



- **ANGKOR GOLD CORP. ACHIEVES SECOND STRATEGIC TRANSACTION: USD\$1.2 MILLION AND A 10% NET SMELTER ROYALTY FROM PRODUCTION AT PHUM SYARUNG**

VANCOUVER, BC (January 16th, 2013)

ANGKOR GOLD CORP. (TSXV: ANK) (“ANGKOR”) is pleased to announce that it has entered into a Memorandum of Understanding (“MOU”) with Mesco Gold Ltd. (“Mesco Gold”) to develop and mine Angkor’s Phum Syarung prospect (“PS”), located within its Oyadao South Concession, Ratanakiri Province, Cambodia.

A Definitive Agreement (“DA”) has been drafted and will be signed with Mesco Gold, a corporation incorporated under the laws of the Kingdom of Cambodia. Mesco Gold is an associated company of Mesco Steel Ltd., which is a leading Indian, vertically-integrated iron and steel producer that has successfully diversified its operations into other raw materials and commodities including mining.

HIGHLIGHTS:

- Angkor has entered into an MOU regarding the rights to mine, process and sell the minerals/metals obtained from the PS prospect (“Rights”). The Rights cover 6 km² of Angkor’s 247 km² Oyadao South Concession.
- Mesco Gold, in partnership with Angkor, will further the exploration of PS and if warranted by results put it into gold production for which Angkor will receive USD \$1,200,000 and a ten percent (10%) Net Smelter Royalty (“NSR”) from all production. Mesco Gold anticipates a rolling start to production by early 2015 and has the ambition of becoming a mid-size gold producer in Cambodia. At this time there is no current resource estimate and a feasibility study has not been completed so there is no certainty the proposed operation will be economically viable.
- Angkor is Cambodia’s premier gold explorer with a significantly large land package containing multiple prospects. Recent drill results at the PS project include 16.67g/t over 4.05m. Geologically, PS appears to be a shear zone with polymetallic mesothermal quartz veins showing multiple intercepts with a strike of 275m, open at both ends and at depth.

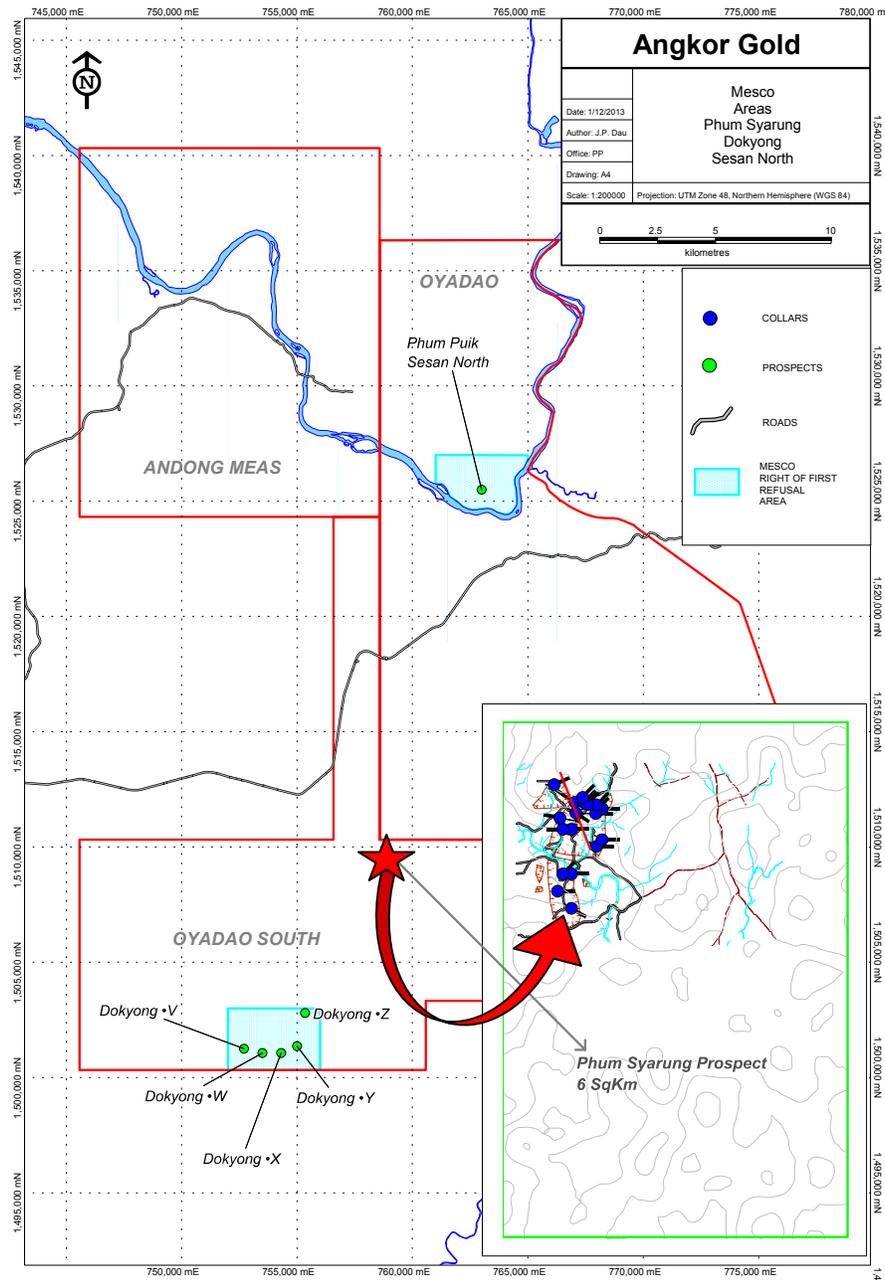
Under the terms of the MOU:

- Angkor will grant Mesco Gold the full exclusive right to mine, process and sell all minerals and metals from PS in exchange for cash payments totalling USD\$1,200,000 and a 10% NSR from all future production generated from PS.
- The payment will take the form of USD\$700,000 and a promissory note of \$500,000 upon executing the DA. The promissory note is payable on the later date of six months from closing or when the Cambodian government grants a preliminary exploitation licence for PS. The terms of the DA are agreed upon and it will be signed once Mesco Gold has completed



its incorporation and registration process in Cambodia, which is expected within the next 30 days.

- Mesco Gold will be responsible for 100% of all future exploration and exploitation costs at PS. Mesco Gold shall provide all technical manpower, equipment, machinery, and logistical solutions to carry out the mining, processing and selling/marketing of products obtained from the mines and processing plant. Angkor will assist with logistical support and will continue to manage local community development and government relations.
- Mesco Gold has a Right of First Refusal based on negotiated terms for 5 years on the Dok Yong prospects and the Phum Puik prospect in Sesan North.



The transaction has the potential to achieve multiple critical milestones for Angkor, its shareholders and for Cambodia, which include:

- Progression of PS to its next stage of development.
- Creation of a relationship with Mesco Gold backed by an experienced, like-minded company, Mesco Steel, and which has the scope to develop into a long-term alliance should both parties choose.



- Enables Angkor to significantly participate in gold production at PS through the 10% NSR.
- Creates a royalty opportunity which, if successful, would enable Angkor to take a big step towards its stated mid-term aim of self-financing future exploration.
- Secures funding of 1.2 Million USD to expand Angkor Gold's exploration program (see separate announcement in due course).
- Angkor maintains 100% ownership of the Oyadao South Concession having granted Mesco Gold the rights to mine 6 km² within the licence.

The companies have agreed that it would be mutually beneficial to collaborate on the PS prospect to further these aims.

Mike Weeks, Angkor Gold's CEO & Chairman, stated:

"This, our second strategic transaction is all about production. We included a significant royalty component in the deal in order to align our interests and participate in potential future gold production.

The cash component helps solidify our position as Cambodia's Premier Gold Explorer with a well-funded exploration program until the production at PS is anticipated to begin. In addition to supporting Mesco Gold, we will focus our own exploration on our numerous other prospects.

Angkor now finds itself in the enviable position of having a strong balance sheet, a strong flexible business platform, and participation in future gold production.

Our low operating costs and low-cost leadership model means that we expect to continue to achieve rapid progress on our multiple prospects. There is also scope to accelerate and expand our exploration work further and we have a management priority to engage in dialogues that leverage our first-mover advantage in Cambodia.

In parallel, our agreement with Mesco Gold has the potential to grow and we'd like to see it develop into a fast-track route to production for our other prospects.

This production deal makes sense for Angkor, its shareholders and for Cambodia."

About Cambodia

Cambodia is relatively unexplored and yet is already known to contain multiple deposits with grades that are suggestive of economic viability. The two transactions announced by Angkor this January of 2013 underline this opportunity. The participation of Mesco Gold in Cambodia confirms that others are now recognizing Angkor's valuation of Cambodia's potential for gold and other mineral opportunities.

Cambodia offers Angkor's shareholders an exciting advantage: Angkor acquired licences with strong histories of artisanal mining; Angkor's prospects are accessible, mineable and well-serviced; Angkor continues to explore efficiently, maximizing the low exploration costs. Cambodia has a stable, democratic government, a business-friendly environment, and strong infrastructure in place.



Angkor's midterm ambition is to self-finance its exploration activities. In Cambodia, Angkor intends to make a positive difference while rewarding its shareholders with strong steady value creation.

Solid progress has been made over the past three years; 24% of the company is owned by insiders, and the management team offers the right blend of technical and business experience.

The two transactions announced by Angkor in January 2013 constitute a very small percentage of Angkor's land package.

Mike Weeks, further commented:

"The proposed sale of the rights to develop the PS prospects and our cooperation with Mesco to put them into production further demonstrates our ability to implement our ACTION-based business strategy.

Mesco Gold has complimentary skills sets and ambitions and I am confident they are the right company to take Phum Syarung into production. Indeed, our teams have already started working together whilst our Definitive Agreement is being completed.

We are also very conscious of what this deal means for Cambodia - both in terms of the momentum it will help create for the development of its gold mining industry, and in terms of what it represents for local people. Our sustainable social development programs will continue to focus on education, health, community engagement, and job creation."

Mr. Manish Pande, VP of Strategic Development of Mesco Steel Limited, commented:

"Mesco Gold is a natural evolution for the Mesco group of companies. We've been very excited about Cambodia for some time - it truly is the newest frontier opportunity and we're pleased and proud to become an early participant in development of its mining industry."

ANGKOR GOLD CORP. is a public company listed on the TSX-Venture Exchange. It is Cambodia's premier gold explorer with a significantly large land package and a first-mover advantage with excellent relationships at all levels of Government (local to national).

Angkor has 5 exploration licences in the Kingdom of Cambodia now covering a total of 1102 km², plus 3 pending licence applications. The company has been actively exploring these concessions over the past 3 years, and has now covered all tenements with stream sediment geochemical sampling, has flown low level aeromagnetic surveys over much of the ground, drilled 17,556 metres of NQ core in 143 holes, of which 8,815m in 66 holes were drilled in the 2012 season; and has collected in excess of 20,000 'C' zone soil samples in 8 centres of interest, over a combined area of 20km², in addition to numerous trenches and detailed geological field mapping. Exploration on all tenements is ongoing.

ABOUT MESCO STEEL LIMITED

MESCO Steel Group is a leading Indian vertically-integrated iron and steel producer with a 30-year history. Its operations include the mining of raw materials and commodities such as iron, coal and limestone.



The flagship company within the group, Mideast Integrated Steel (MISL), is listed on the Bhubaneswar Stock Exchange. In 2012, MISL reported net profits of \$16.5M on revenues of approximately \$100M and announced its maiden dividend to shareholders of 5%.

The MESCO Steel Group also has a strong Corporate Social Responsibility program which includes community service, primary education, sports and health care.

FOR FURTHER INFORMATION PLEASE CONTACT:

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