



# ANGKOR GOLD CORP.

## **ANGKOR GOLD CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED 31 OCTOBER 2018**

Stated in Canadian Dollars

### **NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

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## MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Angkor Gold Corp.:

Management is responsible for the preparation and presentation of the accompanying condensed interim consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and the Audit Committee are composed primarily of directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the external auditors. The Audit Committee has the responsibility of meeting with management, and the external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external auditors.

The Company's independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Canadian Organization of Chartered Professional Accountants for a review of interim financial statements by an entity's auditor.

We draw attention to Note 1 in the condensed interim consolidated financial statements, which indicates the existence of a material uncertainty that may cast substantial doubt on the Company's ability to continue as a going concern.

The condensed interim consolidated financial statements were approved by the Board of Directors on 27 December 2018 and were signed on its behalf by:

"Stephen Burega"

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Stephen Burega, CEO

"Grant T. Smith"

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Grant T. Smith, CFO

Canadian Dollars  
(Unaudited)

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at 31 October 2018	As at 31 July 2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 580,154	\$ 645,854
Amounts receivable		195,446	162,508
Prepaid amounts and deposits		151,502	181,056
		<b>927,102</b>	989,418
<b>Non-Current Assets</b>			
Long-term prepaid amounts		44,881	52,788
Property and equipment	(6)	85,694	92,809
Exploration and evaluation assets	(7)	5,632,826	6,125,262
		<b>5,763,401</b>	6,270,859
		<b>\$ 6,690,503</b>	\$ 7,260,277
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 359,617	\$ 573,611
Due to related parties	(10)	475,162	476,994
		<b>834,779</b>	1,050,605
<b>Non-Current Liabilities</b>			
Convertible debenture	(8)(10)	964,989	956,697
		<b>1,799,768</b>	2,007,302
<b>EQUITY</b>			
Share capital	(9)	32,456,925	32,456,925
Equity portion of convertible debenture	(8)(9)	72,742	72,742
Contributed surplus - options	(9)	2,575,373	2,575,373
Contributed surplus - warrants	(9)	588,564	588,564
Accumulated other comprehensive income		1,363,037	1,278,139
Deficit		(32,165,906)	(31,718,768)
		<b>4,890,735</b>	5,252,975
		<b>\$ 6,690,503</b>	\$ 7,260,277

Nature of operations and going concern (1)

The condensed interim consolidated financial statements were approved by the Board of Directors on 27 December 2018 and were signed on its behalf by:

"Mike Weeks"

Mike Weeks, Director

"Terry Mereniuk"

Terry Mereniuk, Director

Canadian Dollars  
(Unaudited)

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Note	Three months ended 31 October 2018	Three months ended 31 October 2017
<b>EXPENSES</b>			
<b>Exploration and evaluation</b>			
Geological consulting fees		\$ -	\$ 12,000
Camp costs		20,418	39,566
		<b>20,418</b>	<b>51,566</b>
<b>General and administrative</b>			
Salaries, wages and benefits	(10)	123,491	168,425
Professional and consulting fees	(10)	104,151	117,534
Office and travel		108,445	95,978
Investor relations and other		33,315	49,328
Social development	(10)	14,948	6,095
Filing fees		3,243	20,258
Amortization	(6)	7,937	7,280
Share-based compensation	(9)	-	6,500
Interest and banking costs		2,420	2,076
		<b>418,368</b>	<b>525,040</b>
<b>Other expenses</b>			
Foreign exchange loss		4,437	23,225
Accretion and interest expense on convertible debenture	(8)	24,333	-
		<b>28,770</b>	<b>23,225</b>
<b>(Loss) before taxes</b>		<b>(447,138)</b>	<b>(548,265)</b>
<b>Net (loss) after taxes</b>			
<b>Other Comprehensive income (loss)</b>			
Foreign operations – foreign currency translation differences		84,898	268,815
<b>Comprehensive (Loss)</b>		<b>\$ (362,240)</b>	<b>\$ (279,450)</b>
<b>Basic and Diluted (Loss) per Common Share</b>		<b>\$ (0.00)</b>	<b>\$ (0.00)</b>
<b>Weighted Average Number of Shares Outstanding</b>		<b>105,980,543</b>	<b>118,969,251</b>

Canadian Dollars  
(Unaudited)

## CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share Capital	Amount	Equity portion of convertible debenture	Warrant Amount	Option Amount	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
<b>BALANCE 31 JULY 2017</b>	103,497,793	\$ 31,812,041	\$ -	\$ 529,005	\$ 2,549,373	\$ 909,441	\$ (29,757,107)	\$ 6,042,753
Shares issued on options exercise	1,900,000	540,600	-	29,400	-	-	-	570,000
Fair value transfer on option exercise	-	(8,375)	-	320	-	-	-	(8,055)
Subscription received	-	-	-	-	6,500	-	-	6,500
Foreign currency translation	-	-	-	-	-	268,815	-	268,815
Net loss for the period	-	-	-	-	-	-	(548,265)	(548,265)
<b>BALANCE 31 OCTOBER 2017</b>	105,397,793	32,344,266	-	558,725	2,555,873	1,178,256	(30,305,372)	6,331,748
Shares issued for NSR	-	-	-	-	6,500	-	-	6,500
Foreign currency translation	-	-	-	-	-	(434,486)	-	(434,486)
Net loss for the period	-	-	-	-	-	-	(539,038)	(539,038)
<b>BALANCE 31 JANUARY 2018</b>	105,397,793	\$ 32,344,266	\$ -	\$ 558,725	\$ 2,562,373	\$ 743,770	\$ (30,844,410)	\$ 5,364,724
Share based payment	-	-	-	-	6,500	-	-	6,500
Foreign currency translation	-	-	-	-	-	326,231	-	326,231
Net loss for the period	-	-	-	-	-	-	(509,493)	(509,493)
<b>BALANCE 30 APRIL 2018</b>	105,397,793	\$ 32,344,266	\$ -	\$ 558,725	\$ 2,568,873	\$ 1,070,001	\$ (31,353,903)	\$ 5,187,962
Private placement	582,750	116,551	-	3,892	-	-	-	120,443
Share issuance costs	-	(3,892)	-	-	-	-	-	(3,892)
Equity portion of convertible debt	-	-	72,742	-	-	-	-	72,742
Warrants issued for convertible debt	-	-	-	25,947	-	-	-	25,947
Share-based compensation	-	-	-	-	6,500	-	-	6,500
Other comprehensive income	-	-	-	-	-	208,138	-	208,138
Net loss for the year	-	-	-	-	-	-	(364,865)	(364,865)
<b>BALANCE 30 JULY 2018</b>	105,980,543	\$ 32,456,925	\$ 72,742	\$ 588,564	\$ 2,575,373	\$ 1,278,139	\$ (31,718,768)	\$ 5,252,975

Canadian Dollars  
(Unaudited)

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (CONTINUED)

	Share Capital	Amount	Equity portion of convertible debenture	Warrant Amount	Option Amount	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
<b>BALANCE 31 JULY 2018</b>	105,980,543	\$ 32,456,925	\$ 72,742	\$ 588,564	\$ 2,575,373	\$ 1,278,139	\$ (31,718,768)	\$ 5,252,975
Other comprehensive income	-	-	-	-	-	84,898	-	84,898
Net loss for the year	-	-	-	-	-	-	(447,138)	(447,138)
<b>BALANCE 31 OCTOBER 2018</b>	105,980,543	\$ 32,456,925	\$ 72,742	\$ 588,564	\$ 2,575,373	\$ 1,363,037	\$ (32,165,906)	\$ 4,890,735

Canadian Dollars  
(Unaudited)

### CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Three months ended 31 October 2018	Three months ended 31 October 2017
<b>OPERATING ACTIVITIES</b>			
<b>(Loss) for the Period</b>		\$ (447,138)	\$ (548,265)
<b>Items not Affecting Cash</b>			
Amortization	(6)	7,937	7,280
Share-based compensation		-	6,500
Foreign exchange income		7,991	-
Accretion expense	(8)	8,292	-
		<b>(423,824)</b>	<b>(534,485)</b>
<b>Net Change in Non-cash Working Capital</b>			
Amounts receivable		(32,938)	(75,553)
Prepaid amounts and other assets		29,554	(30,037)
Accounts payable and accrued liabilities		(215,826)	274,727
<b>Cash (Used in) Operating Activities</b>		<b>(643,034)</b>	<b>(365,348)</b>
<b>INVESTING ACTIVITIES</b>			
Purchases of property and equipment	(6)	-	(17,109)
Advancement of exploration and evaluation assets	(7)	(270,476)	(309,180)
Proceeds from option agreements	(7)	845,154	-
<b>Cash (Used in) Provided by Investing Activities</b>		<b>574,678</b>	<b>(326,289)</b>
<b>FINANCING ACTIVITIES</b>			
Issuance of shares, net of share issuance costs	(9)	-	561,945
<b>Cash Provided by Financing Activities</b>			561,945
Effects of currency translation on cash and cash equivalents		2,656	(2,719)
<b>Net Increase (Decrease) in Cash</b>		<b>(65,700)</b>	<b>(132,411)</b>
Cash position – beginning of period		645,854	246,396
<b>Cash Position – End of Period</b>		<b>\$ 580,154</b>	<b>\$ 113,985</b>
<b>Supplementary Cash Disclosure</b>			
Accounts payable included in exploration and evaluation assets		\$ 180,586	\$ 797,560
Accounts payable settled by shares		\$ -	\$ 24,300

# ANGKOR GOLD CORP.

## FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2018

Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 1) Nature of operations and going concern

Angkor Gold Corp. (“Angkor” or the “Company”), was incorporated under the laws of the Province of British Columbia, Canada on 16 October 2008. The Company, together with its subsidiaries, is principally engaged in the exploration of its mineral property interests. Currently, the Company focuses on mineral property interests located in the Kingdom of Cambodia in the provinces of Ratanakiri and Mondolkiri. The registered address of the Company is Box 153, Sexsmith, Alberta, T0H 3C0. The Company commenced trading as a Tier 2 mining issuer on the TSX Venture Exchange (the “Exchange”) on 19 October 2011 under the trading symbol “ANK”.

These condensed interim consolidated financial statements (the “Financial Statements”) have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations.

There are several adverse conditions that may cast substantial doubt upon the Company’s ability to continue as a going concern. The Company has negative working capital (shown on the table below), has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead requirements and maintain its mineral interests.

	<b>31 October 2018</b>	31 July 2018
Working capital (deficit)	\$ <b>92,323</b>	\$ (61,187)
Accumulated deficit	\$ <b>(32,165,906)</b>	\$ (31,718,768)

Further, the business of mining and exploration involves a high degree of risk and there can be no assurance that current or future exploration programs will result in profitable mining operations. The recoverability of intangible exploration and evaluation assets is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. For the Company to continue to operate as a going concern it must obtain additional financing; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future.

These factors indicate a material uncertainty that casts significant doubt over the Company’s ability to continue as a going concern.

If the going concern assumption were not appropriate for these Financial Statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the Condensed Interim Consolidated Statement of Financial Position classifications used and such adjustments could be material.

#### 2) Basis of preparation – Statement of Compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Financial Statements have been prepared on a historical cost basis, except for financial instruments classified as

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## FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2018

*Canadian Dollars  
(Unaudited)*

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies set out were consistently applied to all the years presented unless otherwise noted below. The preparation of the condensed interim consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The preparation of the condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, profit and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

#### **3) Summary of significant accounting policies**

The accounting policies and methods of computation followed in preparing these Financial Statements are the same as those followed in preparing the most recent audited annual consolidated financial statements. For a complete summary of significant accounting policies, please refer to the Company's audited annual consolidated financial statements for the year ended 31 July 2018.

#### **4) Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Company's accounting policies management is required to make judgments, estimates and assumptions about the carrying amount and classification of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revisions affect only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amount recognized in the condensed interim consolidated financial statements.

##### **a) Critical accounting estimates:**

Significant assumptions about the future that management has made and other sources of estimation uncertainty at the financial position reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities relate to but are not limited to the following:

- The recoverability of exploration and evaluation assets presented on the condensed interim consolidated statement of financial position;

## ANGKOR GOLD CORP.

### FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2018

Canadian Dollars  
(Unaudited)

#### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- The estimated useful lives of property and equipment which are included in the condensed interim consolidated statement of financial position and the related depreciation;
- The inputs used in accounting for share-based payment transactions in the condensed interim consolidated statements of comprehensive income and loss; and
- Management's determination that there is no material restoration, rehabilitation, and environmental exposure, based on the facts and circumstances that existed during the period.

#### b) Critical accounting judgments:

Significant judgments about the future that management has made and other sources of judgment uncertainty at the financial position reporting date that could result in a material adjustment to the carrying amounts of assets and liabilities relate to but are not limited to:

- Functional currency: The determination of the functional currency of AGC as the US dollar and the functional currency of the Company and other subsidiaries as the Canadian dollar.
- Going concern: The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.
- Indications of impairment: Management assesses at least once per period whether the facts and circumstances surrounding the exploration and evaluation asset indicate that the carrying value of the properties exceed the recoverable amount. As the operating environment is still in exploration stage, the Company is reliant on management's industry expertise to consider various factors including, but not limited to, financial and human resources available, exploration budgets planned, importance and results of exploration work done previously, industry and economic trends as well as the price of minerals.

#### 5) Financial instruments and risk management

##### a) Financial instrument classification and measurement

The Company holds various forms of financial instruments. The nature of these instruments and operations expose the Company to certain risks. The Company manages and monitors its exposure to these risks to ensure appropriate measures are implemented in a timely and effective manner.

As at 31 October 2018, there is no significant difference between the carrying values and fair values of the Company's financial instruments.

The Company classifies the fair value measurements according to the following hierarchy.

- Level 1 – quoted prices in active markets for identical financial instruments.

# ANGKOR GOLD CORP.

## FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2018

Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As at 31 October 2018, the Company does not have any financial instruments measured at fair value.

#### b) Market risk

Market risk is the risk that changes in market prices will affect the Company's earnings or the value of its financial instruments. Market risk is comprised of other price risk, currency risk, and interest rate risk. The objective of market risk management is to manage and control exposures within acceptable limits, while maximizing returns. The Company's exposure to market risk is further disclosed below.

#### c) Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Credit risk for the Company is associated with cash, amounts receivable and promissory note receivable. Cash is held with reputable financial institutions.

The amounts receivable, which represent financial assets, include accounts receivable from third parties. Based on currently available information, the Company anticipates full recoverability of amounts due on account.

The Company has procedures in place to minimize its exposure to credit risk. Management evaluates credit risk on an ongoing basis including counterparty credit rating and activities related to accounts receivable and promissory note receivable and other counterparty concentrations as measured by amount and percentage.

#### d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to settle or manage its obligations associated with financial liabilities. In the management of liquidity risk, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. The Company is dependent on external financing and will be required to raise additional capital in the future to fund its operations (Note 1).

The contractual undiscounted future cash flows of the Company's significant non-derivative financial liabilities are as follows:

	31 October 2018	31 July 2017
Accounts payable and accrued liabilities	\$ 834,779	\$ 1,050,605

## ANGKOR GOLD CORP.

### FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2018

Canadian Dollars  
(Unaudited)

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to cash flow interest rate risk on the variable rate of interest earned on its cash. The cash flow interest rate risk on cash is insignificant as deposits are either short term or pay interest at rates of 1.2% or less. The Company does not hold any other financial assets or liabilities which incur interest. The fair value interest rate risk on the Company's other assets and liabilities are deemed to be insignificant.

The Company has not entered into any derivative instruments to manage interest rate fluctuations; however, management closely monitors interest rate exposure and the risk exposure is limited.

### f) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's major operating expenses and acquisition costs are denominated in U.S. dollars and a portion of the expenses of the Company are in Canadian dollars. The Company's corporate office is based in Canada and the exposure to exchange rate fluctuations arises mainly on foreign currencies, which are the U.S. dollar.

The Company is exposed to foreign exchange risk. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, management monitors foreign exchange exposure and if rates continue to fall, management will look at entering into derivative contracts. Should the US dollar and Canadian dollar exchange rate have changed by 5% at the period end the impact to profit or loss would be +/- \$2,910.

The Company's monetary assets and liabilities denominated in U.S. dollars are shown here in Canadian dollars:

	<b>31 October 2018</b>	31 July 2018
Cash	\$ 576,734	\$ 612,237
Accounts payable	\$ (73,975)	\$ (310,455)

## ANGKOR GOLD CORP.

### FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2018

Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 6) Property and equipment

	Vehicles	IT Equipment	Mining Equipment	Tools & Other	Total
<b>COST</b>					
<b>Balance as at 1 August 2017</b>	\$ 229,232	\$ 34,823	\$ 217,468	\$ -	\$ 481,523
FX adjustment	9,767	1,484	8,468	799	20,518
Additions	-	3,724	984	18,399	23,107
<b>Balance as at 31 July 2018</b>	238,999	40,031	226,920	19,198	525,148
FX adjustment	<b>2,295</b>	<b>383</b>	<b>2,179</b>	<b>184</b>	<b>5,041</b>
Additions	-	-	-	-	-
<b>Balance as at 31 October 2018</b>	<b>\$ 241,294</b>	<b>\$ 40,414</b>	<b>\$ 229,099</b>	<b>\$ 19,382</b>	<b>\$ 530,189</b>
<b>AMORTIZATION</b>					
<b>Balance as at 1 August 2017</b>	\$ 178,765	\$ 28,961	\$ 174,425	\$ -	\$ 382,151
FX adjustment	7,906	1,305	7,539	143	16,893
Amortization	15,750	3,861	10,233	3,451	33,295
<b>Balance as at 31 July 2018</b>	202,421	34,127	192,197	3,594	432,339
FX adjustment	<b>1,973</b>	<b>337</b>	<b>1,867</b>	<b>42</b>	<b>4,219</b>
Amortization	<b>3,328</b>	<b>1,185</b>	<b>2,540</b>	<b>884</b>	<b>7,937</b>
<b>Balance as at 31 October 2018</b>	<b>\$ 207,722</b>	<b>\$ 35,649</b>	<b>\$ 196,604</b>	<b>\$ 4,520</b>	<b>\$ 444,495</b>
<b>CARRYING AMOUNTS</b>					
As at 31 July 2018	\$ 36,578	\$ 5,904	\$ 34,723	\$ 15,604	\$ 92,809
<b>As at 31 October 2018</b>	<b>\$ 33,572</b>	<b>\$ 4,765</b>	<b>\$ 32,495</b>	<b>\$ 14,862</b>	<b>\$ 85,694</b>

## ANGKOR GOLD CORP.

### FOR THE THREE MONTH PERIOD ENDED 31 OCTOBER 2018

Canadian Dollars  
(Unaudited)

### NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

#### 7) Exploration and evaluation assets

The Company has interests in mineral properties; details of which follow for the period ended 31 October 2018, and the year ended 31 July 2018.

	Oyadao South (OYS)	Oyadao (OY)	Banlung (BL)	Koan Nheak (KHN)	Andong Meas (ADM)	Total
<b>Balance as at 1 August 2017</b>	\$ 2,015,783	\$ 667,246	\$ 2,011,733	\$ 902,048	\$ 527,463	\$ 6,124,273
Additions	1,293,927	7,683	330,631	54,614	18,095	1,704,950
Funds received under option agreements	(1,924,001)	-	-	(68,760)	-	(1,992,761)
Adjustments on currency translation	68,569	33,397	115,904	43,935	26,995	288,800
<b>Balance as at 31 July 2018</b>	\$ 1,454,278	\$ 708,326	\$ 2,458,268	\$ 931,837	\$ 572,553	\$ 6,125,262
Additions	<b>213,516</b>	<b>2,216</b>	<b>50,272</b>	<b>2,017</b>	<b>2,455</b>	<b>270,476</b>
Funds received under option agreements	<b>(193,679)</b>	-	<b>(651,475)</b>	-	-	<b>(845,154)</b>
Adjustments on currency translation	<b>21,842</b>	<b>10,528</b>	<b>27,515</b>	<b>13,837</b>	<b>8,520</b>	<b>82,242</b>
<b>Balance as at 31 October 2018</b>	<b>\$ 1,495,957</b>	<b>721,070</b>	<b>1,884,580</b>	<b>947,691</b>	<b>583,528</b>	<b>5,632,826</b>

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### a) Oyadao South (OYS)

#### Mesco Gold (Cambodia) Ltd. (“Mesco”) Agreement:

On 20 February 2013, the Company sold to Mesco Gold (Cambodia) Ltd. (“Mesco”) the rights to develop and mine the Company’s Phum Syarung prospect located within its Oyadao South Concession in Ratanakiri Province, Cambodia. As per the Definitive Agreement, the Company was to retain a 10% Net Smelter Return (“NSR”) (the “Mesco Return”) (subsequently adjusted to a sliding scale NSR based on the gold price, see below) from all future production at the Phum Syarung prospect. As consideration for the prospect, Mesco paid the Company US\$700,000 in cash and issued the Company a US\$500,000 promissory note. The costs that had been capitalized to the portion of the license sold totaled US\$503,355 and resulted in a gain on sale of the Phum Syarung prospect of \$701,485 (US\$696,645).

On 11 November 2013, the Company closed a Purchase Agreement with Mesco which extended their existing land package to include Angkor’s Blue Lizard prospect. Angkor received US\$700,000 in staged payments through 2013 – 2015 related to the 11 November 2013 agreement.

Angkor and Mesco agreed to amend the 10% Mesco Return and to introduce a 2%-7.5% sliding scale NSR on production from the expanded land package based on the price per ounce of gold.

In addition, the Company assigned 2.5% of the NSR to various individuals and subsequently purchased back the NSR option.

On 16 December 2016, the Company announced the completion of the buyback for an amount equal to 130% of the original purchase price of US\$875,000 which was settled by the Company in common shares at the deemed price of \$0.40 per share for a total of 3,810,625 common shares.

#### Japan Oil, Gas and Metals National Corporation (“JOGMEC”) Agreement:

On 14 June 2016, the Company entered into a joint exploration agreement with JOGMEC to explore the Company’s Oyadao South license. This agreement was for separate properties than those sold to Mesco. The agreement gives JOGMEC the option to acquire 51% of the Oyadao South license for a total investment of US\$3 million in exploration expenditures over a three year period, subject to meeting a minimum expenditure of US\$1 million at the end of each of 31 March 2018, 2019, 2020, respectively. In addition, a condition of the agreement was that the Company acquire a renewal or a new license with a minimum three-year term. JOGMEC may accelerate its earn-in period by meeting the minimum expenditure of US\$3 million at any time prior to 31 March 2019.

On 7 March 2017, the Company renewed the license for an initial three-year term, with the option to extend a further four years.

As at 31 October 2018, the Company has received a total of \$2,117,680 in funds over the life of the license and have incurred exploration expenses in excess of funds received in the amount of \$1,507,443 relating to the Oyadao South property. JOGMEC having completed its first earn-in period must fund an additional US\$1 million prior to 31 March 2019 for its second earn-in period. The Company is the operator under the Joint Exploration Agreement (“JEA”) with JOGMEC.

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### b) Oyadao (OY)

On 6 December 2015, the Company entered into an agreement with Mesco to explore Angkor's 100% owned Oyadao North tenement in Ratanakiri Province, Cambodia. The agreement gives Mesco the right to acquire an 85% participating interest in the Oyadao North project and license. The Commencement Date of the agreement is deemed to be the later of (i) the date of the agreement, (ii) date of receipt of the written confirmation from the Ministry of Mines and Energy of the Kingdom of Cambodia (as defined in the agreement) and (iii) the date of the fully executed amendment to the Amended and Restated NSR agreement between Mesco and the Company described above.

Mesco is entitled to its participating interest from the Commencement Date, in return for which Mesco will (i) pay all liabilities and perform all obligations under the license post Commencement Date, (ii) pay all Expenditures (as defined in the agreement) post Commencement Date and (iii) make minimum Expenditure payments of \$250,000 for each of five years post Commencement Date subject to certain maximum amounts as detailed in the agreement.

The commencement date has not occurred as of the financial statement date, and Mesco has not sufficiently completed the requirements to earn its participating interest. The Company's agreement with Mesco has been terminated.

### c) Banlung (BL)

#### Blue River Resources Ltd. ("Blue River") Agreement:

On 3 May 2016, the Company entered into an agreement with Blue River to explore Angkor's Banlung tenement in Ratanakiri Province, Cambodia. The agreement gave Blue River the right to acquire up to a 70% interest in the Banlung license. Blue River had the right to participate in up to a 50% interest in the Banlung license after the completion of a total investment of US\$3.5 million in exploration expenditures as well as an option for an additional 20% interest of the Banlung tenement.

On 13 November 2017, the Company announced the termination of the Company's earn-in exploration agreement with Blue River on Angkor's wholly-owned Banlung License, which includes the Okalla East and Okalla West Prospects for failing to meet its financial obligations under the agreement.

The Company received \$651,475 (31 July 2018 - \$Nil) from Blue River which was recorded against the exploration and evaluation asset base for the Banlung property.

On 19 September 2018, the Company announced that it has entered into an Earn-In Agreement (the Agreement) with Canadian-based private company, Hommy 5 Resources Inc. ("Hommy Resources"), on Angkor's wholly-owned Banlung property in northeastern Cambodia. The terms of the Agreement are as follows:

- Angkor has granted to Hommy Resources the sole and exclusive right and option to acquire up to an 80% Participating Interest in Angkor's Banlung license through the exercise of three milestones.
- The completion of the first Option will occur when Hommy Resources has spent a total of USD \$500,000 in exploration and development expenses within one year on the Banlung license with an additional cash

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payment to Angkor of USD \$150,000, at which point Hommy Resources will have earned a 20% participating interest.

- After Hommy Resources has fully paid the amounts referred to the First Option, Hommy Resources can elect to acquire a 51% Participating Interest, by incurring additional exploration & development expenditures of USD \$2,800,000 plus an additional USD \$200,000 cash payment to Angkor. Such exploration and development expenditures by Hommy Resources must be completed no later than 720 days following the earning of the First Option. Angkor will be the operator on the project until Hommy Resources acquires a 51% participating interest in the Banlung license.
- After Hommy Resources has earned the First and Second Options, Hommy Resources can elect to acquire an additional 29% Participating Interest by completing a Definitive Feasibility Study on the property before March 7, 2022.
- After the exercise of the Third Option, Angkor, in its sole discretion, may choose to continue to hold a 20% Participating Interest or to convert its 20% Participating Interest into a 3.5% NSR. Hommy Resources may also buy back from Angkor up to an undivided 1.5% NSR for an amount to be mutually agreed upon or set by arbitration, reducing Angkor's NSR to 2.0%.
- If Angkor chooses to hold its 20% Participating Interest, Hommy Resources will fund Angkor's share of the cost of exploration and development, which will be repaid by Angkor from future revenue from the property.
- Should there be a decision to mine, Angkor and Hommy Resources agree to fund the development and operation of any mining property in proportion to their Participating Interests after Hommy Resources has earned its Second Option of 51%. If Hommy Resources has not yet earned its full 51%, Hommy Resources will continue to make the exploration and development and other payments until it reaches its 51% vested interest before Angkor is required to co-fund. Angkor may decline at any time to co-fund the development and operation of the mining property and retain at its option a fixed and free-carried 20% Participating Interest through to production or a 3.5% NSR.
- Either Hommy Resources or Angkor may choose to convert all of Hommy Resources fully vested Participating Interest to common shares in Angkor at a fixed conversion price of CDN \$0.25 (twenty-five cents Canadian) per share, provided that if the conversion is at Hommy Resources request, Hommy Resources must first pay to Angkor the sum of USD \$100,000.

#### d) Koan Nheak (KHN)

##### **Emerald Resources NL ("Emerald") and Renaissance Minerals (Cambodia) Ltd. ("Renaissance") Agreement:**

On 12 July 2017, the Company entered into a Definitive Earn-In-Agreement with Australian based gold company, Emerald on the Company's wholly owned Koan Nheak property in north-eastern Cambodia.

The agreement terms include a total investment by Emerald's subsidiary, Renaissance, for US\$2 million in exploration and development expenditures plus a US\$200,000 cash payment to the Company over a 2 year period for them to acquire a 51% participating interest in the Koan Nheak license.

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Upon completion of the initial earn in option, Renaissance has the right to acquire an additional 29% participating interest. After that, the Company will maintain a 20% participating interest in the property, or at the Company's discretion, can convert it to a 3.5% Net Smelter Return on all metals.

On 20 September 2017, the Company received the approval of the Cambodian Ministry of Mines and Energy to proceed with its joint project with Renaissance on Angkor's wholly-owned Koan Nheak property. This approval allows Angkor and Renaissance to proceed with their joint exploration plans of Koan Nheak under their Definitive Earn-In Agreement dated 12 July 2017.

The Company received \$68,760 (USD \$52,823) from Renaissance with the remaining US\$147,177 to be received in the upcoming year. The payment has been recorded against the exploration and evaluation asset base for the Koan Nheak property.

#### **e) Banlung North (BLN)**

On 6 March 2017, the Company determined no further work was warranted on the Banlung North property and as a result, dropped the property from its holdings and no longer owns any interest in the property. As a result of this management assessment, the Company in 2017 wrote off accumulated costs pertaining to that property in the amount of \$545,911 in accordance with the Company's accounting policy.

#### **8) Convertible debenture**

During the year ended 31 July 2018, the Company closed a financing transaction for a total of \$1,050,000. The Company issued convertible notes of \$550,000 and 2,200,000 warrants in connection with the first tranche, then in a second tranche, issued convertible notes of \$50,000 and 200,000 warrants, and finally, in a third tranche, issued convertible notes of \$450,000 and 1,800,000 warrants.

The convertible debentures ("Debentures") have a three year term and bear interest at the rate of six percent (6.00%) per annum if paid in cash or ten percent (10%) per annum if paid by common shares. They mature on 29 April 2021 (the "term"). At the option of the Debenture holder, interest payments may be made in cash or in the form of common shares at an issue price equal to the market price at the time of settlement. At the end of the term, the holders will have the option to convert the principal amount into common shares in the capital of the Company at a conversion price of \$0.25 per share, or the Company will repay the outstanding principal in cash. The Debentures also consist of a detachable warrant exercisable for a common share in the Company at \$0.30 for a period 3 years from the issue dates: 29 April 2018, 22 May 2018, and 12 July 2018. The debt is a direct unsecured obligation with no specified claim on assets.

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The carrying amount of warrants is obtained by deducting the nominal value of the debentures and the present value of future capital payments at the prevailing market rate for a convertible debenture without warrants.

ALLOCATION OF FAIR VALUE	Amount
Initial Fair Value of Debt Component	\$ 951,311
Equity value of conversion rights	72,742
Fair value of warrants issued	25,947
<b>Fair Value Allocated as at 31 October 2018</b>	<b>\$ 1,050,000</b>
<b>Initial Fair Value of Debt Component</b>	<b>\$ 951,310</b>
Accretion expense	13,677
<b>Convertible Debenture as at 31 October 2018</b>	<b>\$ 964,987</b>

For the three months ended 31 October 2018:

DEBENTURE INTEREST AND ACCRETION EXPENSE	Amount	Interest expense	Accretion Expense	Total
<b>Principal Balance by Tranche</b>				
29 April 2018	\$ 550,000	\$ 8,445	\$ 4,343	\$ 12,788
22 May 2018	50,000	765	395	1,160
13 July 2018	450,000	6,831	3,554	10,385
<b>Total</b>	<b>\$ 1,050,000</b>	<b>\$ 16,041</b>	<b>\$ 8,292</b>	<b>\$ 24,333</b>

#### 9) Share capital

##### a) Authorized:

Unlimited common shares without par value.

##### b) Issued or allotted and fully paid:

See Condensed Interim Consolidated Statements of Changes in Equity (Statement 3) for further detail.

	Number of Shares	Amount
<b>Balance as at 1 August 2017</b>	103,497,793	\$ 31,812,041
Private placement – net of share issuance costs	2,482,750	644,884
<b>Balance as at 31 July 2018 and 31 October 2018</b>	<b>105,980,543</b>	<b>\$ 32,456,925</b>

During the year ended 31 July 2018:

On 3 October 2017, the Company closed a non-brokered private placement for 1,900,000 Units at \$0.30 per unit for gross proceeds of \$570,000. Each Unit consists of one common share, and one full non-transferable share purchase warrant. Each full warrant entitles the holder to acquire one common share at an exercise price of \$0.35 for a period of 24 months from the closing date of the private placement. The Company incurred \$8,375 in

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in share issuance costs, of which \$320 was attributed to the 20,000 finder's warrants. The value of \$29,400 ascribed to the warrants was determined on a residual value basis. Of the total, 273,340 Units were purchased by management of the Company. Total quantity of Units issued in lieu of cash payment was 81,000 with a value of \$24,300.

On 20 April 2018, the Company closed a private placement of 582,750 Units each at a price of \$0.20 per Unit for gross proceeds of \$116,550. Each Unit consists of one common share in the capital of the Company and one transferable warrant, with each warrant entitling the holder to purchase one additional Common Share at a price of \$0.25 per common share for a period of two years and are subject an acceleration clause. Ascribed to the warrants using the Black-Scholes method was a fair value of \$3,982.

#### c) Summary of stock option activity

The Company has adopted an incentive stock option plan (the "Plan"). The essential elements of the Plan provide that the aggregate number of common shares of the Company's capital stock issuable pursuant to options granted under the Plan may not exceed 10% of the number of issued shares of the Company at the time of the granting of the options. Options granted under the Plan will have a maximum term of ten years. The exercise price of options granted under the Plan will be fixed by the Board of Directors at the time the option is granted, provided however that the exercise price complies with the requirements of the Exchange. According to the 2010 stock option plan, the vesting periods of options granted under the plan may vary at the discretion of the Board of Directors, subject to regulatory approval.

Stock option activities during the period ended 31 October 2018 and 31 July 2018 are as follows:

STOCK OPTION ACTIVITY	31 October 2018	Weighted Average Exercise Price	31 July 2018	Weighted Average Exercise Price
Balance – beginning of period	6,562,000	\$ 0.39	7,047,000	\$ 0.39
Expired	-	-	(485,000)	0.41
Balance – end of period	6,562,000	\$ 0.39	6,562,000	\$ 0.39

Details of stock options outstanding as at 31 October 2018 and 31 July 2018 are as follows:

Date of Grant	Expiry Date	Exercise Price	31 October 2018 Outstanding	31 October 2018 Exercisable	31 July 2018 Outstanding
13 April 2015	13 April 2020	\$ 0.45	272,000	272,000	272,000
14 June 2016	14 June 2021	\$ 0.45	2,000,000	2,000,000	2,000,000
11 April 2017	11 April 2022	\$ 0.38	2,990,000	2,990,000	2,990,000
18 July 2017	18 July 2022	\$ 0.30	1,000,000	1,000,000	1,000,000
18 July 2017	18 July 2022	\$ 0.30	300,000	300,000	300,000
		\$ 0.39	6,562,000	6,562,000	6,562,000

The outstanding options have a weighted average remaining life of 3.16 years (31 July 2018 – 3.42 years).

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### d) Warrants

	Outstanding as at 31 October 2018	Weighted Average Exercise Price	Outstanding as at 31 July 2018	Weighted Average Exercise Price
<b>WARRANTS</b>				
Balance – beginning of period	8,265,750	\$ 0.35	1,563,000	\$ 0.50
Issued	-	-	6,702,750	0.31
Balance – end of period	8,265,750	\$ 0.35	8,265,750	\$ 0.35

#### During the year ended 31 July 2018:

On 3 October 2017, the Company closed a non-brokered private placement issuing 1,920,000 warrants that entitle the holder to acquire one common share at an exercise price of \$0.35 for a period of 24 months from the closing date of the private placement.

On 1 May 2018, the Company closed a non-brokered private placement issuing 582,750 warrants that entitle the holder to acquire one common share at an exercise price of \$0.25 for a period of 24 months from the closing date of the private placement.

On 9 May 2018, the company issued a convertible note for \$550,000 and 2,200,000 warrants in connection with this first tranche. On 16 July 2018, the Company issued the second tranche of the convertible notes for \$50,000 along with the 20,000 warrants, and finally, in a third tranche, issued convertible notes of \$450,000 and 1,800,000 warrants. The warrants are exercisable at \$0.30 for a period of 3 years from the issue date.

On 21 July 2018, the Company announced that the expiry date for the 1,563,000 common share warrants previously extended to expire on 1 Jul 2018 have been extended to 29 July 2020. The warrants have been revalued with \$nil being recognized in the current period. All other terms and conditions of the warrants remain unchanged.

### e) Share-based payments

During the three months ended 31 October 2018, the Company granted Nil incentive stock options to its directors, officers, and consultants (31 July 2018 – Nil)

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During the year ended 31 July 2018, the Company vested 300,000 incentive stock options to its directors, officers, and consultants (31 July 2017 – 3,990,000) and recognized share-based payments on vested options as follows:

	31 October 2018	31 July 2018
<b>Total Options Vested</b>	-	300,000
Average exercise price	\$ -	\$ 0.30
Estimated fair value of compensation	\$ -	\$ 26,000
Estimated fair value per option	\$ -	\$ 0.09

The fair value of the stock-based compensation of options to be recognized in the accounts has been estimated using the Black-Scholes Model with the following weighted-average assumptions:

	31 October 2018	31 July 2018
Risk free interest rate	-	1.48%
Expected dividend yield	-	0.00%
Stock price	\$ -	\$ 0.28
Expected stock price volatility (calculated monthly)	-	36%
Expected option life in years	-	5 years
Forfeiture rate	-	0%

The Black-Scholes Option Pricing Model was created for use in estimating the fair value of freely tradable, fully transferable options. Volatility was determined using historical stock prices. The Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the highly subjective input assumptions can materially affect the calculated values, management believes that the accepted Black-Scholes model does not necessarily provide a reliable measure of the fair value of the Company's stock option awards.

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## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

### 10) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Transactions and balances with related parties are as follows:

#### RELATED PARTY DISCLOSURE – KEY MANAGEMENT PERSONNEL

Name and Principal Position	Period	Remuneration or fees <sup>(i) (ii)</sup>	Share based payments <sup>(i)</sup>	Amounts Payable <sup>(i)</sup>
Mike Weeks, Executive Chairman	2019	\$ 15,000	\$ -	\$ 857,678
	2018	\$ 70,000	\$ -	\$ 815,004
Delayne Weeks, VP of Social Development	2019	\$ 9,400	\$ -	\$ 30,725
	2018	\$ 61,620	\$ -	\$ 66,416
Clearline CPA, a company of which Grant T. Smith, CFO is a director	2019	\$ 13,500	\$ -	\$ 11,640
	2018	\$ 54,000	\$ 26,000	\$ 7,560
JP Dau, President	2019	\$ 3,909	\$ -	\$ 14,119
	2018	\$ 103,421	\$ -	\$ 33,014
Stephen Burega, CEO	2019	\$ 21,000	\$ -	\$ 11,000
	2018	\$ 91,000	\$ -	\$ 5,000

(i) For the three months ended 31 October 2018 and the year ended 31 July 2018.

(ii) Amounts disclosed were paid or accrued to the related party.

The total key management personnel compensation during the three months ended 31 October 2018 was \$83,809 (2018 - \$406,041), represented by fees of \$83,809 (2018 - \$380,041), and \$nil (2018 - \$26,000) in share based payments.

#### During the year ended 31 July 2018

On 23 September 2017, the Company received a non-interest bearing loan in the amount of \$55,000 from the Company's Executive Chairman. The loan has been repaid during the year ended 31 July 2018.

On 13 July 2018, the Company received a convertible note totaling \$450,000 from the Company's Executive Chairman. The notes have a three-year term and bear interest at the rate of six percent per annum if paid in cash or ten percent per annum if paid by common shares. At the option of the holder, at any time prior to the end of the three-year term, the convertible notes and unpaid interest can be converted to common shares in the capital of the Company at \$0.25 per share. The notes also consist of 1,800,000 detachable warrants, each warrant can be exercised for common a share at \$0.30 for a period of three years from the issue date.

The transactions with related parties were in the normal course of operations, which is the amount of consideration established and agreed to by the related parties. There are no set terms of repayment for the balances owed to the related parties.

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### 11) Capital management

The Company's objectives are to safeguard its ability to continue as a going concern in order to support the Company's normal operating requirements, and continue the development and exploration of its mineral properties and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents.

As at 31 October 2018, the Company's capital structure consists of the share capital of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

During three months ended 31 October 2018, there were no significant changes in the processes used by the Company or in the Company's objectives and policies for managing its capital.