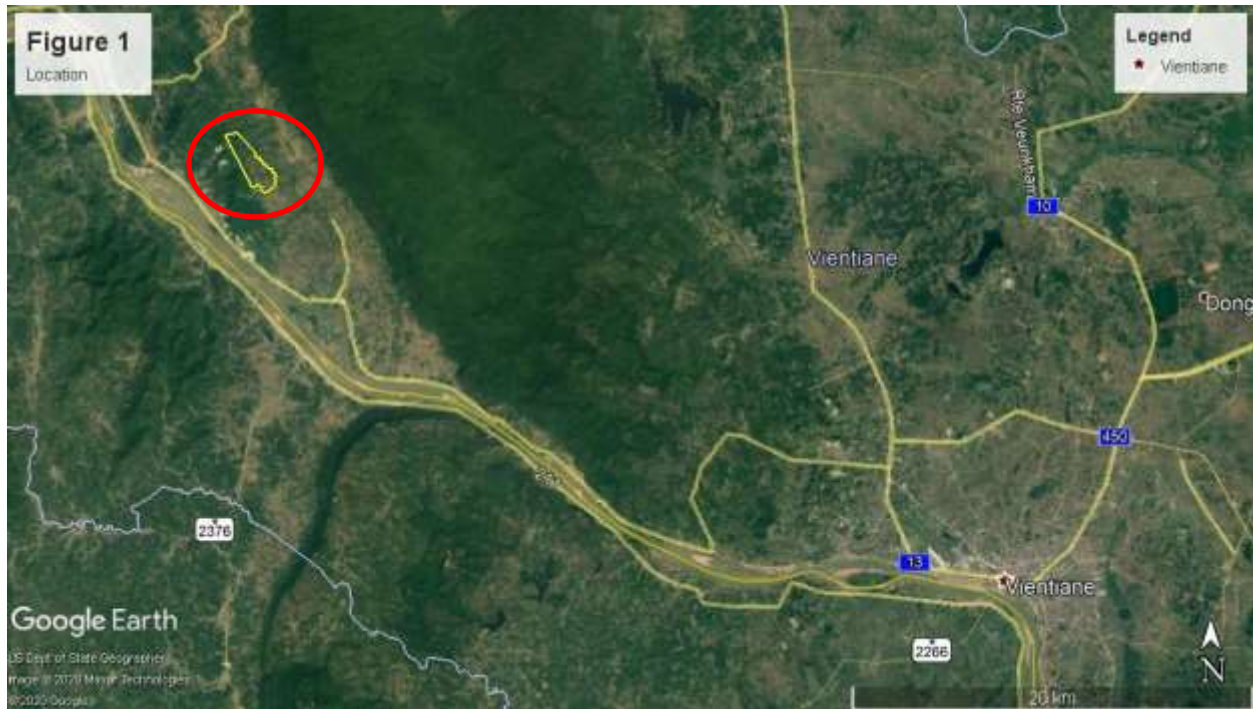


SAKAI EAST PROJECT (HOUAYKHAM DALY MINING CO., LTD)

Location & Access

Sakai East is situated to the immediate east of Sakai Mining, about 41km northwest of Vientiane, in Sangthong District, Vientiane Province (Figure 1).



Tenure

A feasibility licence area (3sq.km) has only been partially explored, in an artisanal to generally unprofessional way over the past decade.

History

The southwestern part of the licence area contains several abandoned oxide gold pits (example, Figure 2), a stockpile and two disused leach pads (one shown, Figure 3).



Figure 2



Figure 3

Previous mining, mostly undertaken in the southwest part of the licence in 2017 (according to Google Earth historical imagery, Figure 4), involved dump leaching on two pads, with no comminution of the ore. Therefore, the oxide material on the leach pads is considered to still contain considerable gold and silver, able to be extracted by modern crushing and milling.

In parallel with ongoing exploration over the entire area of the feasibility licence, Annamite aims to determine the residual value in the pits, leach pads and stockpiles as soon as possible. Rock chip sample results to date (from pits only) indicate that the gold is quite coarse and therefore, amenable to gravity concentration prior to smelting in a borax flux to remove impurities.



Host rocks include Permo-Triassic felsic to intermediate volcanics and intrusives. The style of deposit is quartz + base metal sulfide veins in silica - sericite altered volcanics (reference specimen shown, Figure 5: grab sample returned 28.8ppm Au, check value 23.5ppm also 47ppm Ag).



Due to very poor-quality data management by the licence holder and previous contractors, much of the knowledge gained over the past decade is either not available (contractors did not provide the licence holder with the complete dataset) or unreliable fragments of data remain (provided to Annamite by the licence holder). This has meant that Annamite had to return to first principles during the due diligence phase.

After reviewing the limited desktop dataset as far as possible during the nationwide COVID-19 lockdown in April - May, initial field due diligence, reconnaissance mapping and collection of 64 soil samples on a 200m by 100m grid, was undertaken in late May - early June.

Soil anomalies defined by the first phase (Figure 6, historical mining area circled) were infilled on a 100m by 50m grid ($n = 95$), completed in late June - early July. Infill samples were stored, pending signing of a deal on Sakai East on 6 August 2020 and have now been submitted for analysis. Rock chip sample values of up to 28.8ppm have been returned from sampling by Annamite of abandoned pit faces and are also shown in Figure 6.

Upon receipt of the infill soil sample data by end of August, Annamite will be in a position to commence a small inclined, reverse circulation (RC) percussion drill programme (a total of 300m in several holes) in the mining area.

Work for the remainder of August and September will focus on collation of infill soil results, preparation for the drilling and 10m grid sampling of leach pad/stockpiles to ascertain a residual grade range.

VE20119787_final by Au

- 0.039 to 0.056 (4)
- 0.015 to 0.039 (5)
- 0.009 to 0.015 (6)
- 0.005 to 0.009 (23)
- 0 to 0.005 (26)

Legend

Figure 6

- Soil sampling
- 1st round thematic map (Au ppm)
- infill (X) results awaited
- rock chip values (Au ppm)

Google Earth

Exported from MapInfo Pro

© 2020 Google
Image © 2020 CNES / Airbus

N

1 km

0.012

28.8

0.018

9.3