

# THE MINERAL INDUSTRY OF CAMBODIA

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Cambodia has been dependent upon foreign aid. The international community pledged some \$450 million to the country's reconstruction program. Because of the Asian financial crisis, the country was hit hard by aid cutoffs and the flight of many foreign investors. The International Monetary Fund suspended its aid program due to concerns over Cambodia's logging policy. The World Bank also halted all direct structural support aid to the country. In the first 9 months of 1997, the country's economic growth was under 2%. Inflation was 18% in September (Far Eastern Economic Review, 1998). The Government called for major reforms to the customs and security services to restore investment climate.

Cambodia's mineral resources remained unexplored and its mineral industry undeveloped. The country is known to have a potential for existence of significant metallic mineral deposits. Several metallic mineral deposits had been found in early 1970's—the most notable were a gold deposit in the Bo Sub Trup area and an iron ore deposit at Phnom Dek in Preah Vihear Province. In 1993, two more gold deposits were discovered at O Trom, 50 kilometers (km) northeast of Kratie, and Sre Chhar, 100 km southeast of Kratie, in Kratie Province, northeastern Cambodia. Two bauxite deposits had been identified in Battambang Province and at Haut Chhlong in Mondolkiri Province.

The Ministry of Industry, Mines, and Energy was drafting a new mining law to be submitted to the National Assembly for adoption in the near future. The Government encourages foreign investment in the exploration and exploitation of mineral resources in Cambodia. The investment law was approved by the National Assembly in 1994.

The Government was concerned with the effect of mining on the environment and with poor mineral resources management. The extraction of gemstones at Paillin has made the Tonle Sap increasingly shallower at its confluence in the south. Illegal and lucrative exploitation of construction materials at Phnom Basset, Tmar Pong, and other areas has caused deforestation and soil erosion. Uncontrolled gold mining also has caused soil degradation and landslides leading to the destruction of forests and water resources.

Jupiter International Resources Inc. of Canada received approval from the Government for the granting of two mineral exploration concessions in the Province of Rattanakiri. The company began a geologic survey of these properties in December 1996 and undertook extensive surface sampling and testing activities. Testing of a 113-sample batch indicated significant gold content (Jupiter International Resources Inc., 1997a). These samples were tested by Loring Laboratories in Calgary, Canada.

Jupiter's exploration activities were expanded to an additional three precious metal mining concessions in the southeastern part of Cambodia. The company retained the services of Watts Griffis McQuat, international geological consultants, to conduct independent survey and sampling activities (Jupiter International Resources Inc., 1997b).

Enterprise Oil of the United Kingdom suspended its offshore drilling program in Cambodian water in the Gulf of Thailand but has not completely pulled out of the country (Journal of Commerce, 1997). The company capped and abandoned three wells that were found to have uneconomic amounts of oil. Enterprise Oil began extensive oil and gas exploration in Cambodia in 1991 and had invested more than \$55 million (Journal of Petroleum Technology, 1997). The company conducted a seismic testing and drilling program on behalf of British Gas and Total of France. Cambodia Petroleum Exploration Co. Ltd., a subsidiary of Japan Petroleum Exploration Co. Ltd., drilled three wells in the same area and found no oil. Both companies had since bid for an overlapping claim area in the Gulf that Thailand and Cambodia claimed. Cambodia was considering bids for the area and could take another year to award concessions.

Deena Energy Cambodia Inc., a subsidiary of Deena Energy Inc. of Canada, was to begin drilling the Koah Pring I well in Block IV offshore Cambodia. Deena Energy has a 10% working interest in Block IV, which covers about 2,800 square kilometers (Deena Energy Inc., 1998).

## References Cited

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- Journal of Petroleum Technology, 1997, Dateline in Cambodia: Journal of Petroleum Technology, v. 49, no. 3, March, p. 220.
- Jupiter International Resources Inc., 1997a, Jupiter's mineral exploration concessions given prime ministerial approval: Calgary, Alberta, Jupiter International Resources Inc. press release, May 5, p. 1.
- 1997b, Jupiter International Resources Inc. acquires additional exploration properties: Calgary, Alberta, Jupiter International Resources Inc. press release, September 15, p. 1.

## Major Source of Information

Ministry of Industry, Mines, and Energy  
Phnom Penh, Cambodia

TABLE 1  
CAMBODIA: ESTIMATED PRODUCTION OF SELECTED MINERAL COMMODITIES 1/

(Metric tons)

Commodity 2/	1993	1994	1995	1996	1997
Salt	40,000	40,000	40,000	40,000	40,000

1/ Table includes data through August 14, 1998.

2/ In addition to the commodity listed, cement, clays, lime, phosphate rock, and crude construction materials, such as sand and gravel and varieties of stone, presumably are produced, but available information is inadequate to make reliable estimates of output levels.