ANGKOR GOLD CORP.

Management's Discussion and Analysis

For the Nine Months ended April 30, 2016

Management's Discussion and Analysis of Financial Position and Results of Operations for the Nine Months ended April 30, 2016

BACKGROUND

This Management's Discussion & Analysis ("MD&A") of Angkor Gold Corp. ("Angkor Gold" or the "Company") is dated as of June 29, 2016, which is the date of filing this document. It provides a review of our financial results, from the viewpoint of management, for the nine month period ended April 30, 2016. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2015. This discussion includes the accounts of the Company and its wholly-owned subsidiaries, Prairie Pacific Mining Corp. ("PPMC Canada"), a corporation existing under the provincial laws of Alberta; and Angkor Gold Cambodia Co. Ltd. ("AGC"), a corporation existing under the laws of the Kingdom of Cambodia, Liberty Mining (Cambodia) Ltd., a corporation existing under the laws of the Kingdom of Cambodia, Liberty Mining International Pty Ltd, a corporation existing under the laws of the Kingdom of Cambodia, and Transol Mining and Exploration Pty Ltd, a corporation existing under the laws of the Kingdom of Cambodia.

BUSINESS UPDATE

GRANT OF STOCK OPTIONS UNDER EXISTING STOCK OPTION PLAN

On June 14th, Angkor Gold Corp. granted stock options to directors, officers, employees and consultants to purchase an aggregate of two million common shares of the company at an exercise price of 45 cents per share for a five-year term expiring June 14, 2021. Of the two million options, a total of 1.3 million options were granted to directors and officers of the company. The option grant will vest immediately. Pursuant to the company's stock option plan, the options will be exercisable until June 14, 2021. Grant of the options is subject to the approval of the TSX Venture Exchange.

US$3 MILLION JOINT EXPLORATION AGREEMENT WITH JOGMEC ON OYADAO SOUTH LICENSE

On June 14th, ANGKOR entered into a Joint Exploration Agreement ("JEA") with Japan Oil, Gas and Metals National Corporation ("JOGMEC") to explore ANGKOR's 100% owned Oyadao South license. The agreement gives JOGMEC the option right to acquire 51% of the Oyadao South license for a total investment of US$3 million in exploration expenditures over a 3-year period.

Upon aggregate expenditure of US$3 million by JOGMEC, JOGMEC will be granted the option right to acquire an indirect initial 51% interest in the Oyadao South license. From that point on, JOGMEC and ANGKOR will fund the project expenditures on a pro-rata basis.

Key Highlights:

- JOGMEC has been granted the option right to earn a 51% interest in the Oyadao South Project located in the Kingdom of Cambodia and will fund US$3.0 million during the Farm-In Period of 3 years or less.
- During the Farm-In Period, ANGKOR shall conduct all exploration activities on behalf of the Parties and JOGMEC shall fund 100% of the Programs.
- During the Pro Rata Funding Period, each Party shall fund the cost thereof in proportion to its existing actual and deemed entitlement to a Participating Interest in the Joint Venture
- If the Participating Interest in the Joint Venture of any Party is diluted to less than 15%, then such Non-Participant will no longer be a party to the Joint Venture, and will be automatically converted to a 1.5% NSR. At such time, the other Party may at any time purchase 0.5% of the 1.5% NSR with a one-time cash payment of US$1,500,000.

US$3.5 MILLION OPTION AGREEMENT WITH BLUE RIVER RESOURCES ON BANLUNG LICENSE

On May 9th, 2016, ANGKOR entered into a Definitive Agreement ("DA") with Blue River Resources ("Blue River") to explore ANGKOR's 100% owned Banlung tenement in Ratanakiri Province, Cambodia. The agreement gives Blue River initially the right to participate in up to a 50% interest of the Banlung license after the completion of a total investment of US$3.5 million in exploration expenditures over a 4-year period. Once the first 3 options have been satisfied, Blue River may then exercise their option on an additional 20% interest of the Banlung tenement through the commission and completion of a bankable feasibility study on the property.

Highlights:

ANGKOR will receive a non-refundable US$100,000 payment from Blue River, and grant Blue River the following earn-in Options:

> **Option #1** – Based on additional Exploration & Development Expenditures of US$900,000 from June 30, 2016 through March 30, 2018, Blue River will be granted a 10% interest on the Banlung Tenement;
>
> **Option #2** – Based on additional Exploration & Development Expenditures of US$1,500,000 no later than 2 years following the date that Option 1 is exercised, Blue River will be granted a 30% interest on the Banlung Tenement for a total of 40%;
>
> **Option #3** – Based on additional Exploration & Development Expenditures of US$1,000,000 no later than 1 year from the date Option 2 is exercised, Blue River will be granted a further 10% interest on the Banlung Tenement for a total of 50%;
>
> **Option #4** – Based on the completion of a Bankable Feasibility Study on the Banlung Tenement, or portion thereof, Blue River will earn a final 20% interest on the Banlung Tenement for a total of 70%.

Upon completion of Option #4, ANGKOR will maintain a 30% free carry to production on the Banlung Tenement, or can convert at its discretion, to a 5% Net-Smelter Return.

JV Agreement with Mesco Gold Ltd. on Oyadao North License

On January 12, 2016, ANGKOR entered into its second definitive joint-venture agreement with Mesco Gold (Cambodia) Ltd. (MESCO). It expands the mineral rights for MESCO; revises an already existing net smelter return (NSR) that ANGKOR holds on MESCO's Phum Syarung Gold Mine; and allows ANGKOR to focus on its core prospects.

The JV Agreement adds to MESCO's current land holdings in the region which includes the soon-to-be-operating Phum Syarung Gold Mine that is scheduled to begin mining in 2016.

MESCO is incorporated under the laws of the Kingdom of Cambodia and is affiliated with Mesco Steel Ltd., a leading vertically-integrated iron and steel producer based in India that has successfully diversified its operations into other raw materials and commodities, including mining.

Highlights:

- The JV Agreement on the Oyadao North Concession provides MESCO with the rights to explore the entire license for minerals and, if deemed warranted, bringing a portion into commercial production by establishing and operating a mine. MESCO agrees to spend US$1,250,000.00 on exploration.
- ANGKOR will maintain a 15% free-carried interest on the Oyadao North license without incurring any financial obligations related to the maintenance of the license and future exploration/mining programs.
- Under the JV agreement, ANGKOR and MESCO have renegotiated the existing net smelter return (NSR) agreement on the Phum Syarung mine such that the new NSR for gold will be at 2.0% while the price of gold is less than US$1,000.00, and will increase 0.25% for every $50.00 that the gold price exceeds $1,000.00 to a maximum of 7.5%. For all other minerals, a 7.5% NSR will be paid.

Warrants

On June 30, 2015, the Company closed on 5.5 million warrants at $0.50 per common share in the capital of the Company for an aggregate total $2.75 million proceeds enabling the Company to finance without issuing any additional securities in what continues to be a difficult market for exploration companies to raise capital.

- The warrants were originally announced on June 26, 2014 (http://www.angkorgold.ca/angkor-closes-definitive-agreement-with- strategic-partner/) as a previously announced transaction with Tohui Beishan Properties Group Holding Limited ("TG"), incorporated under the laws of Hong Kong, China where the Company issued to TG an aggregate of 7,900,000 units of Angkor Gold for aggregate gross proceeds of $2,250,000. Each unit consisted of one common share at a price of $0.285 per share and one non-transferrable warrant. Each warrant entitled the holder to purchase one additional common share of Angkor Gold at an exercise price of $0.50 and was valid until June 30, 2015. Upon approval by TG, the warrants were adjusted to 'transferrable' and partially offered to current shareholders in the Company.

- The proceeds from the Warrants will be used in continuing exploration on some of the exciting prospects that the company has discovered. Angkor Gold intends to:

  - continue exploration at Koan Nheak to define the extent of the precious metals epithermal vein system
  - pursue further evaluation of a large gold anomaly discovered this season over Okalla West, immediately west of Okalla porphyry

- further drilling on the CW molybdenum-copper porphyry prospect
- detailed geophysical and continued detailed mapping programs over the newly-discovered Halo copper- molybdenum porphyry prospect

Appointment to the Board of Directors and Management Team

On August 10, 2015, the Company announced the board of directors appointed Rhonda Hewko B.A.Sc., P.Eng., who has over 17 years of experience in the environmental engineering field. Mrs. Hewko replaces Mr. Robert Neill, who resigned as Director on August 4, 2015 to focus on other business interests. Also on August 10, 2015, the Company announced the appointment of Mr. Stephen Burega to VP Corporate Development. Over the past 10 years, Mr. Burega has been intimately involved in the launch and management of a number of natural resource companies. Previous to that, Mr. Burega worked in the finance, communications, and government relations arenas for 12 years.

The Company also announced the granting of incentive stock options on August 7, 2015, to its directors, officers and consultants to purchase up to an aggregate of 250,000 common shares at a price of $0.49 per share, exercisable until August 7, 2017.

The Company also announced the retirement of Dr. Adrian Mann, VP of Exploration effective August 31, 2015. Dr. Mann joined the Company in 2009 as a consultant overseeing Angkor Gold’s Cambodian properties and assumed the role of Vice President of Exploration in 2011. Dr. Mann was a key contributor in helping guide Angkor Gold towards being a return derived revenue stream company through the development of Angkor Gold’s huge land package.

FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors outside management's control that could cause actual results to differ materially from those expressed in the forward-looking statements. The Company does not assume responsibility for the accuracy and completeness of the forward-looking statements and does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances, other than as required by securities legislation. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

SELECTED FINANCIAL INFORMATION

The following is selected financial data from the Company's consolidated financial statements for the month period ended July 31, 2015 and the last two years, ending July 31, 2014 and 2013.

	Years ended July 31, 2015	July 31, 2014	July 31, 2013
Total revenues	$ -	$ -	$ -
Net earnings (loss) for the year	(1,745,368)	76,128	(1,034,484)
Earnings (loss) per share	(0.02)	(0.00)	(0.01)
Earnings (loss) per share – fully diluted	(0.02)	(0.00)	(0.01)
Cash and cash equivalents	1,880,964	1,419,703	1,321,170
Total assets	20,812,319	15,943,546	12,518,058
Total long-term liabilities	473,030	500,909	327,478

LIQUIDITY AND CAPITAL RESOURCES

The Company has an unaudited loss of $1,533,724 for the nine months ended April 30, 2016, accumulated losses of $16,889,695 as at April 30, 2016 and negative cash flows from operating activities of $768,521 for the nine months ended April 30, 2016.

The Company's assets have not been put into commercial production and the Company has no operating revenues. Accordingly, the Company is dependent on the equity markets as sources of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that additional financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

OVERALL PERFORMANCE FOR THE REPORTING PERIOD

For the nine month period ended April 30, 2016, the Company recorded a loss of $1,533,724 ($0.02 loss per share).

The $1,533,724 loss in the nine month period ended April 30, 2016 was driven by:

(i) salaries, wages, and benefit costs of $584,685, (ii) corporate development expenses of $56,970, (iii) social development costs of $102,289, (iv) office and travel expenses of $377,234, (v) professional fees of $133,983, and (vi) reversal of deferred income taxes of $524,639.

For the three month period ended April 30, 2016 the Company recorded a loss of $310,935 ($0.01 loss per share).

The $310,935 loss in the three month period ended April 30, 2016 was driven by:

(i) salaries, wages, and benefit costs of $85,310, (ii) Camp supplies of $173,533, (iii) social development costs of $29,926 (iv) office expenses of $120,534, and (v) professional fees of $34,780.

Working Capital and Total Assets

As at April 30, 2016, the Company had $19,719,255 in total assets and a net working capital deficiency of $1,683,259.

Summary of Quarterly Results

The following table provides selected financial information of the Company for each of the last eight quarters ended.

		For the quarters ended					
		April 30, 2016	Jan 31, 2016		Oct 31, 2015		July 31, 2015
Total comprehensive income (loss)	**$**	1,234,302	372,906	$	(48,611)	$	1,219,944
Income (loss) after taxes		(310,935)	(1,032,984)		(189,805)		(1,612,905)
Earnings (loss) per share		(0.00)	(0.00)		(0.00)		(0.01)
Earnings (loss) per share – fully diluted		(0.00)	(0.00)		(0.00)		(0.01)
Cash and cash equivalents		664,251	547,897		1,349,163		1,880,964
Total assets		19,719,255	20,783,057		20,257,207		20,812,319
Total long-term liabilities		460,498	515,279		472,892		473,030

The main driver that affects comprehensive income each quarter is the foreign exchange on the resource properties as the United States Dollar increased in value relative to the Canadian dollar. The increase was more significant in the fiscal year ended 2015.

		For the quarters ended					
		April 30 2015	January 31, 2015		October 31, 2014		July 31, 2014
Total comprehensive income (loss)	$	50,095	191,351	$	62,343	$	366,178
Income (loss) after taxes		(124,695)	(41,288)		33,520		423,290
Earnings (loss) per share		(0.00)	(0.00)		(0.00)		(0.00)
Earnings (loss) per share – fully diluted		(0.00)	(0.00)		(0.00)		(0.00)
Cash and cash equivalents		1,113,326	548,393		841,565		1,419,703
Total assets		17,980,229	15,830,141		16,001,519		15,943,546
Total long-term liabilities		543,668	523,563		511,928		500,909

CAPITAL EXPENDITURES

During the nine month period ended April 30, 2016, the Company capitalized $509,793 of deferred exploration expenditures and $40,540 of property, plant and equipment.

During the nine month period ended April 30, 2015, the Company capitalized $1,035,763l of deferred exploration expenditures and $2,106 of property, plant and equipment.

OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

FINANCIAL INSTRUMENTS

As disclosed in its audited consolidated financial statements for the year ended July 31, 2015, the Company has identified several financial instruments that it utilizes in its day-to-day operations. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

OUTSTANDING SHARE DATA

a) Authorized:

Common Shares
Unlimited number of common shares

Preferred Shares
Unlimited number of preferred shares

b) Issued and outstanding:

April 30, 2016:	93,355,754 common shares / 2,714,000 stock options
June 29, 2016:	93,355,754 common shares / 4,714,000 stock options

CORPORATE DEVELOPMENT AND STRATEGY

OVERVIEW

Andong Meas Exploration License

South Creek Prospect

A geological mapping and prospecting program was initiated within the Andong Meas Tenement to complement the ongoing interpretation regarding the geology and mineralization in the area. The main target was to the west of South Creek Prospect and was extended over a few areas peripheral to Canada Wall wherein some anomalous copper, molybdenum and gold have been delineated from termite mound sampling and regional rock chip sampling. Total area covered during this period is 7.8 km^2.

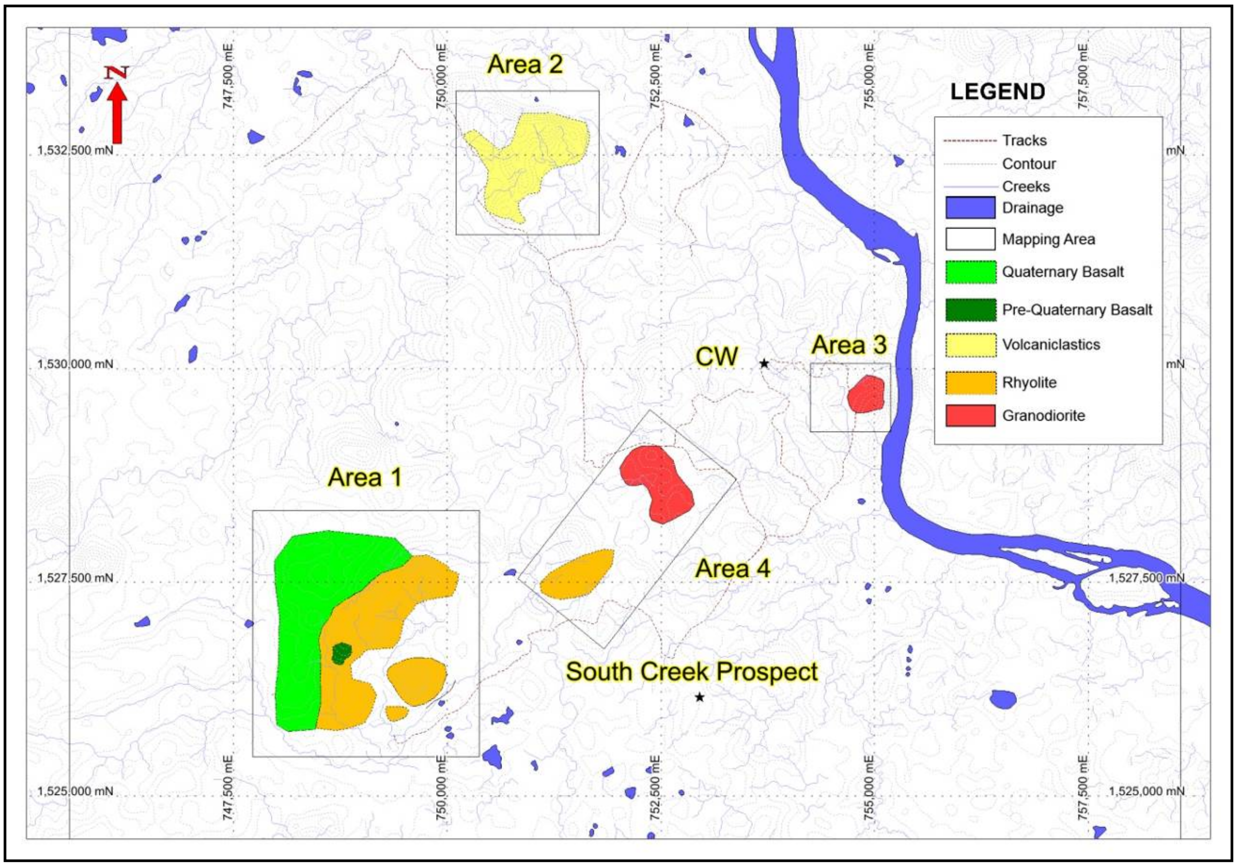


Figure 1. Location of Mapping Areas in Andong Meas Tenement

Area 1 - West of South Creek Prospect

The area covered in this prospect is 4.6 km^2 (2.3 km x 2.0 km). The topographic highs on the west of South Creek Prospect are dominated by rhyolite with one hill composed of basalt. The rhyolite is massive and shows hematite-kaolinite alteration but these could most likely be attributed to surface weathering conditions. Fresh outcrop with very weak chlorite alteration can be observed on the base of the hills. Hairline gray quartz stringers are present in the rhyolite which developed narrow silica alteration selvage. These quartz stingers have been oxidized as well. Much younger milky white quartz veinlets are also noted traversing the rhyolite boulders but no visible sulphide.

The basalt unit is vesicular with quartz crystal growth on the vugs. It is highly magnetic as well. This is somehow different with the quaternary flood basalts on the lower level which are massive and shows very weak magnetism. This could be older basalt but is younger than the rhyolite. Both of these basalt units are not mineralized as with the rest of the quaternary basalts elsewhere. A float of hydrothermal breccia was spotted on the base of this basalt hill. There has been no other sighting adjacent to this float which could tell that it may have rolled over from distal area.

Further to the north-east after the basalt, very fine disseminated black sulphides have been noted on the rhyolite unit. These hills also show weak to moderate silicification which could be a distal effect of the granodiorite intrusive within Canada Wall area.

Lateritic soil dominates the lower areas below the rhyolite to the east and more basaltic soil to the south and west. The basaltic soil areas show anomalous Cu values of up to 104 ppm from regional termite mound samples. This Cu anomalism also contains high percentage Fe. This high Cu+Fe may have just been derived from normal weathering of the basalt and not from deeper mineralization.

Area 2 - Northwest of Canada Wall

Area covered by mapping is 1.82 km^2 (1.4 km by 1.3 km). The high hills in Area 2 are dominated by fine grained rhyolitic volcaniclastics. The top layers are white in color which is brought by surface weathering and oxidation of the finer clastics. The volcaniclastics contains accessory biotite but no sulphides have been noted. Basalt is prominent over the low lying hills with the typical red soil cover.

There are some areas of very weak silicification moving to the east. Float of volcaniclastics with subparallel gray hairline quartz stringers have been noted along with floats of 5-10 cm milky white quartz veins which appear to be devoid of any mineral. Chlorite altered volcaniclastics is observed on a slump near the edge of the hill to the northeast. A fault has traversed in this area as the lithology is fractured and loose. This inferred fault is post mineralization.

Area 3 - East of Canada Wall

The total area covered by mapping is 0.25 km^2 (0.50 km by 0.50 km). This hilly area is close to the Sesan Lake. Previous regional sampling has indicated the possibility of gold in the area. Mapping is conducted on just few hills within the rubber plantation road cut. The exposures are mostly granodiorite which exhibit slight fracturing and weak chlorite alteration. The granodiorite contains weak chlorite-sericite on fractures and hairline quartz stingers. No sulphides have been noted on these granodiorite.

Abundant floats of quartz fragments and altered pyroclastics have been observed on top of these granodiorite. Some gray quartz fragments contain fresh pyrite disseminations. Quartz veining observed in these pyroclastics contains sericite on fractures and vugs. These pyroclastics though are likely eroded already as only remnants are visible on top of the granodiorite body.

Area 4 - Southwest of Canada Wall

Follow up mapping was conducted in this area to look for the source of low level gold anomalism. Two separate areas are covered measuring 0.50 km^2 (1.0 km by 0.50 km) and 0.6 km^2 (1.0 km by 0.60 km). The hills in Area 4 to the southeast are layered rhyolite. This rhyolite contains layers of mafic minerals which are possible dike injections along the layers. The rhyolite is moderate silica-chlorite-epidote altered with weak disseminations of arsenopyrite/pyrite. There are quartz vein parallel to layering and also cross cutting the rhyolite. Mafic dykes are also cutting through the rhyolite and some are observed on the wall of quartz vein as well. Abundant quartz vein floats are also observable on top of the hills.

Rhyolite layers are trending from N30-35E and dipping 20-25 SE. The observed white quartz veins/stringers are trending N5W, 85 NE, N10E, 85 SE and N40W, 85 SW. The nearly N-S stringers are generally narrow <5 cm whilst the N40W are wider at 40 cm. These veins though are not containing visible sulphides. A chlorite altered microdiorite dike observed is trending N10E, 35 SE. Both these veins and dikes are devoid of sulphides which suggest they are emplaced post mineralization.

Further to the northeast of the rhyolite hills is the granodiorite. The granodiorite contains accessory hornblende which is chlorite altered. No sulphides have been noted on the granodiorite although few outcrops have been noted to contain trace amount. Microdiorite dikes and quartz veining are evident on some granodiorite boulders. Abundant quartz vein floats which show fracturing and brecciation are also widespread in the area. One float of chlorite altered granodiorite shows brecciation with massive arsenopyite/pyrite on fractures.

Koh Nheak Exploration License

Angkor Gold's focus for the term on the Mondulkiri tenement included three main prospects; Peacock, Straddle and Ring prospects. The programs included both IP and VLF geophysical surveys, collection of termite mound and rock chip samples for soil geochemistry and detailed geological mapping.

PEACOCK PROSPECT

Geophysics - Surface and Depth IP

The IP survey includes the 1:20,000 intermediate gradient surface IP and the high power deep IP. The workload: 20 km^2 of the 1:20,000 intermediate surface IP and 51 deep IP points.

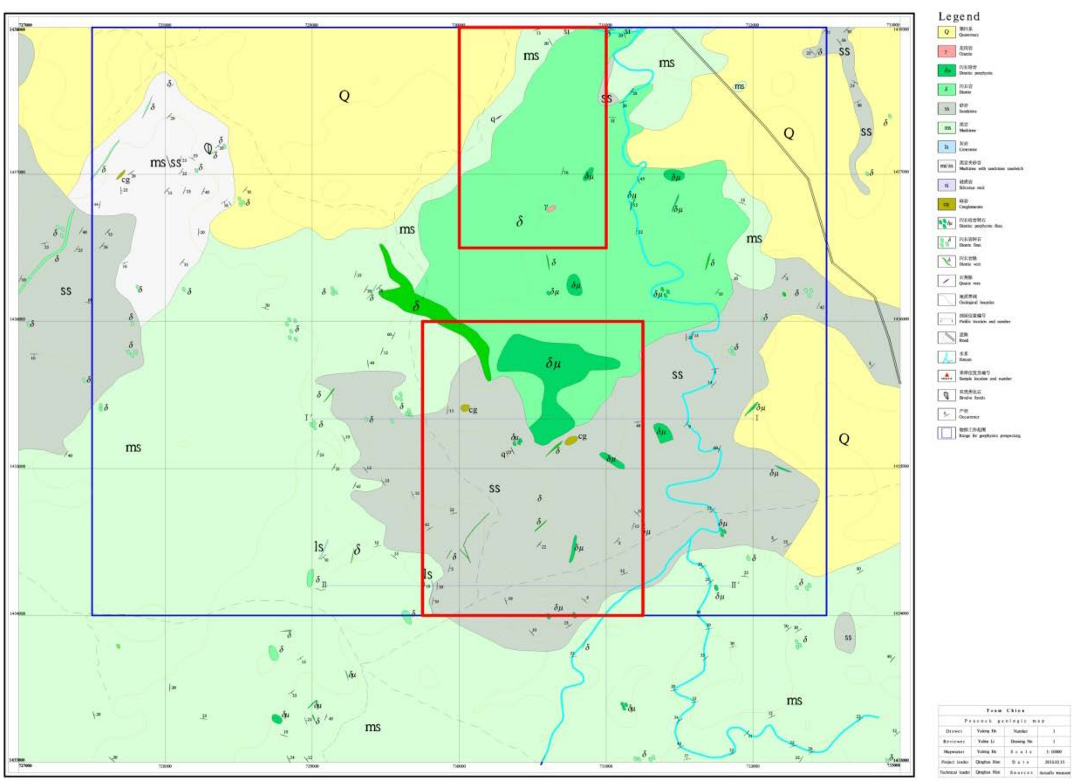
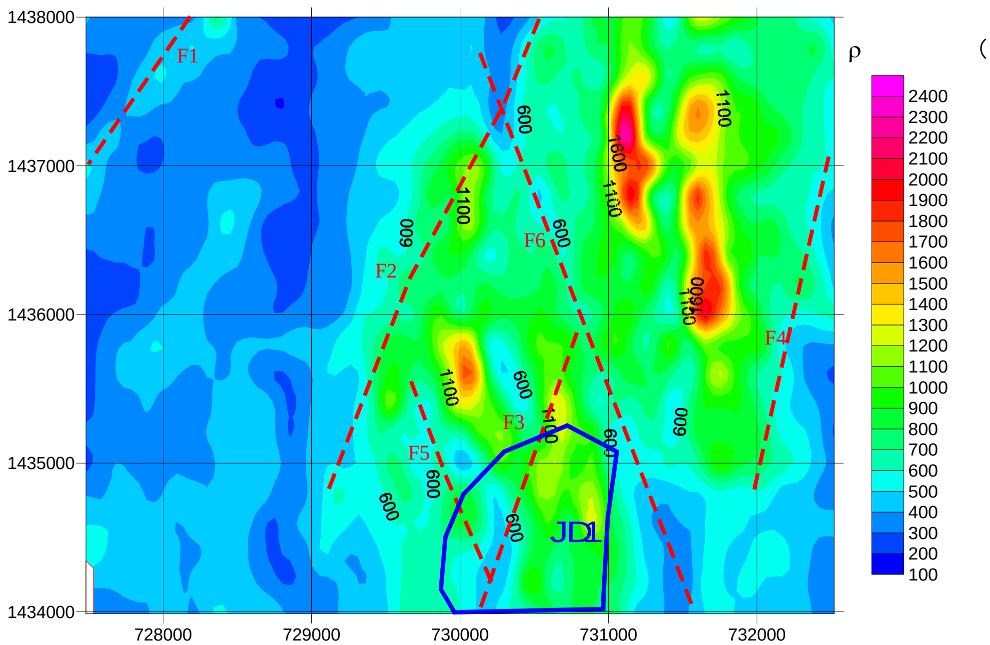


Figure 1-1. Geology Map of Peacock.

According to the analysis of different lithologies, we find that the resistivity of the sandstone is the lowest, with the average value of 385.67 Ω·m. From the low to high; diorite, medium-to-course grained diorite, Siliceous rocks, porphyraceous diorite, dioritic porphyrite and siltstone. The polarizability of the diorite and the dioritic porphyrite is high, while other rocks has relatively lower polarizability.

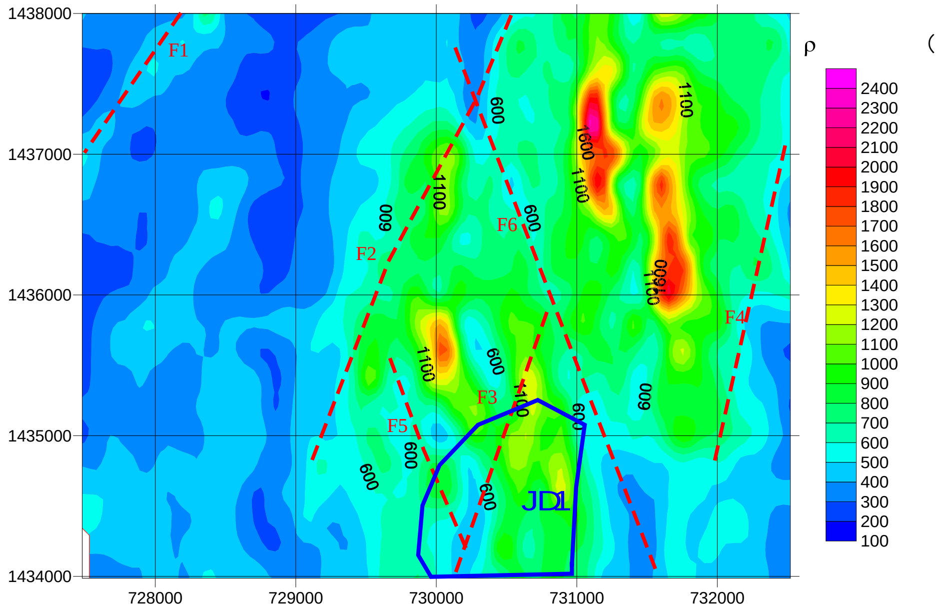
Interpretation of the IP

The maps below are the apparent resistivity planar contour map and the apparent polarizability planar contour map. From the figures we can divide the apparent resistivity into two parts: the western region is the low anomaly area, with the resistivity from 100 to 600 Ω·m, mainly the sandstone, siltstone and mudstone; the eastern region is the high anomaly area, with the resistivity from 600 to 2400 Ω·m, mainly the diorite and the dioritic porphyry. The resistivity of the southeast region is also very low, from 100 to 600 Ω·m, mainly the sandstone, siltstone and the mudstone. The apparent polarizability feature is simple, mainly low in the whole region, from 0.2% to 6%. We find the high polarizability anomaly in the



southern area, from 3% to 6%.

Figure 3-1. The apparent resistivity planar contour map by the intermediate gradient surface IP in



Peacock

Figure 3-2. The apparent polarizability planar contour map by the intermediate gradient surface IP in Peacock

Interpretation of the Geology

The apparent resistivity and the apparent polarizability planar contour map from the surface IP reveal the deep structures in Peacock. Combining the geology with the physical property, we think the western low resistivity area is the sandstone, siltstone and mudstone area, mainly with lower polarizability and local medium polarizability; the middle and the northwest are the high resisitivity area, mainly composed of the diorite and the dioritic porphyry, with medium polarizability; the southwest is the low resistivity area, mainly composed of the sandstone, siltstone and the mudstone, with medium and lower polarizability. The medium and lower polarizability may be caused by the weak alteration of different degree.

Higher polarizability is found in the south of the working area, with the contact zone between the dioritic porphyry, diorite and the sandstone, siltstone. There are alterations with different degree on the contact zone, with well-developed pyritization, which causes the high polarizability.

Interpretation of the Structures

According to the apparent resistivity and the apparent polarizability contour map, we can deduce the main faults structures in the working area. The principles for deducing are as the following:

- The faults are always on the changing gradient zone of the polarizability and the resistivity.
- There is always the fluid channel and the alteration zone in the faults, which will cause the “low resisitivity and the high polarizability anomaly”. According to the above principles, we define 6 faults in the working area, four of which (F1, F2, F3, F4) are the faults with the strike of NE. Two of the faults (F5, F6) are the NW. The F1 fault is in the northwestern of the working area, with the strike of NE.

F1 Fault - is in sandstone and mudstone, with a local NE diorite vein. The“low resistivity and the medium polarizability anomaly” of the faults might be caused by the concentration of the local metal sulfide.

F2 Fault - is in the middle of the working area, with the strike of NE. The medium “low resistivity and the medium polarizability anomaly” zone is on the changing gradient of the resistivity and the polarizability, mainly the contact zone between the sandstone, siltstone and the diorite.

F3 Fault - is in the mid-south of the working area, with the strike of the NE. The F3 faults is the “low resistivity and high polarizability anomaly”, on the contact zone between the sandstone, siltstone and the diorite. The “low resistivity and high polarizability anomaly” is mainly caused by the concentration of the metal sulfide in the faults, which is the key region for prospecting.

F4 Fault - is in the southeast of the working area, with the strike of NE. The F4 faults is the “low resistivity and low polarizability anomaly”, on the contact zone between the sandstone, siltstone and the diorite. The “low resistivity and low polarizability anomaly” is mainly in the changing gradient zone of the resistivity.

F5 Fault - is in the mid-south of the working area, with the strike of NW. The F4 faults is the “low resistivity and medium polarizability anomaly”, mainly in the changing gradient zone of the resistivity and the polarizability. The F5 faults, intersected with the F3 faults, is the key region for prospecting.

F6 Fault - is in the east of the working area, with the strike of NW. The F6 faults is “low resistivity and medium polarizability anomaly”, mainly on the changing gradient zone of the resistivity and the polarizability. The F6 fault is intersected with the F2 and F3 faults respectively.

Interpretation of the IP Anomaly

Definition of the IP anomaly

- Common principle for the definition of the IP anomaly: The lower limit is the twice value of the background value.
- They are 3 points higher than the background value along the section. Also, we must repeat the measuring for several times to make sure the value.
- Formation of the local high polarizability close loop.

According to the principles for the definition of the IP anomaly, the background value of the polarizability is 1.5%. Thus we define the lower limit of the IP anomaly as 3%. Based on the above principles, we outline one IP anomaly, called JD1, as shown in Figure 3-1 and Figure 3-2.

The JD1 anomaly is located in the mid-south of the working area, with the strike of NNE, the polarizability is from 3% to 6%. The extension to the NNE direction is 1.5 km, to the NWW direction is 1 km, with an area of 1.2 km^2. The JD1 anomaly is a “medium-to-high resistivity and the high polarizability anomaly”, with diorite, dioritic porphyry and sandstone on the surface and local metacrystal sandstone, sandstone containing quartz vein and breccia. There are faults with the strike of the NE and NW in the anomaly area. These faults intersect the anomaly nearby and form the most prospecting area of metallogenesis. We find the samples in the anomaly area containing some gold. The locations of the samples containing gold are near the faults with the high polarizability. Thus we suggest that the high polarizability is directly related to the lithologies containing gold. We suggest the JD1 anomaly is the most prospective area.

Interpretation of the Deep IP

To learn more about the JD1 anomaly, we lay out the No. 2 deep IP section on the core of the anomaly. We find the middle of the section is the “high resistivity and high polarizability anomaly”, while the westernmost and the easternmost of the section are the “medium-to-lower resistivity and low polarizability anomaly”. Compared with the geology section, we find the west of the section is the sandstone and mudstone, the middle of the section is the pyritized sandstone, the east of the section is the sandstone. The “high resistivity and the high polarizability anomaly”, tilting to the east, corresponds to the pyritized sandstone in the middle. The polarizability in the west is higher than the east, which is caused by the alteration of the diorite vein and the dioritic porphyrite. The alteration near the diorite is stronger than the far. As far away from the diorite vein, the pyritization is gradually weak. The resistivity and the polarizability gradient zone near No. 141 are obvious, which might be the north-tilting faults. These faults provide the deep channel for the fluid.

The IP anomaly, 45° north-tilting and extending to 200 m, becomes lower and stable beneath the depth of 200 m. 200 m is the maximum prospecting depth of the resistivity and the polarizability, which is influenced by the shallower low resistivity layer.

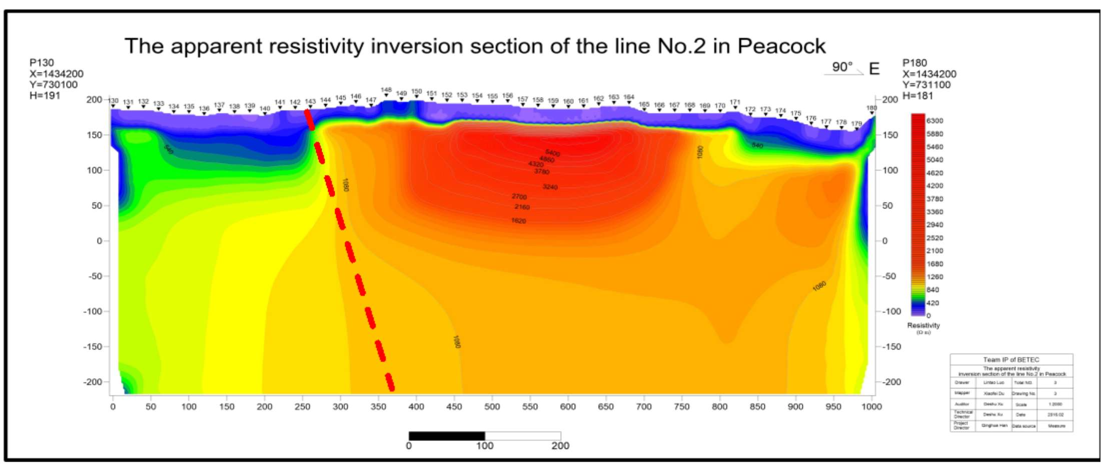


Figure 3-3. The apparent resisitivity inversion section of the line No. 2 in Peacock

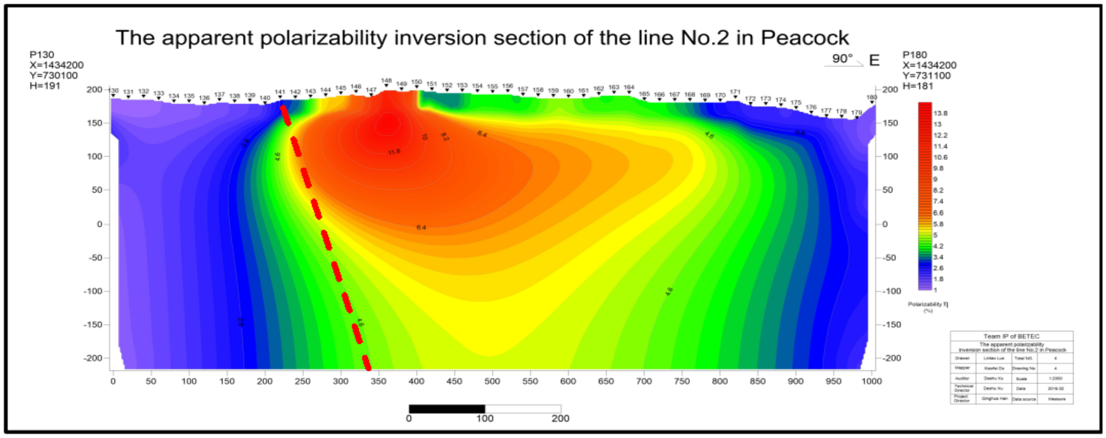


Figure 3-4. The apparent polarizability inversion section of the line No. 2 in Peacock

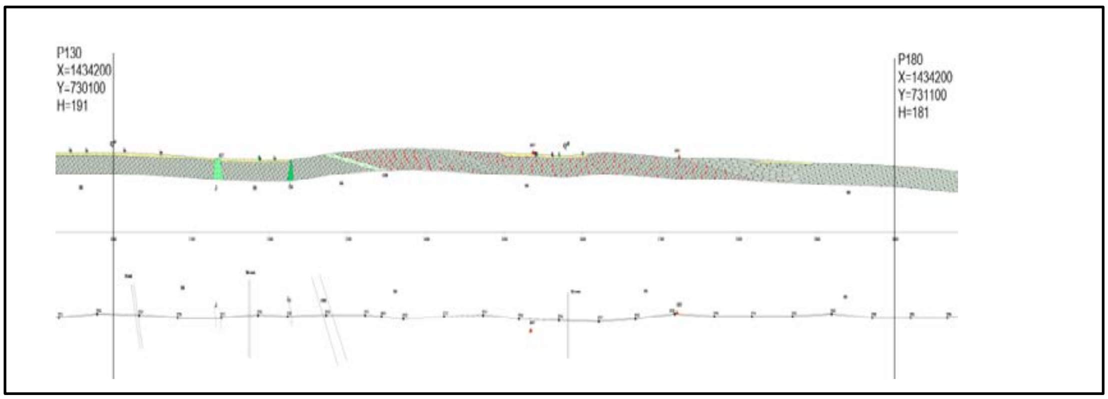


Figure 3-5. The geology section for the deep IP Line No. 2

Combining the resistivity and the polarizability of the deep IP line and the corresponding geology section, we have the following conclusions:

- Deep IP section reveals the stratum and the mineralization zone vertically.
- Apparent resistivity and the polarizability reveals one faults, which provides the hints for the mineralized zone.
- We identify the "high resistivity and the high polarizability anomaly" feature in the section, providing evidence for the trenching and the drilling.
- Combined with the deep IP section and the geology, suggest that the area from the No. 142 to No. 158 is the main mineralized zone in Peacock.

Conclusion

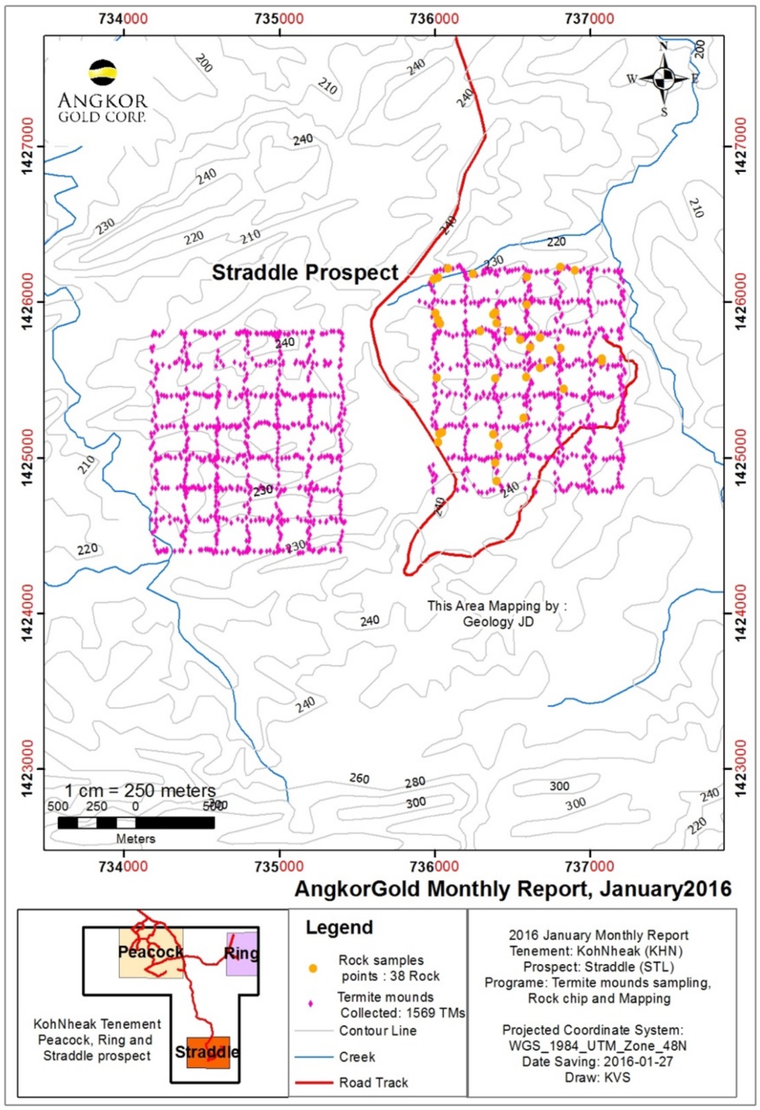
Combining the 1:20,000 intermediate gradient surface IP and the deep IP, we have the following conclusions:

- From the surface IP, we identified the electrical features of the working area
- According to the contour map of the apparent resistivity and the polarizability, we identify 6 faults.
- According to the contour map of the apparent resistivity and the polarizability, combined with the geology, we outline one IP anomaly area.

- We apply the deep IP in the anomaly area and find out the spatial feature of the anomaly.

STRADDLE PROSPECT

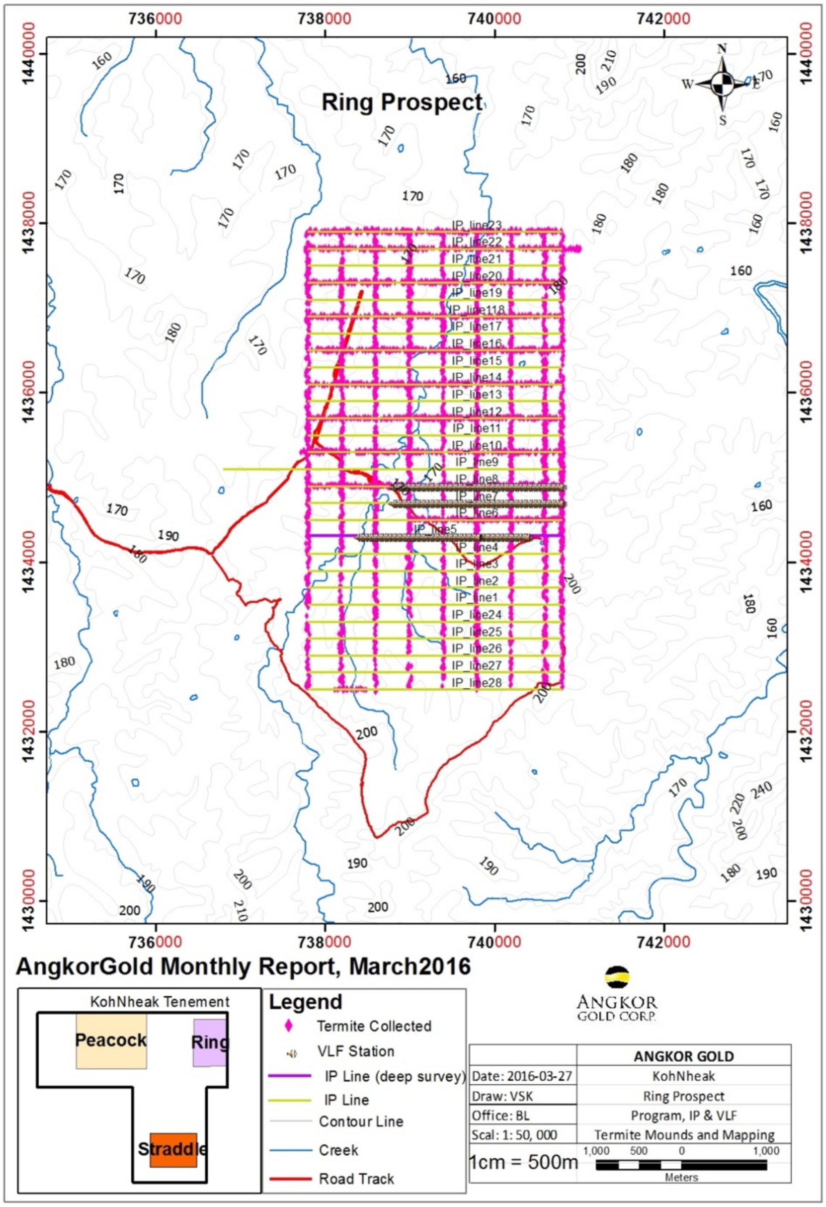
Straddle prospect is located in the southern quadrant of the tenement, and there are two main areas that have been identified for mapping. The work program included rock chip sampling as well as the collection of termite mound samples. A total of 1569 termite mound samples, and 38 rocks chip samples were taken.



EAST-RING PROSPECT

The East Ring prospect mapping program has resulted in the discovery of similar mineralization to the Straddle Prospect, including quartz veins and others mineralization. As part of the program, 14 lines of IP were completed totaling 28 kilometers of measured points and to date, teams have completed 5 lines of deep IP survey. A total of 127 rock samples were collected, and 19 samples have been prepared to be sent to ALS. Teams have collected samples from a total of 5900 termite mounds to date.

IP survey, mapping, cutting line, VLF survey, and the collection of termite mounds, and rock chip samples continued throughout the quarter.



Banlung Tenement

Okalla West (GABBRO) PROSPECT

Tenement Geology

The property lithology is underlain by Permo-Triassic clastic sediments and andesitic to rhyolitic volcanics with complex sub-volcanic centres, and numerous later Triassic to Cretaceous intrusives including granodiorite in the farthest west. Multiphase felsic intrusives including the Okalla prospect in the north-east and ultramafic/gabbroic/felsic intrusives in the central-west central mafic intrusive complex "gabbro" prospect (ultramafic olivine pyroxenites were identified in the central-west gabbro intrusive in 2016). Tertiary and Quaternary flood basalts overlie pre-existing lithologies in the central to north-east and northwest corner of the Banlung Tenement below - DTM by UTS Geophysics, where red typically indicates elevated late basaltic flows.

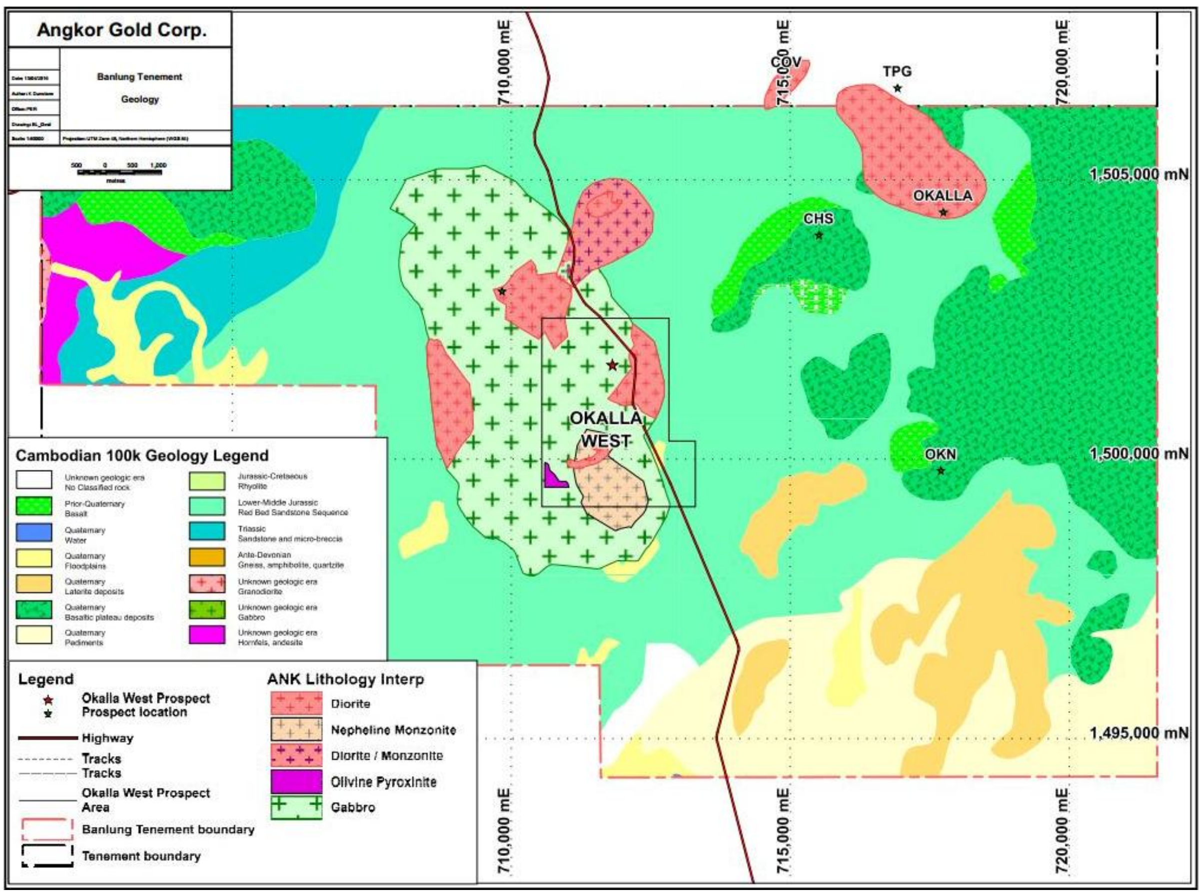


Figure 1 - Banlung Tenement geology

Intrusions may be indicative of mineralising agents. The rocks have been dated to 225 – 230 Ma, Permian – Triassic age and were intrusive in the late stages of the Indosinian orogeny. Summarized by Bryan G Bourke et al January 2006. Mineralising phases have been dated 90 - 110 Ma of Mid-Cretaceous age by Craig Richardson (ANK Geologist) on the Okalla mineralised intrusive.

Okalla West Geography and Geology

The Okalla West gold prospect is located roughly in the centre of the Banlung Tenement, where there is located a pan-concentrate visible gold index anomaly highlighted by the results of the termite mound geochemistry surveys conducted in 2015. The low index gold anomaly covers over 50% of the Okalla West prospect area. The high index anomalous zones covers 40ha, and is located predominantly between 200m to 1.5km to the west of the Banlung - Senmonorom highway, and further to the south, both on and straddling the highway, as seen in maps 2 above and 5, below.

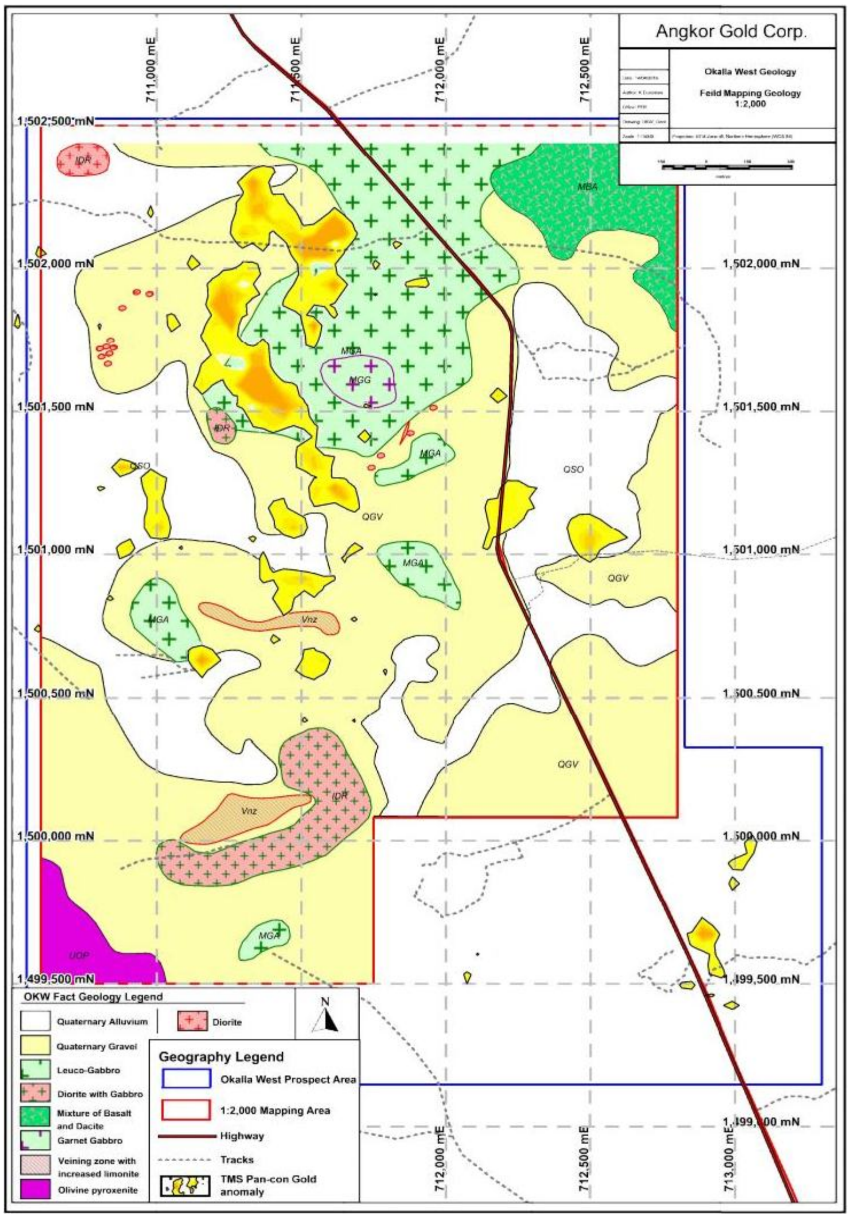


Figure 2 - Okalla West Prospect location area

1:2,000 surface geology map area 2016, by BETEC using a combination of fixed and free traverse paths, plus high Au pan-concentrate index anomaly.

The mafic intrusive complex in which the Okalla West Prospect lies, is roughly ovoid in shape, with dimensions of approximately 7.9km long by 4.2km wide (maximum dimensions), covering a surface area of 25km^2. The long axis of the intrusive lies in a NW-SE orientation of about 330^o.

The intrusive area has a subdued surface geomorphology, typically of flat plains to gently undulating hills, except in the eastern boundary where contact metamorphic sediments and hornfels create areas of steep topographic relief of 30-40m. There is very little surface outcrop in the intrusive complex area, consequently the predominant surface cover is quaternary alluvium and minor colluvium in the north-east. However, where intrusive outcrop is found it typically has a dynamic relief against the surrounding alluvium. A number of the more mafic to ultramafic intrusive rock types are known from rock float samples collected from within the larger gabbro intrusive area. In 2016, ultramafic olivine pyroxenite was identified in the very south-west of the field mapping area.

A 25 hole reconnaissance auger test program was also conducted in 2015. The limited auger program indicated the gold to be associated with the soil and laterite horizons with grades up to 1.14 g/t Au. As well, 80 termite mound samples were collected for wet chemistry assay. These samples were chosen by selecting some of the highest TMS pan-concentrate gold index results. The results of this investigation contained values up to 0.93 g/t Au.

In early 2016, detailed surface mapping on 1:2,000 scale was conducted in the Okalla West prospect area to better understand the geology and potential mineral source of the gold anomaly. Rock samples collected in this mapping program for assay returned gold values up to 3.09 g/t from weathered diorite lithologies containing quartz veinlets. These results lend evidence for a proximal vein hosted gold source within the area, associated with the later felsic intrusives. Also in 2016 the original 127 auger samples collected from the 25 auger sites, were analysed for pH and conductivity, indicating a high conductivity and alkaline pH, potentially supporting a sedimentary provenance.

In 2016, a sample of the nepheline monzosyenite was collected for geochronology, and selected HMS gold grains were selected for electron microprobe work at the Canadian Museum of Nature, to help answer the question of gold provenance, using the Townley et al. ternary graph geochemistry formula. At the time of writing this report the geochronology sample is still to be analysed and the preliminary notes on the microprobe work are included in the "Preliminary notes on gold grain microprobe work", section below.

In 2016 BETEC geophysicists reprocessed some of the airborne geophysics data to specifically highlight the geophysical features of the mafic intrusive complex. These images are included in this report and can be seen below.

Mapping and Structure

Prior to the detailed fixed and free traverse mapping conducted in the Okalla West area in 2016 by BETEC geologists, on a 1:2,000 scale. A free traverse, reconnaissance mapping program was conducted in late 2014 - early 2015, on a 1:8,000 scale by Peter Bolt, a consulting geologist. The most interesting discovery of this mapping program was the identification of later diorite intrusives into the mafic complex, some of which, contained rafts of the earlier gabbro material, giving an indication of relative timing. Prior to the 2014 reconnaissance mapping the "gabbro" intrusive was believed to be a single mafic lithology of leuco-gabbro, based on earlier French and Russian reports. The indication of multiple phases of intrusive rocks, made the now "mafic intrusive complex" infinitely more prospective from an exploration perspective. Peter's field map and images of diorite with gabbro rafts can be seen below. This figure indicates the difference between the south and the north of the mafic intrusive complex. Indicating a greater depth to the magnetic body in the north, most likely due to structural displacement.

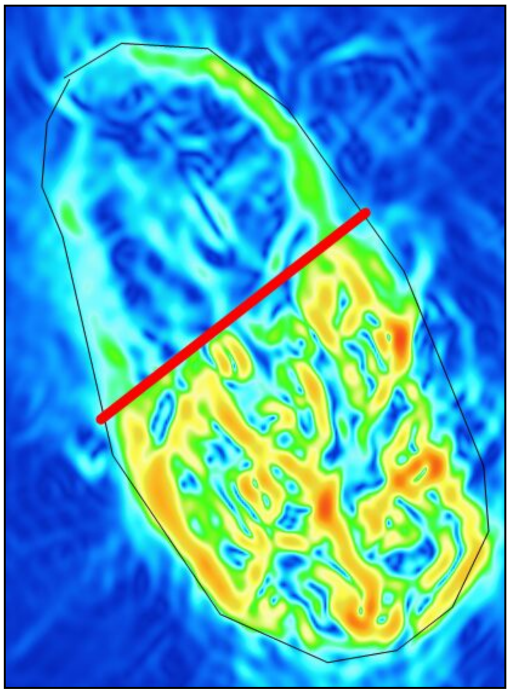


Figure 3 - The horizontal first derivative

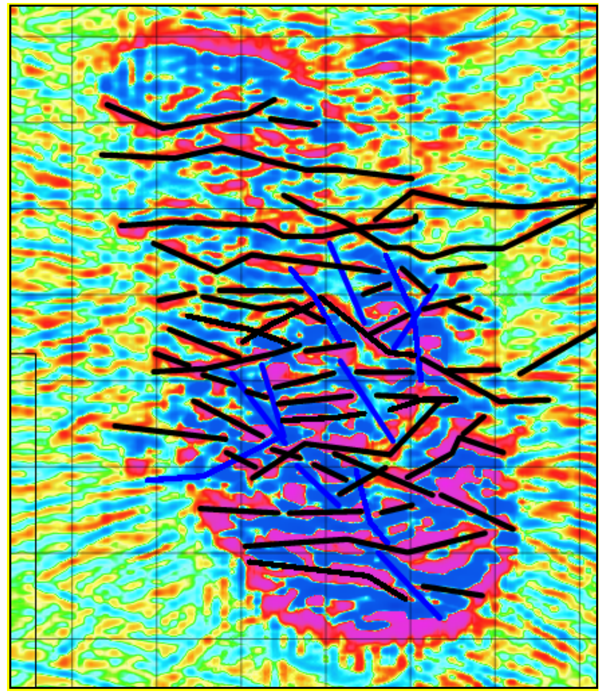


Figure - 4 Inferred structures from the first vertical

Throughout the Banlung Tenement early structures with an orientation of 330 and 030 are dominant and are synonymous with the Indosinian orogeny. These structures are areas of weakness that allow hot rising intrusives to migrate up towards the surface. Both the Okalla intrusive and the mafic intrusive complex lie along one of these semi-regional structures, known locally as the Okan Fault. Structures with a 330 and 030 orientation are typically unmineralized and are ubiquitous to NE Cambodia.

Typically, in the Okalla Prospect area to the east, mineralisation, more commonly occurs in veins that have a predominantly east-west orientation of 080 to 110 degrees. These veins are related to a later subordinate east-west structure, that is less dominant and more difficult to observe in the field and is more evident in the airborne magnetics.

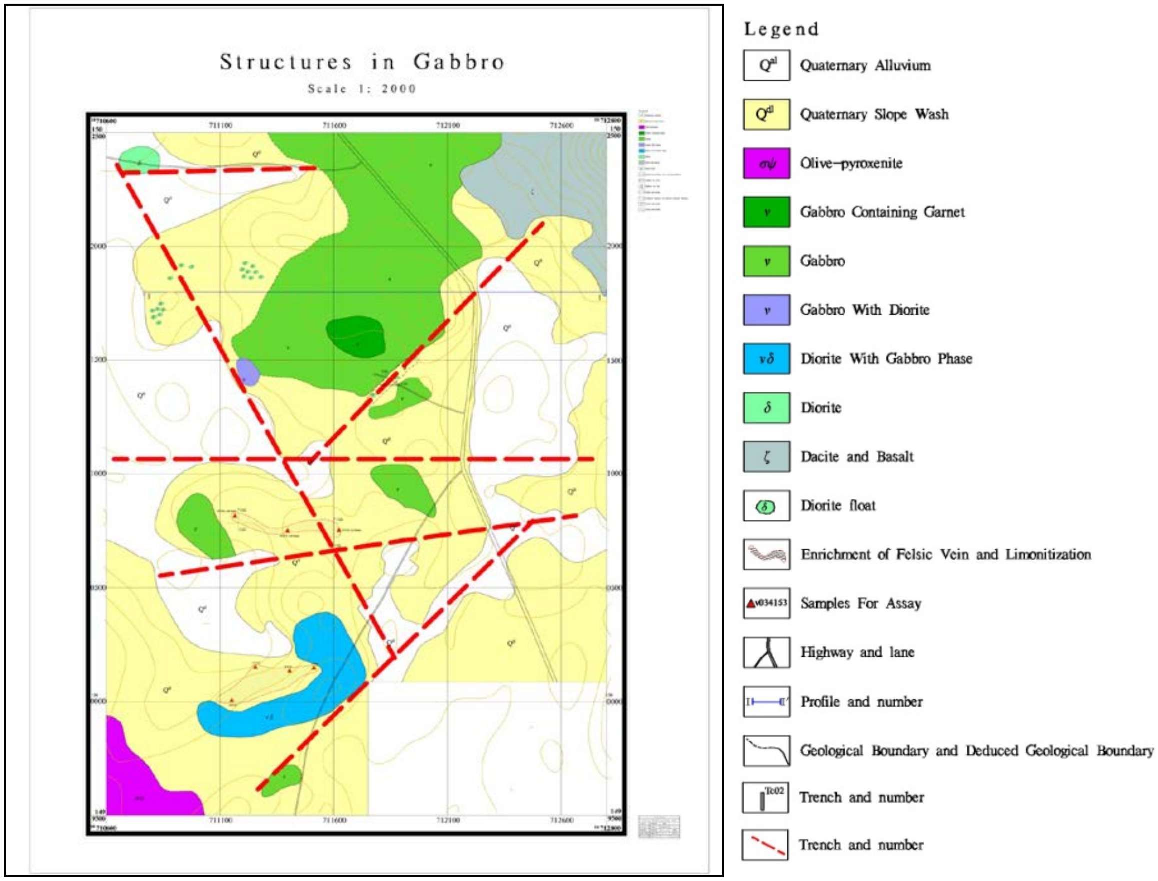


Figure 5 - Main structures identified in the BETEC 1:2,000 field mapping program 2016.

The BETEC mapping highlighted gold mineralisation associated with veinlets in weathered diorite with an east-west trend. The area including and spanning the 2 east-west structures identified in the mapping, would be a logical primary area of investigation for potential vein/veinlet diorite hosted gold mineralisation. Numerous other areas of investigation exist using the east-west interpreted structures as a guide.

Of note, the presence of copper in the hydrous form of malachite, is evidenced in isolated quartz carbonate veins with visible malachite located in the north of the Okalla West prospect at coordinate 711,338E / 1,502,454N.

Airborne Geophysics

The first indication of an intrusive complex in the central Banlung Tenement, was identified by the data returned from an airborne geophysics survey (commissioned by LMI), conducted and processed by UTS Geophysics in 2007. This data was further processed in 2008 by Southern Geoscience and again in 2016 by BETEC geophysicists. The maps from this work program were produced on a 1:50,000 scale.

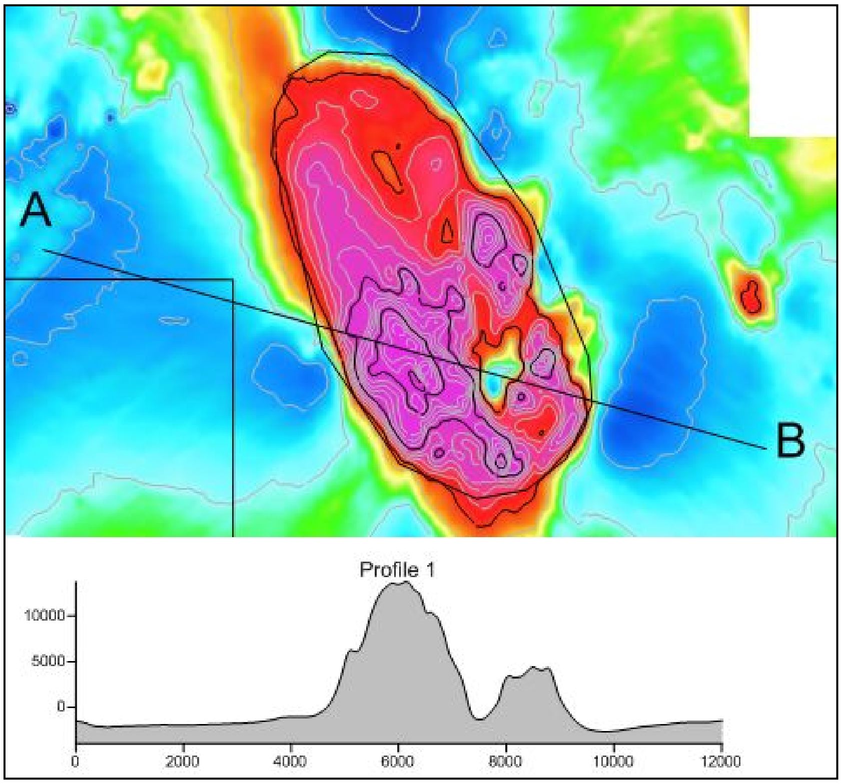


Figure 6 - RTP $\Delta T_{\perp}$ aeromagnetic anomaly. The red color indicates the magnetic field with increased frequency, which may indicate a different lithology's to the gabbro and may not be related to the depth of the buried bedrock.

Termite Mound Geochemisty Surveys

The process of using termite mound sampling as a viable exploration geochemical survey on Angkor Gold exploration projects, was first investigated in a pilot study by Dr. Adrian Mann (VP Exploration for Angkor Gold), in 2011/2012. Dr. Mann's conclusions, were that this sample collection process was well suited to the geochemical exploration of Angkor prospects in Cambodia, and 5 to 6 times faster than traditional C-zone auger surveys.

In total, 485 termite mound samples were randomly collected from the central-east of the mafic intrusive region in the original pilot study, mostly from the hornfels lithology bordering the intrusive complex. These results have not been fully integrated in this review, as only a handful are located in the Okalla West prospect, they were not collected systematically (in a grid), and were only analysed for wet-chemistry by ALS, with no accompanying pan-concentrate data, with which to corroborate later survey pan-concentrate results.

They do however corroborate the presence of gold in the central-east of the termite pan-concentrate anomalies of 2015 at 3 sample sites mentioned as "an interesting target", for gold on *page 6, BANLUNG - 2012-06-30 Semi-annual report, A. Mann*.

In 2015, a 3 month first pass surface geochemistry investigation, in the form of a rock and termite mound sample (TMS) survey, was conducted over the Banlung mafic intrusive (often referred to locally as "Gabbro"). The survey area was determined from the airborne geophysical magnetics information. From each termite mound 2 x 2kg samples were collected, as well as surface float, subcrop and outcrop rocks along each survey line, where encountered. 12,550 termite mound sample sites were surveyed and 123 surface rock samples collected in the first phase of the survey. The survey was conducted on a 400m x

400m grid, using a 50m sample corridor covering an area of 57km^2. This survey highlighted broad and localised, Au, Cu, As, Zn, Ni, Co, Cr and V anomalies located throughout the mafic intrusive complex.

Whilst the base metal anomalies are interesting and definitely worth follow-up, especially in light of the discovery of olivine pyroxenite in the very south-west of the geology field mapping area in 2016. By far the most interesting and immediate anomaly of note is the gold pan-con index anomaly highlighted in the phase 1 TMS, with 26% of termite sites sampled containing visible gold. Gold index anomalies outside the Okalla West area, indicates other areas in the Gabbro complex for further geochemical survey work, including to the immediate south to south-east, central west, far south-west and far north, as depicted by the pan-con index gold anomalies, outside of the main gold anomaly in the central-east of the intrusive complex.

ANK 2015 Termite Mound Survey (Phase 2)

A second phase infill termite mound geochemistry survey was conducted on an irregular shaped, rectangular area of 8km^2, roughly enclosing the highest gold index results of the phase 1 termite mound survey, now known as Okalla West. This survey was completed over a period of 6 weeks in late 2015, collecting samples from 2,420 termite mounds. The survey was carried out on a 100m x 100m grid basis, with a 25m sample corridor.

The results of the infill survey shows the highest pan-concentrate gold index anomaly, covers an area of 40 Hectares or 0.4km2. The broader (lower) gold index anomaly, in which each pan-concentrate sample contains at least 1 grain of visible gold covers an area of 437 Hectares (4.37 km2).

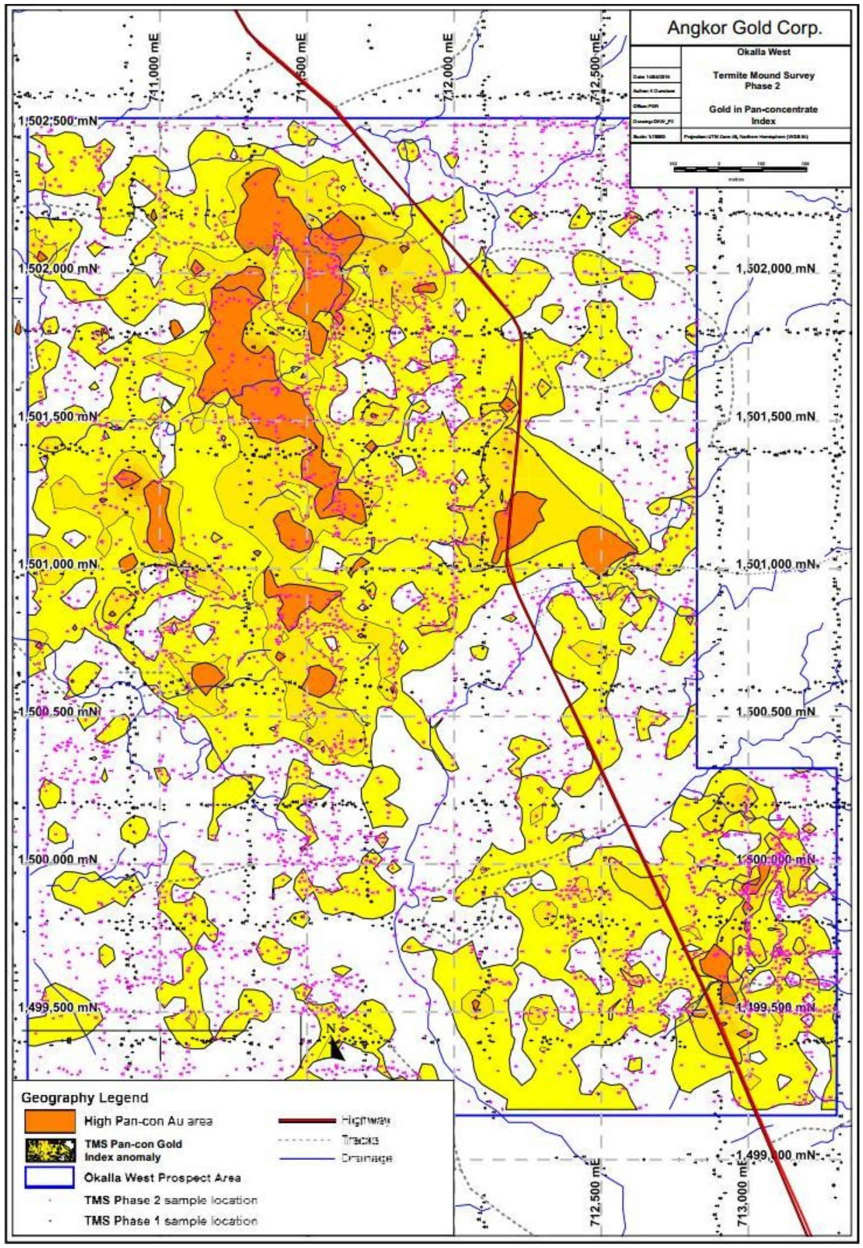


Figure 7 - Okalla West TMS (Phase 2), pan-concentrate gold index anomaly and sample site locations from both Phase 1 and 2 termite mound surveys.

ANK Top 80 termite mound samples for wet chemistry analysis

Prior to defining the Okalla West gold prospect area, an attempt to correlate the empirical gold indices of the first termite mound pan-concentrates results with a standard grade in grams/tonne was attempted. Eighty termite mounds were selected for gold assay, based on the first 5,825 pan-con results, which, at the time of selection is all that had been processed of an eventual total of 12,550 termite mounds sampled. Each original mound selected was re-sampled by collecting 2kg of material, which was submitted for crushing, pulverising and fire assay by ALS in Phnom Penh/Vientiane.

All the samples assayed returned gold, in appreciable concentrations, returning grades up to 0.93 g/t Au.

Of the highest assay results of the termite mound samples collected for assay, almost all are located within the Okalla West prospect area, except for one satellite sample in the very northern boundary of the mafic intrusive complex containing of 0.41 g/t Au. This results would suggest that an infill termite mound sample survey would be warranted as follow-up in this area, when planning future geochemical surveys.

Interestingly, the higher pan-concentrate gold indices from which the assay samples were selected, trend roughly along the margins and within magnetic depletion features along a general west-northwest orientation and possibly a secondary northeast trend, as seen in the aerial magnetic TMI- RTP image.

The 80 samples selected for fire assay showed that there is definitely gold, in appreciable concentrations in the system. However, there appears to be no correlation between the two methods as the plot below demonstrates:

Further testing in this area is required, to define a better correlation between the results of the two sample methods.

ANK 2015 Reconnaissance hand Auger survey

In an effort to elucidate the source of the gold in the phase 1 termite mound pan-concentrate samples, an auger program of 25 stations at 50m spacing was designed to sample the separate regolith profile intervals for gold. In total 120 samples were collected from B-zone, laterite and upper saprolite regolith intervals ranging from 0.3m (B-zone) down to 6.0m. Roughly 40 percent of the auger sites were prevented from auguring deeper due to high ground water, resulting in the inability to retrieve the sample.

The site locations were selected using the best termite gold pan-concentrate index, gold in termite mound assay results and field mapping information as a guide. The early field mapping indicated a second possible dioritic intrusive. This was also taken into consideration, to possibly sample across two lithologies.

The results of this investigation indicated that the gold is mostly confined to the laterite and lateritic ‘B’ zone soil horizons.

Laterite auger sample locations. Based on best 80 pan-concentrate with Au indices

The section below depicts the depths to which augering reached, and the Au grade in ppb of each 1m horizon. The gold is mostly confined to laterite and lateritic 'B' zone soils, concentrated in the east.

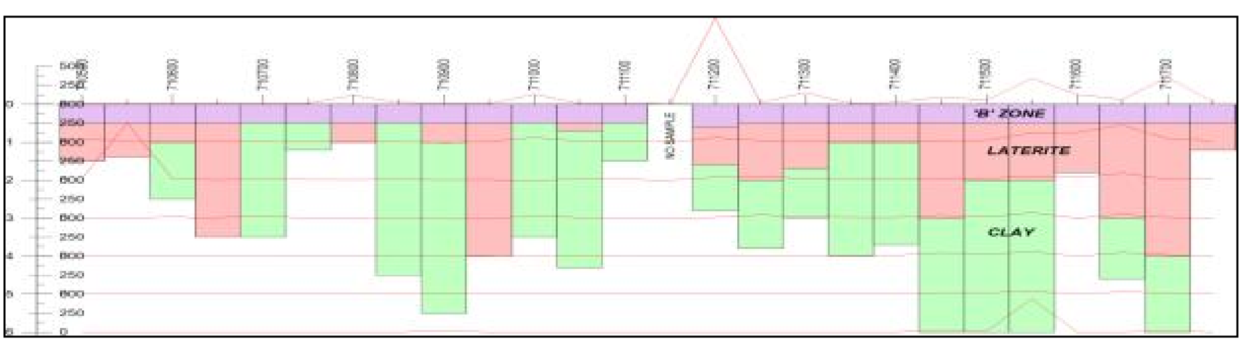


Figure 8 - Auger regolith profile with Au assay results in PPB.

The results of this survey indicate gold is present throughout the regolith profile sampled, from the surface right down into the upper saprolite horizons sampled to 6m. Higher gold results are observed in the east associated with the B-zone horizon. The gold vector indicated by this limited pilot program, is gold trending to depth towards the East.

The results of the auger program demonstrates its suitability as a cost effective, systematic sampling method, with which to determine a more accurate, quantitative determination of the location, abundance and therefore, potentially the volume of gold present. This sample method is recommended over termite mound pan-concentrate results, to this end, as it lends a third dimension to the calculation of the amount of gold in the upper regolith profile of an area sampled. It is a systematic sampling method which could be applied to determine potential volume and grade of mineralisation within the upper regolith profile of the Okalla West prospect area. This sample method has obvious limitations, which is the depth to which samples can be collected. If shallow regolith sampling down to 5-6m is all that is required, then augering is an obvious choice. As a sampling tool it would be best suited to dry season sampling programs, where practical, when the water table is typically at its lowest and auger penetration could potentially reach greater than 8m. If a sample collection method can be engineered to retain samples from below the water table, augering would be a more effective exploration tool.

Heavy Mineral Separates (HMS) investigation on gold grains

One of the main questions from the success of the gold results in the termite mound pan-concentrates; was, what is the source of the gold? To try and answer this question in 2015, the *Research & Collections Division* at the Museum of Nature in Ottawa was requested to undertake a heavy mineral concentrate analysis on a selection of 20 termite mound pan-concentrate samples with some of the highest gold indices, to help determine provenance.

The analysis was done by separating the gold grains from the remainder of the concentrates, using heavy mineral separate fluid. The separated grains where then imaged using a scanning electron microscope (SEM). All images were obtained under back-scattered electron (BSEI) conditions to depict compositional differences utilizing a JEOL 6610Lv scanning electron microscope operating at either 10 or 20 kV with a spot size of 45-55 mm and a working distance of 9 mm.

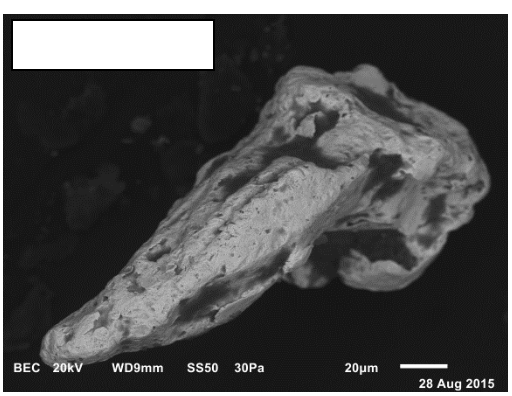


Figure - 9 Sub angular elongate gold grain

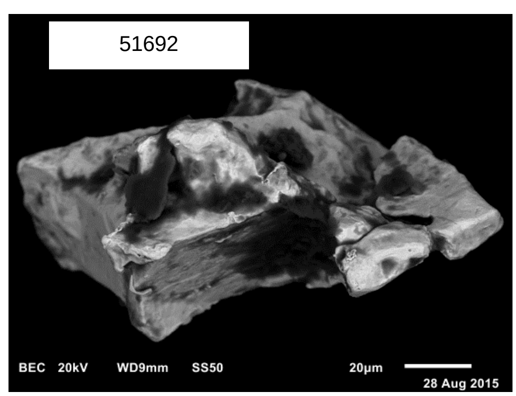


Figure 10 - Angular gold grain

The angular shape of the grains is strong evidence for a proximal mineralisation source.

The gold pan-concentrate anomaly, combined with the airborne magnetic image and scanning electron microscope (SEM) work on gold grain shape by Dr Paula Pillonen at the Canadian Museum of Nature in Ottawa; is strong evidence for a structural control to the gold mineralisation, due to the angular form of 30% of the grains imaged. Townley *et al*. 2003, mentions that angular gold grains do not retain a euhedral angular shape for a distance of more than 50m from their source in a fluvial system, and only remain sub-angular up to a distance of approximately 500m from their source. So, logic would dictate that the angular grains in the HMS results should be within 50 - 500m of their source rock. However 70% of the grains collected and imaged were rounded and both angular and rounded grains were found together in the same pan-concentrate samples, which suggests a local "bowl wash" accumulation or a distal source for the rounded grains, which is still to be determined.

HMS microprobe geochemistry investigation

Following the inconclusive results into the first HMS investigation, in relation to provenance of the pan concentrate gold grains with evidence for both distal (alluvial) and proximal (locally hosted structural), mineralisation sources, based on the size and shape, scanning electron microscope work done by Paula Piilonen at the Canadian Museum of Nature (CMoN), in 2015.

In April 2016 a selection of the HMS gold grains were selected for further analysis by micro-probe at the Canadian Museum of Nature to determine compositional weight percent geochemistry. This line of investigation was prompted by the Townley *et al*. 2003 research information, into gold grain provenance based on grain geochemistry, to try and narrow down the provenance. Where the initial grain size and shape investigation was inconclusive, it was hoped that the grain geochemistry might prove more definitive. The preliminary notes were received on the 22/04/2016 and are included herein (below), however, the full report and analysis have not yet been received at the time of writing.

With the Townley *et al*. ternary graph in mind (see diagram below), which depicts the possible provenance of gold grains, the preliminary notes (below) on the gold grain microprobe work, would clearly suggest the grains are not from a gold-rich porphyry copper source. They do however suggest that they may be from either a gold-rich porphyry and/or epithermal source, based on the preliminary notes on their geochemistry.

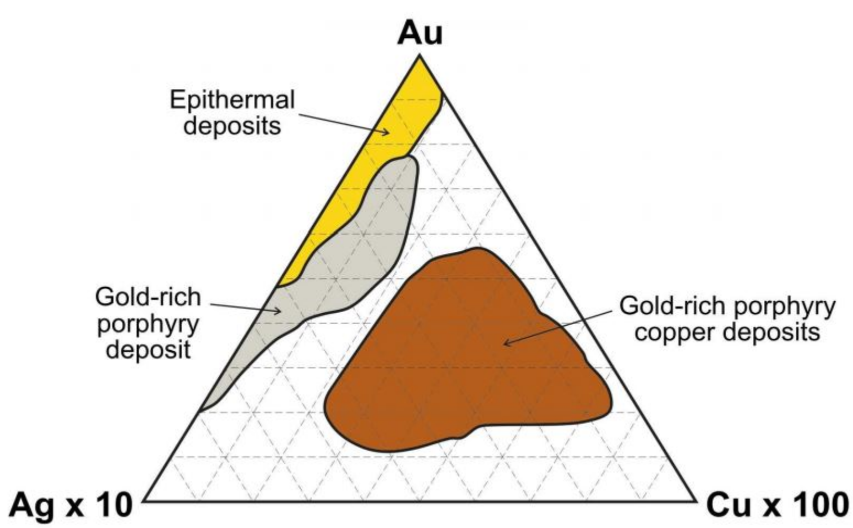


Figure 11 - Diagram of ternary graph modified after Townley et al. 2003

Preliminary notes on gold grain microprobe work:

Received from Dr. P. Piilonen 22/04/2016

The "Au grains display compositional zonation in back-scattered electron images, with dark cores and lighter rims/fractures (note: lighter colours indicate higher average atomic weight). Inclusions of other minerals in the Au grains include quartz, muscovite and chunks of laterite. These associated inclusions are not genetically coeval but represent other grains which have been incorporated into the malleable Au during transport."

"Fractures and spongy regions within the grains are near pure Au (>98%) and likely represent remobilized and recrystallised Au. Gold contents range from 51.82 – 100 wt.% (average: 81.17 wt.%) and are highest at the grain rims. This is not uncommon in placer Au grains as Ag is easily leached away in oxidized, meteoric fluids during chemical weathering and transport."

"The Ag (+Hg) content decrease from core to rim in all grains, with Ag contents reaching a maximum of 44.48 wt.% in T051692. Silver contents range from 0.8 – 44.48 wt.% (average: 18.37 wt.%), Hg = 0 – 2.14 wt.% (average: 0.25 wt.%), and Cu = 0 – 0.12 wt.% (average: 0.01 wt.%). No Pd was detected and the contents of all other elements are negligible."

"There is a strong 1:1 negative correlation between Au and Ag, as to be expected. Three populations of Au:Ag ratios exist: (1) analyses along fractures or at grain rims with >95% Au (Au:Ag > 9.5:1), (2) the bulk of the analyses with Au = 70-95%, Au:Ag = 9.5:1 to 7:3, and (3) rare Ag-rich analyses with Au = 50-70 wt%, Au:Ag = <7:3)."

"1. The lack of Cu in the grains is noteworthy. If this was a porphyry system, there would be detectable Cu in all the grains. As it is, the majority of the analyses have no detectable Cu. Similarly, there is no Hg in the grains. This suggests that it's not a true epithermal deposit either. HOWEVER, the use of Hg, Cu and other elements in Au as a provenance indicator or suggestion of a lode source is a bit of a crap shoot and I wouldn't stake money on the presence/absence of any element in a placer grain."

"2. The presence of substantial Ag within the Au, up to 45 wt% of the analysis, is important and indicates that whatever fluid transported your Au (whether the original magmatic fluid or a secondary hydrothermal fluid) was reducing. It could not have been an oxidizing phase as Ag is very readily oxidized and will be leached out of the grains. This is why the grains are almost pure Au along fractures and on the rims - the Ag has been oxidized and leached away. But the cores of the grains are significantly enriched in Ag, suggesting reducing fluids. This works well with the idea of your deposit being the result of a gabbroic-syenitic system - syenitic systems have reducing, CO_2-rich fluids."

"3. You might want to look at Kirkland Lake as a possible deposit-type comparison - i.e. liberation of Au from sulphides (i.e. pyrite). This may be what is happening here - rather than your system depositing Au right from the start, the concentration into ore-grade is the result of agglomeration of Au (and Ag) liberated from Au-bearing sulphides."

Dr. Piilonen also noted " the presence of ubiquitous apatite in the heavy mineral concentrates that I looked at is very interesting, suggestive of a high-phosphorous source as well".

Early indications on Okalla West show the potential of the area to become a flagship project for the company.

Petrology

In total 5 rocks were sent to CMoN for identification and petrology report work from the mafic intrusive area in the Banlung Tenement in 2015. To date only 3 of the 5 samples have been given a rock identification. No full petrology report has been received. Dr. Piilonen has provided preliminary petrology notes on V028630, whole rock identification on V028632 and a rock type name with a zoned pyroxene petrographic image and notes via email for V028631, and a note that it will be checked for PGM's. A further 6 petrology samples were sent to CMoN in January, the results of these are not expected until May/June 2016.

The petrology work by Dr. Piilonen, suggests that there are multiple intrusive events within the Central Gabbro prospect, including nepheline monzosyenite (V028630) in the south, gabbro (V028631) in the centre and monzogabbro/syenogabbro (nepheline-normative) (V028632) towards the east-northeast of the area..

Notes on V028631 (P.Piilonen)

V028631 is a gabbro with sector-twinned/concentrically-zoned pyroxenes. This one will definitely be checked for PGMs.

The other two ARE NOT gabbros. Actually, they are pretty far away from gabbros and are verging into alkaline syenite territory, which is where my research interests lie. Both of them have serious amounts of Kspar, both of them (from their geochemistry) plot in the alkaline field (V028630 is even nepheline-normative although I haven't confirmed Ne in the actual sample - I'll do that back at home).

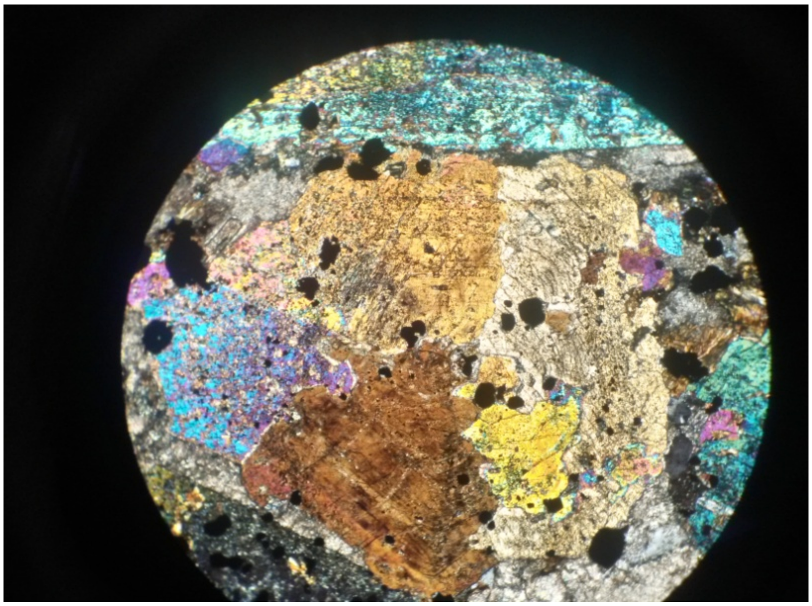


Figure 12 - Petrographic image of zoned pyroxene in V028631 (Library ID V022923)

BETEC also had one gabbro sample processed for petrology (normal & reflected light), as part of their own internal investigation in 2014. The co-ordinates and laboratory are not on the petrology report, though I know it was collected near the Okalla school turn-off to the

Okalla prospect, about 500m east of the Okalla West high gold index anomaly. It lists the mineral abundances of the leuco-gabbro as plagioclase 55%, pyroxenite 30-35%, biotite 5-10%, opaque's 5% and apatite 1%. The reflected light (polished section) shows the presence of magnetite 5%, and trace limonite, ilmenite, hematite, pyrite and chalcopyrite. It was categorized as a light coloured gabbro with limonite.

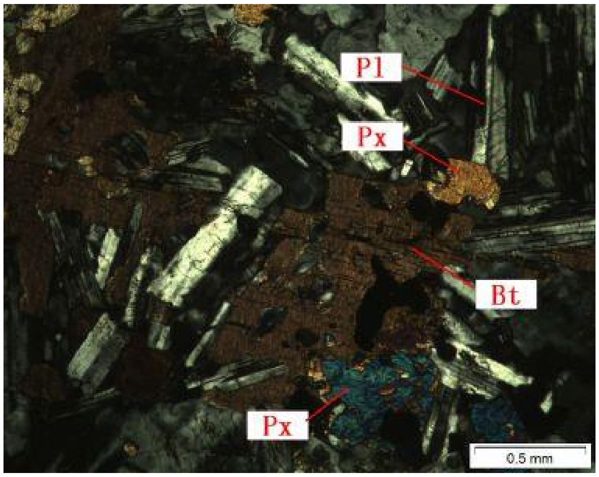


Figure 13 - Gabbro normal light image.

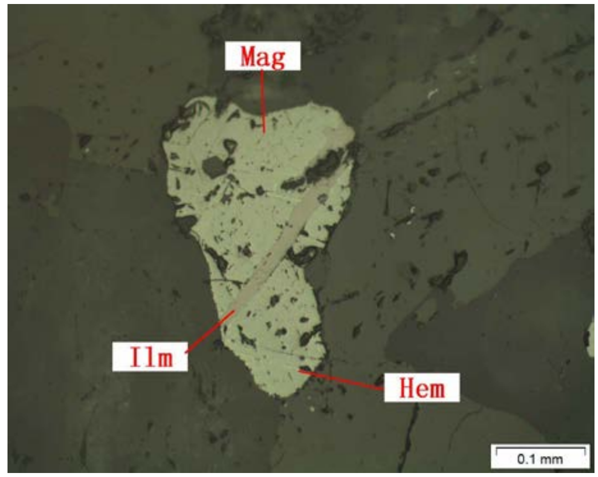


Figure 14 - Gabbro reflected light image.

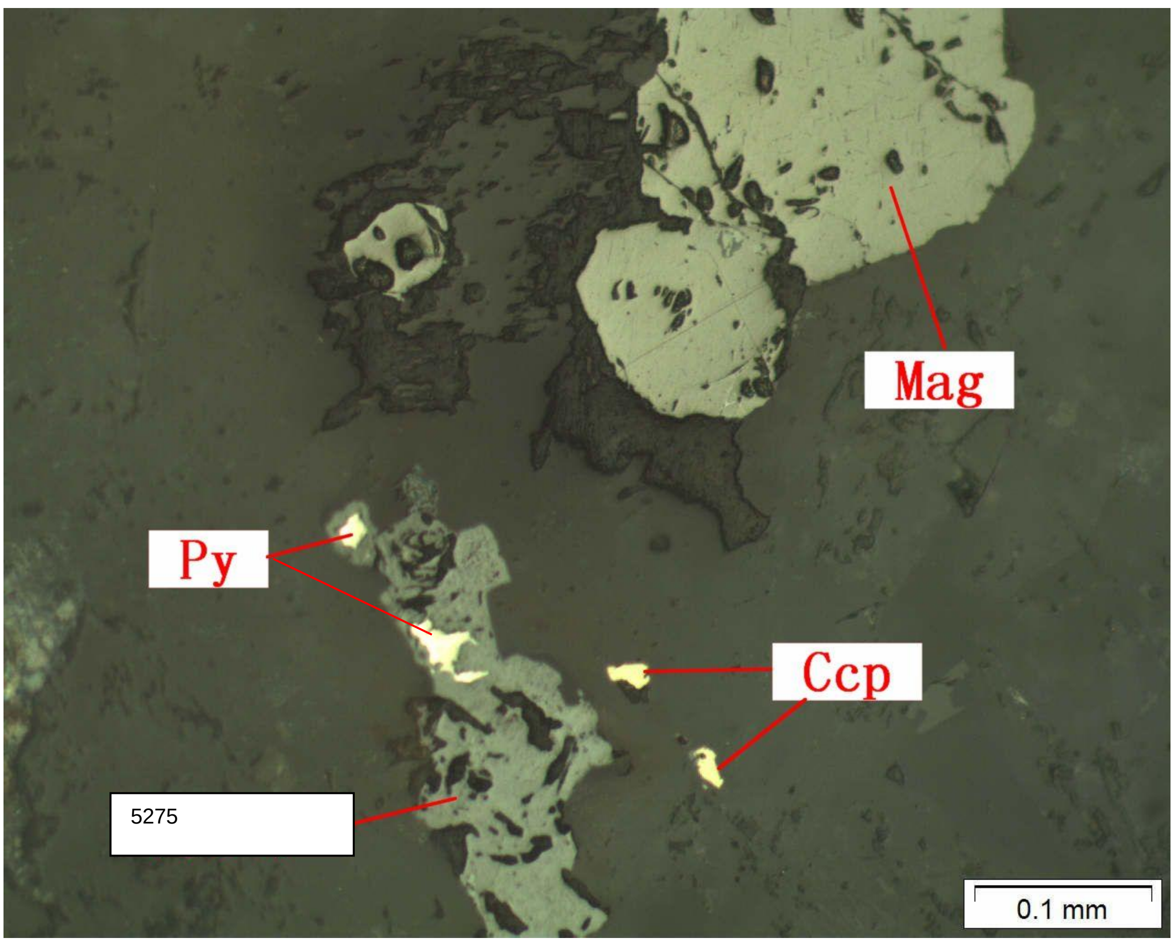


Figure 15 - Gabbro reflected light image.

Whole Rock Geochemistry

Dr. Piilonen of the Canadian Museum of Nature in Ottawa reported nepheline monzosyenite to monzodiorite from a brief petrographic study of several rock samples from the area. Whole rock geochemical analyses of other specimens indicated nepheline-normative monzogabbro to syenogabbro.

The 3 samples sites thus far with petrology identification, have also had whole rock geochemistry analysis done, the results of which , can be seen below.

Library ID	Whole Rock ID	Easting	Northing	Rock Type Identified
V022908	V028633	711734	1499526	Nepheline monzosyenite/monzodiorite
V022923	V028634	711194	1501438	Gabbro
V022926	V028635	711703	1502541	Monzogabbro/syenogabbro (nepheline-normative)

Figure 16 - Whole rock geochemistry samples from the mafic intrusive complex, Banlung Tenement.

It is difficult to determine the fractionation correlation from just the three samples processed for whole rock (V028633, V028634 and V028635). The 3 samples have a different REE shape and pattern to the left end of the REE graph, suggesting they are not related by fractionation of the same source. The true "gabbro" (V028634) has a slight negative Eu anomaly, indicative of plagioclase fractionation prior to intrusion, whereas the other 2 samples are very subtle if at all. Perhaps the three samples simply represent the end-members in the sequence, seen in a similar shape and pattern in the right hand side of the graph. It is possible that the later alkaline intrusives were produced from fractionation from the same basic parental magma chamber as the gabbro. The fractionation probably took place in a magma reservoir at depth, before the intrusion of the syenitic residual liquid into fractures created by the earlier gabbro into the country rock or perhaps as a result of later coeval structural extension displacement creating a zone of weakness for which the syenite to intrude? A few more whole rock samples may help in determining the answer to this question as there is not currently enough information to give a full determination.

Further investigation needs to be done into REE pattern trends in gabbro-syenite complexes and would be a good chapter to add to an ITC investigation project.

Pinning down the fractionation question of the mafic intrusive complex would be very useful in determining the possibility and potential existence of a layered intrusive complex, for base metals investigation

pH and Eh investigation

An investigation into the pH and Eh response of the pulp samples processed for standard fire assay, collected from the 25 hole auger program was conducted in March 2016. The results of which were very clear-cut and showed an alkaline pH response and very high conductivity over the high Au in pan-concentrate index anomaly. The opposite is true for the areas not in the high gold index anomaly area.

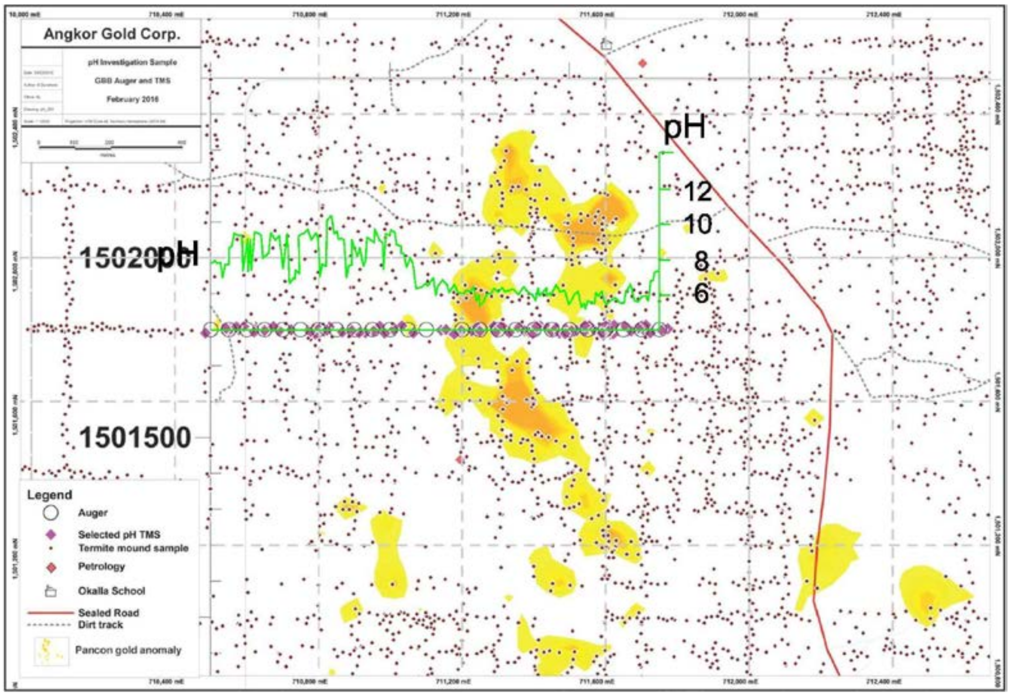


Figure 17 - OKW auger pH result

The sieve-sort samples collected from the termite mound samples collected along the same line as the auger samples were also run for pH and Eh response and gave a very similar result as the auger samples tested. The logical next step would be to apply this investigative technique to all the termite mound samples in the Okalla West prospect area and the outlying gold anomalies from the phase 1 termite mound survey.

Field Rock Samples from the Mafic Intrusive Complex, Banlung Tenement

A total 251 field surface rocks have been collected during various field programs, including the 2 termite mound surveys and first reconnaissance field mapping. Some of the others are from the pilot termite mound investigation. Of the 251 rocks collected 73 have been assayed for multi-element wet chemistry, including the 3 with elevated gold up to 3.09 g/ Au from the BETEC field mapping samples in 2016.

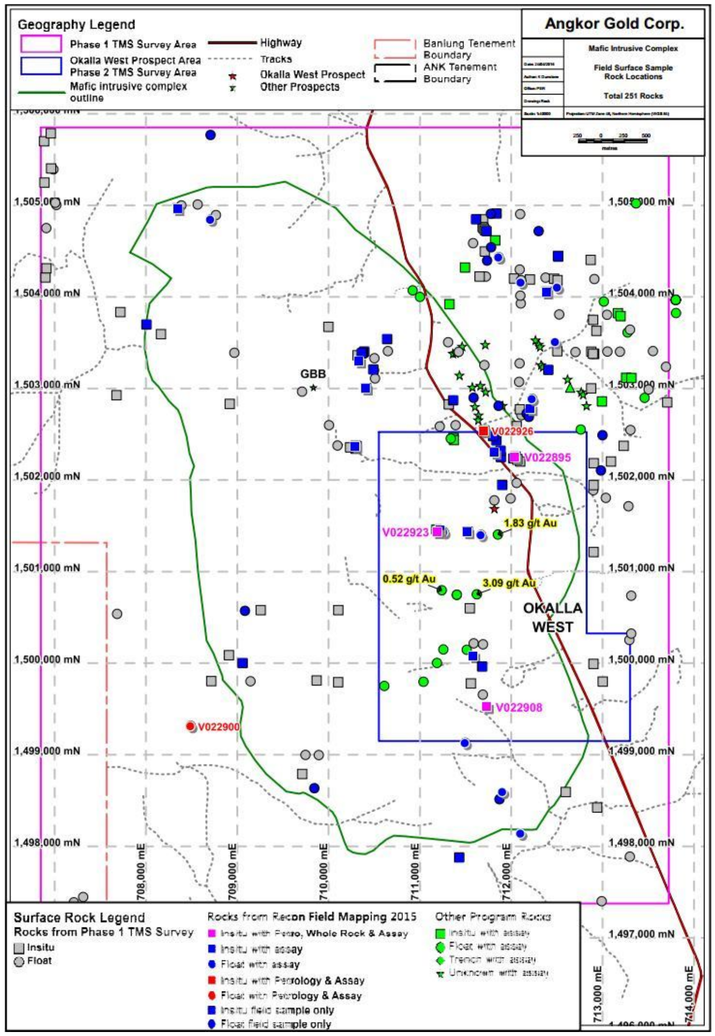


Figure 18 - Location of 251 field surface rocks collected from the mafic intrusive complex area, Banlung Tenement.

Every sample sent for assay has a representative portion of it retained and stored in a rock library at the Banlung office, for reference and further investigation if required. The rock information is used for mapping, geochemistry, petrology, whole rock, geochronology and geologist training purposes.

Gravity Survey 2016

Between the 19/02/2016 - 10/03/2016 a ground based gravity survey was conducted by BETEC geophysicists first, on the mafic intrusive complex and second, over the pan-concentrate gold anomaly in Okalla West, covering 30 line kilometers.

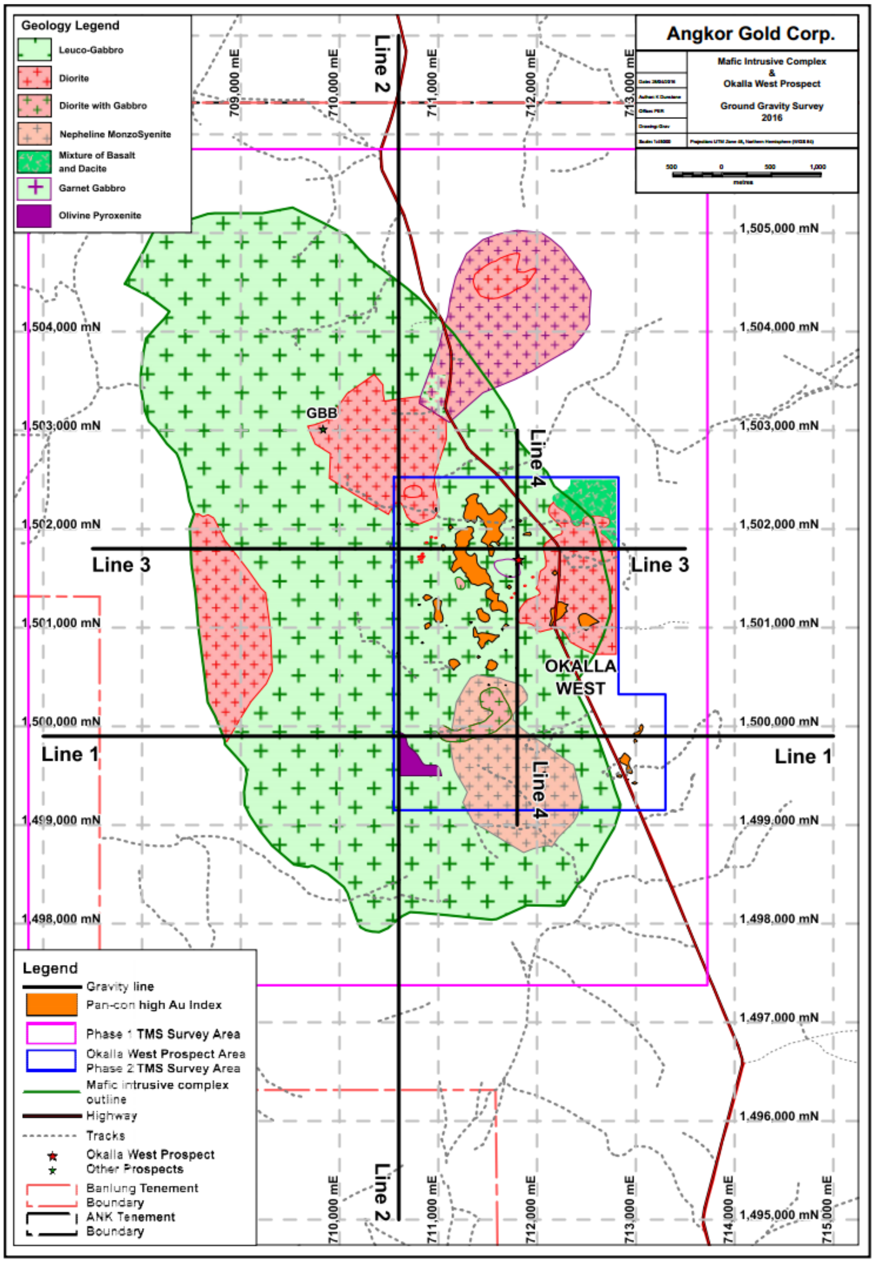


Figure 19 - Location of gravity lines in Okalla West and Mafic Intrusive Complex area.

The gravity survey of the mafic intrusive complex demonstrated a good correlation between the airborne magnetics and the gravity response.

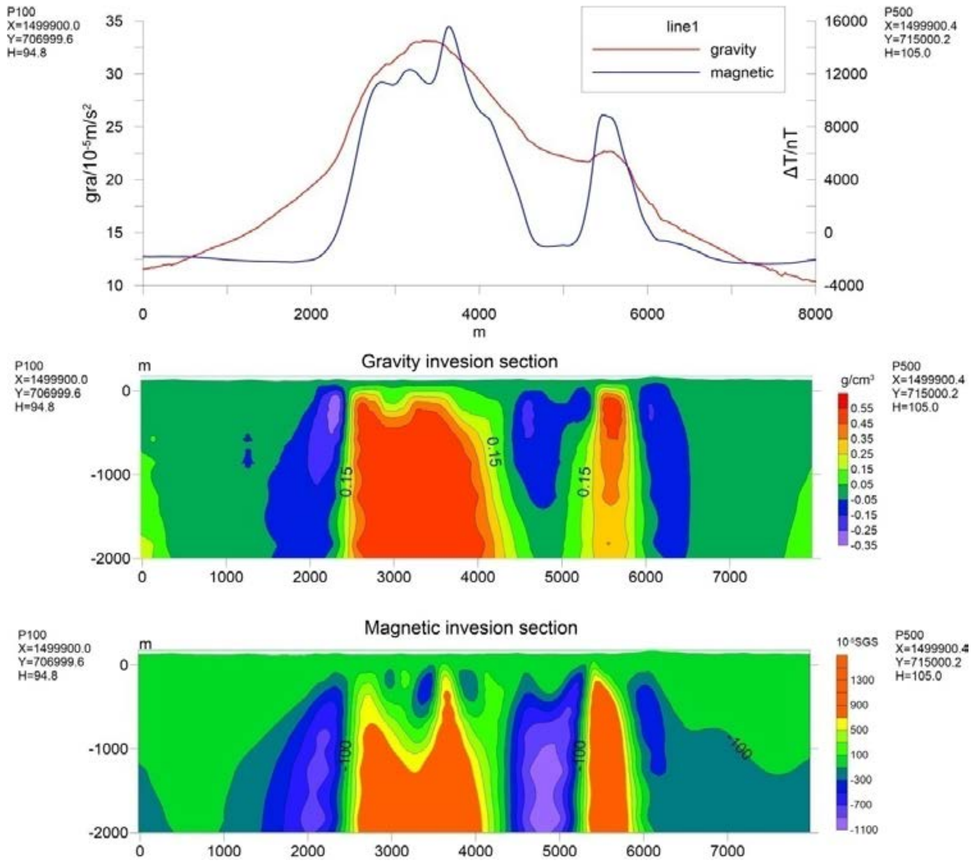


Figure 20 - The aeromagnetic and gravity anomaly automatic inversion section of Line No. 1.

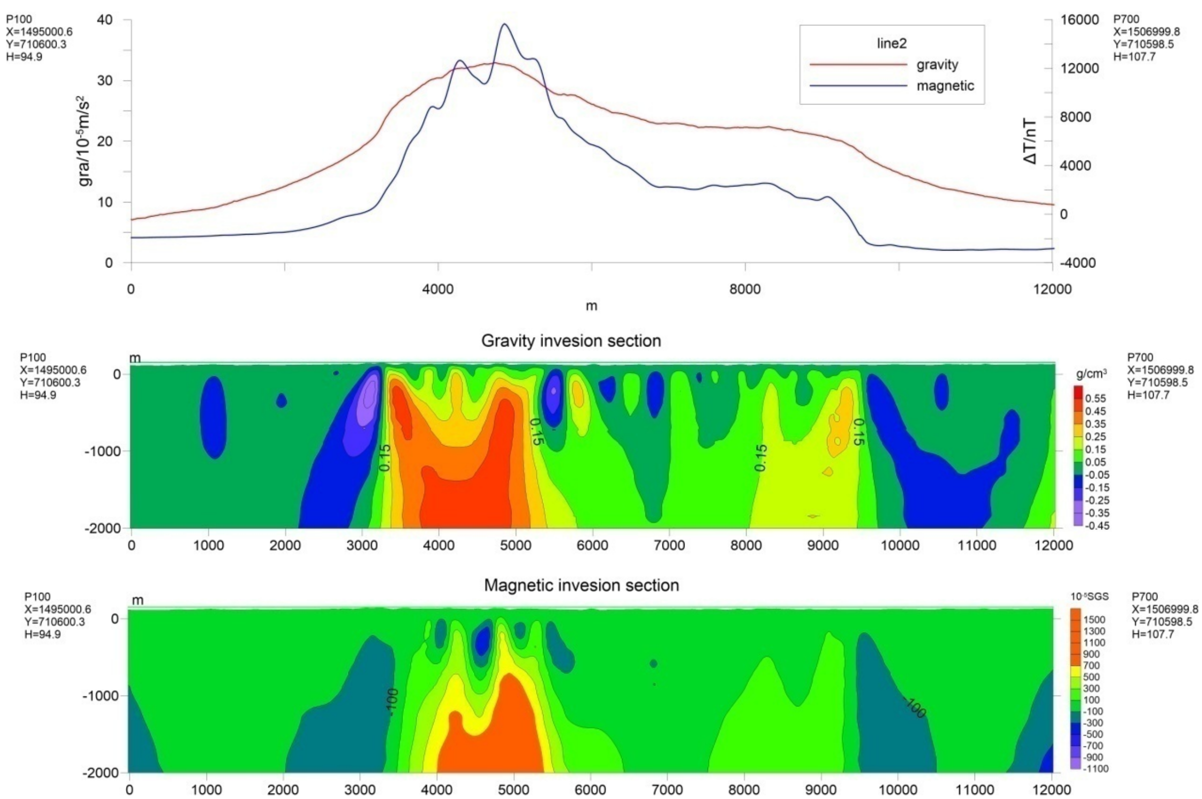


Figure 21 - The automatic inversion of the gravity and the magnetic anomaly of Line No. 2.

The automatic inversions indicate a possible felsic intrusive of about 960m in size, which is better depicted below.

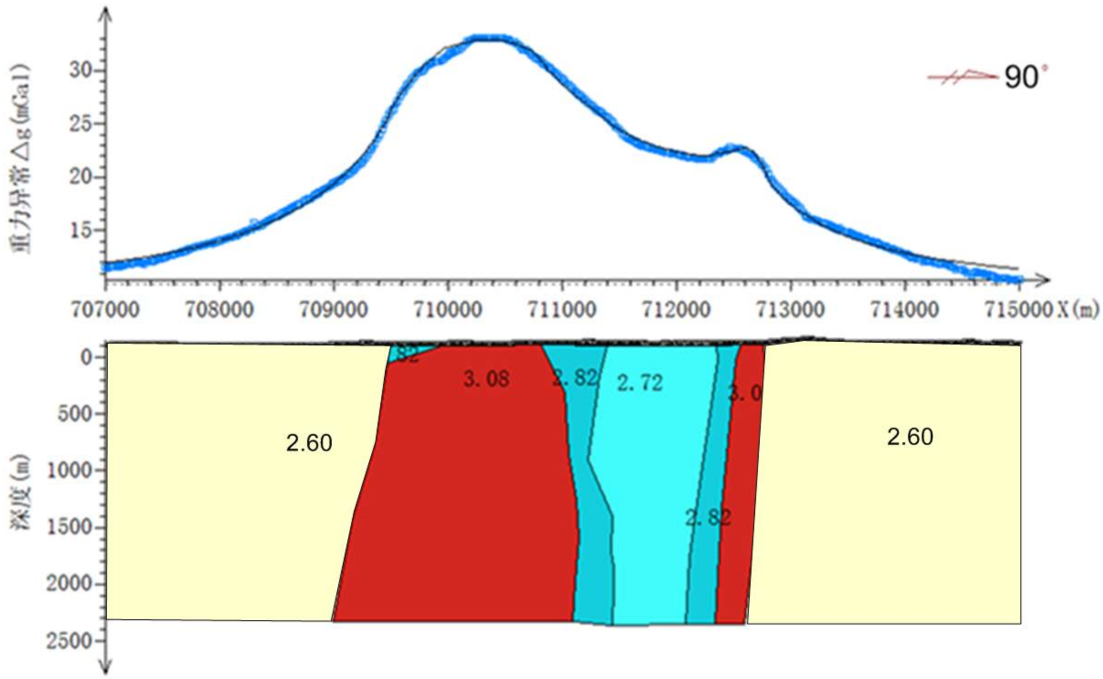


Figure 22 - Semi-automatic inversion of Line 1 in g/cm^3)

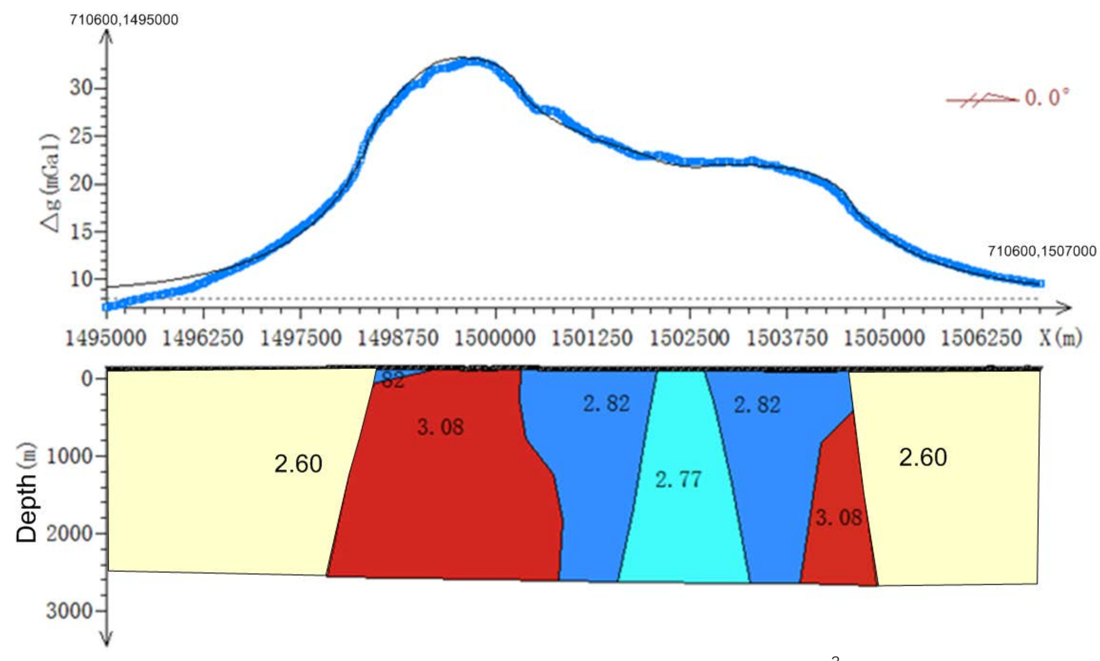


Figure 23 - Semi-automatic inversion of Line 2 in g/cm^3)

The possible felsic intrusive in light blue in the above sections lies between gabbro (3.0 g/cm3) to the east and most likely ultramafic lithologies (3.08 g/cm3), such as the olivine pyroxenite identified and mapped in the 1:2,000 Okalla West 2016 field mapping.

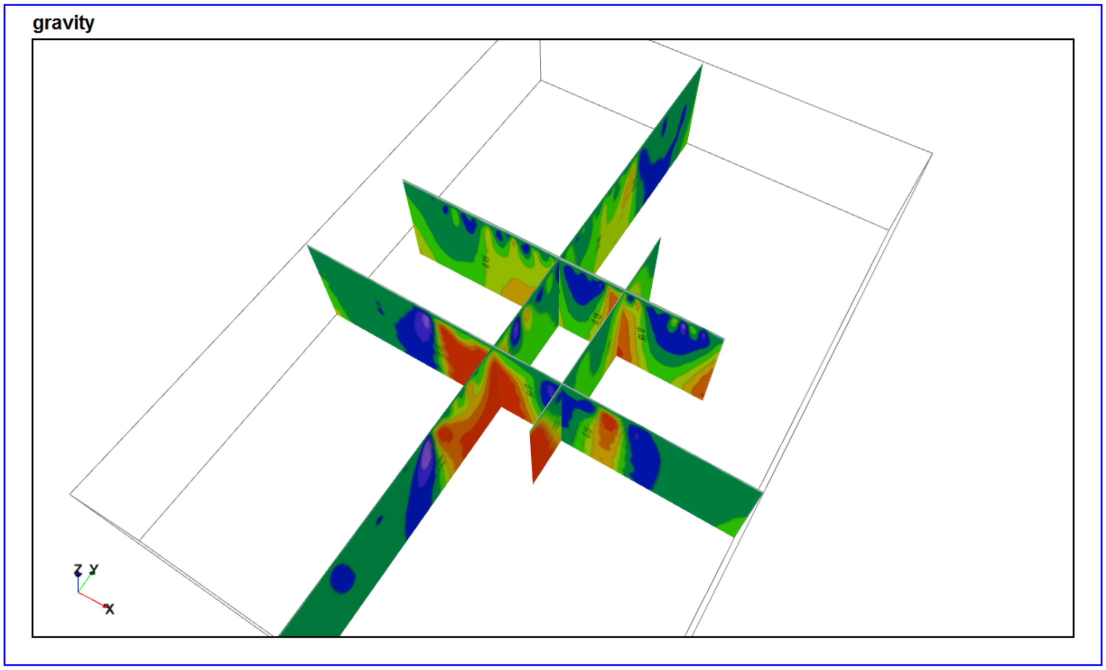


Figure 24 - 3D map of the automatic gravity profile inversion for the four gravity lines.

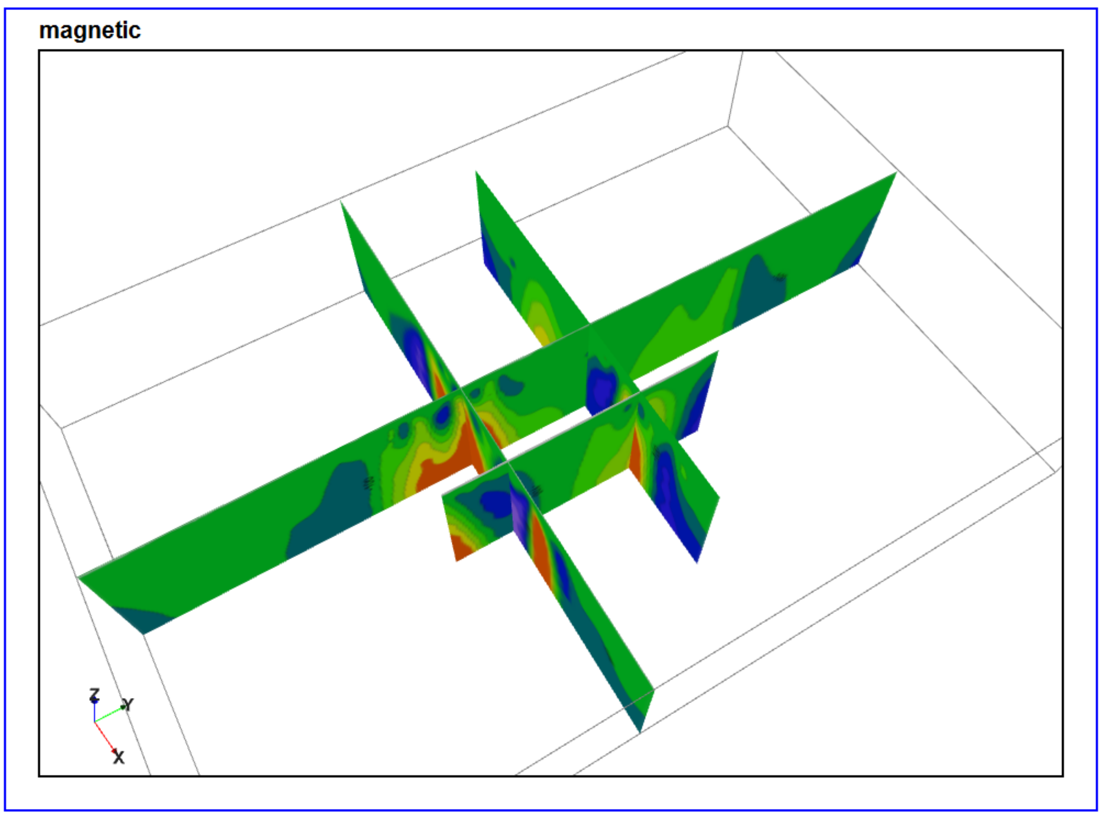


Figure 25 - 3D map of the automatic magnetic profile inversion for the 4 gravity lines.

The 3D models show a north-west trend to the ultramafic rock unit and a potential felsic intrusive with low-moderate magnetic and gravity response, which could indicate a potential source of the gold, as the response lies beneath the anomalous gold pan-concentrate index anomaly.

Summary

The gold pan-concentrate anomaly combined with the HMS gold probe results, field mapping and laboratory rock gold results from the samples collected, all indicate a local source host for the gold in Okalla West. The most likely host is a mineralized quartz vein system within the felsic intrusives identified, such as the later diorite and/or nepheline monzosyenites as indicated by both the field mapping results and geophysics.

The 40ha gold anomaly outlined by the pan-concentrate high gold index, potentially hosts appreciable gold values of 0.5 - 1 g/t Au, down to a depth of 3-6m within the B-soil and laterite zones. This area with further investigation, such as augering, to determine size and grade, would be potentially minable in its own right, as a near-surface strip mining operation.

However, preliminary geophysics combined with the gold grain microprobe results and field rock logging and assays, indicates that the pan-concentrate gold index anomaly is possibly just the tip of the iceberg for gold potential in Okalla West.

Beneath the 4.37km2 pan-concentrate gold anomaly identified in Okalla West, is potentially a mineralized felsic intrusive, which is potentially the source of the gold anomaly. Further exploration geophysics and drilling would be required to investigate this potential.

RISKS AND UNCERTAINTIES

The exploration for and development of mineral deposits are highly speculative activities and are subject to significant risks. The Company's ability to realize its investments in exploration projects is dependent upon a number of factors, including its ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically recoverable reserves within its projects. Other significant risks are listed below.

Operations in Cambodia

The Company's primary mineral property is located in Cambodia and as such, it is exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, crime, political instability, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange or repatriation, and changing political conditions and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitude in Cambodia may adversely affect the operations or profitability of the mineral property. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety, and the awarding of contracts to local contractors or the requirement of foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Failure to comply strictly with applicable laws, regulations, and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interest. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the mineral property.

Stage of Development

The Company's primary mineral property is in the exploration stage and the Company does not have an operating history with respect to its exploration activities. Exploration and development of mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. The amounts attributed to the Company's interest in its properties as reflected in its financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors such as unusual or unexpected geological formations, and other known and unknown factors.

Environmental

Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expense and delays in the activities of the Company, and they may render the Company's properties uneconomic. The Company has no liability insurance, and the Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

Future Financings

If the Company's exploration programs are successful, additional funds will be required for further exploration and development to place a property into commercial production. The Company's available sources of funds are: (i) the Company's existing cash and cash equivalents, (ii) the further sale of equity capital or (iii) the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further exploration or development thereof. There is no assurance such sources will continue to be available on favourable terms or at all. If available, future equity financings may result in dilution to current shareholders.

Profitability of Operations

The Company is not currently operating profitable and it should be anticipated that it will operate at a loss at least until such time as production is achieved from its property, if production is, in fact, ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future. The main driver of the comprehensive income for the period was salaries and wages.

Currency Risk

The Company's mineral property options incur costs which are denominated in USD. Future changes in exchange rates could materially affect the viability of exploring and developing this property.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") on a timely basis so that appropriate decisions can be made regarding public disclosure.

An evaluation of the effectiveness of the design and operation of disclosure controls and procedures was conducted as of July 31, 2015, by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company's management, including the CEO and CFO, or persons performing similar functions.

OTHER INFORMATION

Additional information relating to the Company is available on the SEDAR website at www.sedar.com.