that the Recent basalt cover is not always accurately depicted, and further that many streams cut through the shallow basalt cover into some very interesting underlying geology. There are large areas of the existing Exploration License that have never been subject to stream sediment geochemical surveys, mainly because they were originally interpreted as being covered by basalt. This shortcoming must be redressed as a priority. The map below depicts the areas that will be sampled shortly.



Following the great success in the pilot termite mound project last year, Angkor has done a complete shift from auger sampling to this method.



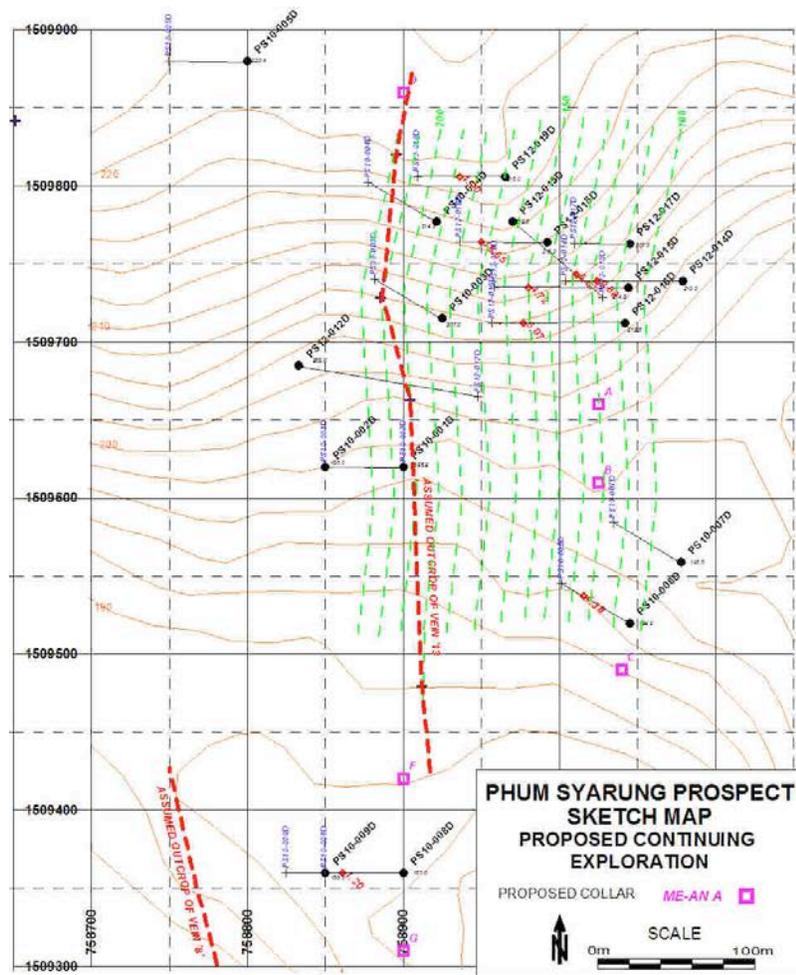
At **Dokyong East** the exercise of sampling along 100m line intervals that was started this semester will continue and should be complete by end February 2013.

The **Phum Lomh** prospects could very easily prove themselves at least as promising as **Dokyong**. It becomes doubly important to prospect these areas very carefully and systematically. **Kung Thom** and **Saom Kot** anomalous catchments in the north and west are particularly attractive, because they are so close to the paved highway. The high degree of cultivation in these areas means that termite mound prospecting is probably the only technique available to give geochemical sampling unaffected by cultural disturbance.

At **Dokyong** there are several soil geochemical anomalies, related to silica flooding in volcanic breccias and quartz veining, on 3 of which we have completed 5 scout holes last season. Before we drill further, all the anomalies must be mapped in detail and sections of the drilled areas prepared and studied. The termite mound work is extending our geochemical survey north and eastwards, along the **Phum Syarung** fault corridor. Mapping this must be given priority, as it could afford us a late season drilling opportunity on several targets analogous to the **Phum Syarung** deposits. It is hoped that this mapping can be completed by end February.

Drilling is also planned for **Dokyong**. It is difficult at this stage to estimate quite what drilling will be required, but perhaps 8 holes totalling 1200m would not be unreasonable. The termite mound geochemical survey and detailed geological mapping should be completed by end February: assays can therefore be expected during March, such that drilling could start after the Khmer New Year for completion by late May.

At **Phum Syarung** an all-station survey has commenced, to be followed by some trenching and drilling. At this time 8 holes are planned, totalling 640m. The proposed holes are designated by letters A through G on the map below.



### BUDGET FOR THE NEXT SEMESTER

The cost of the geochemical surveys to the east of the tenement, and in the areas east and north of Dokyong will probably be roughly \$75,000, including contingencies. Mapping will cost about \$25,000. The survey and some road enhancement require an allocation of funds. The 1840m drilling program should cost about \$350,000, including contingencies. Some allowance must be made for trenching, logging, sampling. Total anticipated budget for the 6 months commencing 2013-01-01 is therefore about \$600,000.

Dr. Adrian Mann, Ph.D., M.B.A., B.Sc. (Hons), B.Sc. (Spec) (Hons), P. Geol.,  
Vice President, Exploration