

ANGOLD RESOURCES LTD.

Condensed Consolidated Interim Financial Statements
For the six months ended October 31, 2021 and 2020
(Expressed in Canadian Dollars - unaudited)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited 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 financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by the entity's auditor.

ANGOLD RESOURCES LTD.
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

| | October 31, 2021 (unaudited) | April 30, 2021 |
|----------------------------------------------------------|---------------------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash | \$ 485,727 | \$ 4,086,975 |
| Receivables | 76,346 | 52,448 |
| Prepaid expenses | 155,802 | 532,099 |
| | 717,875 | 4,671,522 |
| Deposit (Note 3) | 38,342 | - |
| Exploration and evaluation assets (Note 4) | 6,456,315 | 3,676,727 |
| TOTAL ASSETS | \$ 7,212,532 | \$ 8,348,249 |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities (Notes 5 and 8) | \$ 378,998 | \$ 182,390 |
| Note payable | - | 14,431 |
| TOTAL LIABILITIES | 378,998 | 196,821 |
| SHAREHOLDERS' EQUITY | | |
| Share capital (Note 6) | 21,073,731 | 21,073,731 |
| Reserve (Note 7) | 1,452,737 | 1,359,216 |
| Accumulated deficit | (15,692,934) | (14,281,519) |
| TOTAL SHAREHOLDERS' EQUITY | 6,833,534 | 8,151,428 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 7,212,532 | \$ 8,348,249 |

Nature of operations and going concern (Note 1)

These condensed interim financial statements were authorized for issue by the Board of Directors on December 8, 2021. They are signed on behalf of the Board of Directors by:

"Galen McNamara"
Director

"Adrian Rothwell"
Director

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

ANGOLD RESOURCES LTD.
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars- unaudited)

| | <u>For the Three Months Ended</u> | | <u>For the Six Months Ended</u> | |
|-------------------------------------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | <u>October 31,</u> <u>2021</u> | <u>October 31,</u> <u>2020</u> | <u>October 31,</u> <u>2021</u> | <u>October 31,</u> <u>2020</u> |
| EXPENSES | | | | |
| Management fees (Note 8) | \$ 87,164 | \$ - | \$ 197,635 | \$ - |
| General and administrative fees | 21,842 | 50,132 | 101,308 | 55,271 |
| Professional fees | 62,351 | 75,619 | 138,457 | 90,619 |
| Consulting fees | 90,117 | 51,700 | 199,365 | 51,700 |
| Shareholder information and investor relations | 220,240 | - | 475,836 | - |
| Transfer agent, regulatory and listing fees | 4,078 | - | 31,328 | - |
| Foreign exchange loss | 142,909 | - | 173,965 | - |
| Stock-based compensation (Note 7) | 9,083 | - | 93,521 | - |
| NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD | \$ 637,784 | \$ 177,451 | \$ 1,411,415 | \$ 197,590 |
| Basic and diluted loss per share for the period | \$ 0.01 | \$ 0.01 | \$ 0.02 | \$ 0.01 |
| Weighted average number of common shares outstanding | 83,941,831 | 33,182,880 | 83,941,831 | 20,914,267 |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

ANGOLD RESOURCES LTD.
Condensed Consolidated Interim Statements of Cash Flow
(Expressed in Canadian Dollars - unaudited)

| | For the Six Months Ended | |
|---------------------------------------------------------|---------------------------------|-----------------------------|
| | October 31, 2021 | October 31, 2020 |
| Cash flows provided from (used in): | | |
| OPERATING ACTIVITIES | | |
| Net loss for the period | \$ (1,411,415) | \$ (197,590) |
| Adjustments for item not affecting cash: | | |
| Stock-based compensation (Note 7) | 93,521 | - |
| Net changes in non-cash working capital items: | | |
| Receivables and prepaid expenses | 352,399 | (142,153) |
| Accounts payable and accrued liabilities | (14,262) | 35,901 |
| Net cash flows used in operating activities | (979,757) | (303,842) |
| INVESTING ACTIVITIES | | |
| Acquisition of TY & Sons Explorations (Chile) | - | (279,875) |
| Exploration and evaluation assets | (2,621,491) | (223,742) |
| Net cash flows used in investing activities | (2,621,491) | (503,617) |
| FINANCING ACTIVITIES | | |
| Proceeds from issuance of shares, net of costs (Note 6) | - | 1,668,000 |
| Net cash flows provided by financing activities | | 1,668,000 |
| Net increase (decrease) in cash | (3,601,248) | 860,541 |
| Cash, beginning of period | 4,086,975 | 50,514 |
| Cash, end of period | \$ 485,727 | \$ 911,055 |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

ANGOLD RESOURCES LTD.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars - unaudited)

| | Number of shares | Share Capital | Reserve | Accumulated deficit | Total |
|----------------------------------------------|---------------------|----------------------|---------------------|------------------------|---------------------|
| Balance at April 30, 2020 | 5,000,000 | \$ 372,912 | \$ - | \$ (269,633) | \$ 103,279 |
| Shares issued for private placement (Note 6) | 30,000,001 | 1,668,000 | - | - | 1,668,000 |
| Net loss for the period | - | - | - | (197,590) | (197,590) |
| Balance at October 31, 2020 | 35,000,001 | \$ 2,040,912 | \$ - | \$ (467,223) | \$ 1,573,689 |
| Balance at April 30, 2021 | 83,941,831 | \$ 21,073,731 | \$ 1,359,216 | \$ (14,281,519) | \$ 8,151,428 |
| Stock-based compensation (Note 7) | - | - | 93,521 | - | 93,521 |
| Net loss for the period | - | - | - | (1,411,415) | (1,411,415) |
| Balance at October 31, 2021 | 83,941,831 | \$ 21,073,731 | \$ 1,452,737 | \$ (15,692,934) | \$ 6,833,534 |

The accompanying notes form an integral part of these condensed consolidated interim financial statements.

ANGOLD RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended October 31, 2021 and 2020

(Expressed in Canadian Dollars - unaudited)

1. NATURE OF OPERATIONS AND GOING CONCERN

Angold Resources Ltd. (the “Company” or “Angold”) was incorporated under the Canada Business Corporations Act on October 6, 2004. On October 22, 2012, the Company completed a continuation under the BC Business Corporations Act. The Company’s registered office is located at Suite 2200 - 855 West Georgia Street, Vancouver, BC, V6C 3E8. The Company is listed on the TSX Venture Exchange (the “Exchange”) and trades under the symbol “AAU” and on the OTCQB under the symbol “AAUGF”.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and settle its liabilities in the normal course of business. At October 31, 2021, the Company had cash of \$485,727 (April 30, 2021 - \$4,086,975) and its current assets exceed its current liabilities by \$338,877 (April 30, 2021 – \$4,474,701). The Company currently has no active business and is not generating any revenues. It has incurred losses and negative cash flows from operations since inception and had an accumulated deficit of \$15,692,934 as at October 31, 2021 (April 30, 2021 - \$14,281,519). Whether and when the Company can obtain profitability and positive cash flows from operations is uncertain. These uncertainties may cast significant doubt on the ability of the Company to continue as a going concern.

The Company’s ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements. While the Company has been successful in raising equity in the past, there can be no guarantee that it will be able to raise sufficient funds to fund its activities and general and administrative costs in the next twelve months and in the future. These condensed consolidated interim financial statements do not give effect to the required adjustments to the carrying amounts and classification of assets and liabilities should the Company be unable to continue as a going concern. Such adjustments could be material.

On March 11 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus (“COVID-19”) as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Company in future periods, including the possible impact on future financing opportunities and access to properties.

2. SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) have been omitted or condensed, and therefore these condensed consolidated interim financial statements should be read in conjunction with the Company’s April 30, 2021 audited annual consolidated financial statements and the notes to such financial statements.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss (“FVTPL”), which are stated at their fair value. In addition, these condensed consolidated interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These condensed consolidated interim financial statements are based on the IFRS issued and effective as of December 8, 2021, the date these condensed consolidated interim financial statements were authorized for issuance by the Company’s Board of Directors, and follow the same accounting policies and methods of computation as the most recent annual financial statements.

a) Significant accounting judgments and key sources of estimation uncertainty

Going concern

The assessment of the Company’s ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

ANGOLD RESOURCES LTD.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended October 31, 2021 and 2020
(Expressed in Canadian Dollars - unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Significant accounting judgments and key sources of estimation uncertainty (continued)

Impairment of long-lived assets

The Company evaluates each long-term asset each reporting period to determine if there are any indications of impairment. If any such indications exist, an estimate of the recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The estimates and assumptions used to estimate the recoverable amount of the long-lived assets are subject to risk and uncertainty and there is the possibility that changes in circumstances will alter these estimates and assumptions.

Determination of functional currency

The functional currency for each of the Company's subsidiaries is the currency of the primary economic environment in which the respective entity operates; the Company has determined the functional currency of Angold Resources Ltd. and its subsidiaries to be the Canadian dollar. Such determination involves certain judgements to identify the primary economic environment. The Company reconsiders the functional currency of its subsidiaries if there is a change in events and/or conditions which determine the primary economic environment.

Valuation of stock-based compensation

The Company uses the Black-Scholes option pricing model for valuation of stock-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

b) New accounting standard and amendments

The Company did not adopt any new accounting standards or amendments.

3. DEPOSIT

The Company's deposit as at October 31, 2021 relates to a surface management personal bond for the Iron Butte property in Nevada. The bond payment will be refundable upon remediation of the property.

4. EXPLORATION AND EVALUATION ASSETS

| | Uchi Property | Iron Butte Property | Chile Properties | Total |
|----------------------------------------------|---------------|---------------------|------------------|--------------|
| Acquisition Costs | | | | |
| Balance, April 30, 2020 | 13,000 | - | - | 13,000 |
| Additions | 4,000 | 102,063 | 284,875 | 390,938 |
| Balance, April 30, 2021 and October 31, 2021 | \$ 17,000 | \$ 102,063 | \$ 284,875 | \$ 403,938 |
| Deferred Exploration Costs | | | | |
| Balance, April 30, 2020 | 145,750 | - | - | 145,750 |
| Consulting fees | 20,041 | 68,383 | 125,245 | 213,669 |
| Drilling | - | - | 2,323,672 | 2,323,672 |
| Permitting and staking fees | - | 100,800 | 107,758 | 208,558 |
| General project costs | - | 43,339 | 337,801 | 381,140 |
| Balance, April 30, 2021 | \$ 165,791 | \$ 212,522 | \$ 2,894,476 | \$ 3,272,789 |
| Consulting fees | 225 | 55,971 | 47,466 | 103,662 |
| Drilling | - | - | 1,447,562 | 1,447,562 |
| Exploration | - | 393,544 | 341,649 | 735,193 |
| Permitting and staking fees | - | - | 26,934 | 26,934 |
| General project costs | - | 85,288 | 380,949 | 466,237 |
| Balance, October 31, 2021 | \$ 166,016 | \$ 747,325 | \$ 5,139,036 | \$ 6,052,377 |
| Total | | | | |
| Balance, April 30, 2021 | \$ 182,791 | \$ 314,585 | \$ 3,179,351 | \$ 3,676,727 |
| Balance, October 31, 2021 | \$ 183,016 | \$ 849,388 | \$ 5,423,911 | \$ 6,456,315 |

ANGOLD RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended October 31, 2021 and 2020

(Expressed in Canadian Dollars - unaudited)

4. EXPLORATION AND EVALUATION ASSETS (continued)

Chile Properties

On August 9, 2020, the Company acquired 100% of the issued and outstanding shares of TY & Sons Explorations (Chile) Inc. in exchange for USD \$210,000 (CAD \$279,875). TY & Sons Explorations (Chile) Inc. owns two groups of concessions in Chile including the Nevada and Lajitas and Dorado claims.

The Lajitas and Dorado claims comprise the Dorado property and is located in the Maricunga region of Chile. The Nevada claim comprises the Cordillera property and is also located in the Maricunga region of Chile. Both the Dorado and the Cordillera Properties include a 2% net smelter royalty which may be reduced to 1% for a payment of C\$2,000,000 at any time.

Iron Butte Property

On July 25, 2020, the Company entered into a property option agreement whereby the Company has the option to acquire a 100% interest in the Iron Butte Property (subject to a net smelter royalty). To earn the option, the Company must pay USD\$1,320,000 and issue common shares worth USD\$252,750 over 6 years:

Cash payments

- (i) USD\$20,000 on effective date of July 25, 2020 (paid CAD\$27,063);
- (ii) USD\$50,000 on or before the 1st year anniversary of a going public transaction;
- (iii) USD\$100,000 on or before the 2nd year anniversary of a going public transaction;
- (iv) USD\$150,000 on or before the 3rd year anniversary of a going public transaction;
- (v) USD\$200,000 on or before the 4th year anniversary of a going public transaction;
- (vi) USD\$300,000 on or before the 5th year anniversary of a going public transaction; and
- (vii) USD\$500,000 on or before the 6th year anniversary of a going public transaction.

Share issuance:

- (i) Issuance of payment shares with a value of USD\$18,750 based on the payment share price on or before the 1st year anniversary of a going public transaction;
- (ii) Issuance of payment shares with a value of USD\$36,000 based on the payment share price on or before the 2nd year anniversary of a going public transaction;
- (iii) Issuance of payment shares with a value of USD\$45,000 based on the payment share price on or before the 3rd year anniversary of a going public transaction;
- (iv) Issuance of payment shares with a value of USD\$63,000 based on the payment share price on or before the 4th year anniversary of a going public transaction; and
- (v) Issuance of payment shares with a value of USD\$90,000 based on the payment share price on or before the 5th year anniversary of a going public transaction.

In addition, within 180 days of the effective date of July 25, 2020 the Company was required to complete a public listing and upon the listing issue 187,500 common shares. Upon completion of the RTO, the Company issued 187,500 common shares with a fair value of \$75,000 to the optionor of the Iron Butte Property.

Uchi Property

During the year-ended April 30, 2021, the Company staked 340 claims in Ontario, Canada.

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At October 31, 2021 and April 30, 2021, the Company's accounts payable and accrued liabilities are composed of the following:

| | July 31, 2021 | | April 30, 2021 | |
|---------------------|---------------|----------------|----------------|----------------|
| Accounts payable | \$ | 91,422 | \$ | 130,483 |
| Accrued liabilities | | 287,576 | | 51,907 |
| Total | \$ | 378,998 | \$ | 182,390 |

ANGOLD RESOURCES LTD.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended October 31, 2021 and 2020
(Expressed in Canadian Dollars - unaudited)

6. SHARE CAPITAL

As of October 31, 2021 the Company had an unlimited number of common shares authorized without par value and 83,941,831 (April 30, 2021 – 83,941,831) common shares outstanding.

On July 7, 2020, the Company issued 13,975,001 common shares at \$0.01 per common share for proceeds of \$139,750.

On August 7, 2020, the Company issued 11,025,000 common shares at \$0.05 per common share for proceeds of \$551,250.

On August 18, 2020, the Company issued 4,000,000 common share at \$0.20 per common share for proceeds of \$800,000.

On August 18, 2020 the Company issued 1,000,000 flow-through common shares at \$0.20 per flow-through common share for proceeds of \$200,000.

7. OPTIONS AND WARRANTS

a) Options

On May 31, 2021, the Company granted 150,000 stock options with a fair value of \$47,278 to an employee of the Company, which vested immediately.

On July 19, 2021, the Company granted 150,000 stock options with a fair value of \$26,483 to an employee of the Company, which vested immediately.

On October 19, 2021, the Company granted 200,000 stock options with a fair value of \$13,059 to a consultant of the Company, which vested 25% immediately and an additional 25% every six months.

The Black-Scholes option pricing model inputs for options granted during the six months ended October 31, 2021 are as follows:

| Grant Date | Expiry Date | Exercise Price | Risk-Free Interest Rate | Expected Life | Volatility Factor | Dividend Yield | Fair Value |
|-------------|-------------|----------------|-------------------------|---------------|-------------------|----------------|------------|
| 31-May-2021 | 31-May-2026 | \$0.40 | 0.90% | 5 | 92% | 0 | \$0.32 |
| 19-Jul-2021 | 19-Jul-2026 | \$0.40 | 0.78% | 5 | 94% | 0 | \$0.18 |
| 19-Oct-2021 | 19-Oct-2023 | \$0.30 | 0.83% | 2 | 87% | 0 | \$0.06 |

The risk-free rate of return is the yield on a zero-coupon Canadian Treasury Bill of a term consistent with the assumed option life. The expected life of options is the average expected period to exercise. Volatility is based on available historical volatility of comparable companies share price.

During the six months ended October 31, 2021, the Company recognized stock-based compensation expense of \$93,521 (2020 - \$nil) relating to the vesting of the above-mentioned stock options, as well as stock options granted in the prior year.

The Company has a stock option plan whereby a maximum of 10% of the issued and outstanding common shares of the Company may be reserved for issuance pursuant to the exercise of stock options. The terms of the granted options are fixed by the Board of Directors and are not to exceed ten years. The exercise price of options are determined by the Board of Directors, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the options are granted, less any discount permitted by the Exchange.

Options granted under the plan may vest immediately on grant, or over a period as determined by the Board of Directors or, in respect of options granted for investor relations services, as prescribed by Exchange policy.

ANGOLD RESOURCES LTD.**Notes to the Condensed Consolidated Interim Financial Statements****For the six months ended October 31, 2021 and 2020**

(Expressed in Canadian Dollars - unaudited)

7. OPTIONS AND WARRANTS (continued)**a) Options (continued)**

A continuity schedule of the Company's outstanding stock options for the six months ended October 31, 2021 and 2020 are as follows:

| | <u>October 31, 2021</u> | | <u>October 31, 2020</u> | |
|-----------------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|
| | Number outstanding | Weighted average exercise price | Number outstanding | Weighted average exercise price |
| Outstanding, beginning of period | 4,460,000 | \$ 0.41 | - | \$ - |
| Granted | 500,000 | 0.36 | - | - |
| Expired | (65,000) | 0.70 | - | - |
| Outstanding, end of period | 4,895,000 | \$ 0.40 | - | \$ - |

At October 31, 2021, the Company had outstanding stock options exercisable to acquire common shares of the Company as follows:

| Expiry date | Options outstanding | Options exercisable | Exercise price | Weighted average remaining contractual life (in years) |
|--------------------|----------------------------|----------------------------|-----------------------|---------------------------------------------------------------|
| December 29, 2021 | 150,000 | 150,000 | \$ 2.45 | 0.16 |
| August 14, 2022 | 20,000 | 20,000 | \$ 0.40 | 0.79 |
| December 29, 2022 | 300,000 | 240,000 | \$ 0.40 | 1.16 |
| January 26, 2023 | 200,000 | 200,000 | \$ 0.40 | 1.24 |
| October 19, 2023 | 200,000 | 50,000 | \$ 0.30 | 1.97 |
| December 29, 2025 | 3,725,000 | 3,725,000 | \$ 0.40 | 4.16 |
| May 31, 2026 | 150,000 | 150,000 | \$ 0.40 | 4.58 |
| July 19, 2026 | 150,000 | 150,000 | \$ 0.40 | 4.72 |
| | 4,895,000 | 4,575,000 | \$ 0.40 | 3.66 |

b) Warrants

On December 18, 2020, the Company issued 1,005,975 finder warrants in accordance with the closing of the subscription receipt financing. Each warrant is exercisable at \$0.40 per share until December 18, 2021.

A continuity schedule of the Company's outstanding warrants for the six months ended October 31, 2021 and 2020 are as follows:

| | <u>October 31, 2021</u> | | <u>October 31, 2020</u> | |
|-----------------------------------------|-------------------------|---------------------------------|-------------------------|---------------------------------|
| | Number outstanding | Weighted average exercise price | Number outstanding | Weighted average exercise price |
| Outstanding, beginning of period | 1,005,975 | \$ 0.40 | - | \$ - |
| Granted | - | - | - | - |
| Outstanding, end of period | 1,005,975 | \$ 0.40 | - | \$ - |

ANGOLD RESOURCES LTD.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended October 31, 2021 and 2020
(Expressed in Canadian Dollars - unaudited)

7. OPTIONS AND WARRANTS (continued)

b) Warrants (continued)

At October 31, 2021, the Company had outstanding warrants exercisable to acquire common shares of the Company as follows:

| Expiry date | Warrants outstanding | Warrants exercisable | Exercise price | Weighted average remaining contractual life (in years) |
|--------------------|-----------------------------|-----------------------------|-----------------------|---------------------------------------------------------------|
| December 21, 2021 | 1,005,975 | 1,005,975 | \$ 0.40 | 0.16 |

8. RELATED PARTY TRANSACTIONS

The Company's related parties consist of its key management personnel, including its directors and officers.

During the normal course of business, the Company enters into transactions with its related parties that are considered to be arm's length transactions and made at normal market prices and on normal commercial terms.

- (a) Key management compensation included in management fees for the six months ended October 31, 2021 and 2020 were as follows:

| | <u>Three months ended</u> | | <u>Six months ended</u> | |
|-----------------|---------------------------|------------------|-------------------------|------------------|
| | October 31, 2021 | October 31, 2020 | October 31, 2021 | October 31, 2020 |
| Management fees | \$ 87,164 | \$ 51,700 | \$ 197,635 | \$ 51,700 |

- (b) During the three months ended October 31, 2021 and 2020, the Company incurred stock-based compensation expense of \$nil and \$nil, respectively, related to stock options granted to officers and directors of the Company.
- (c) At October 31, 2021, the Company had \$22,054 (April 30, 2021 - \$nil) owing to related parties. These amounts are non-interest bearing and have no fixed term of repayment.

9. MANAGEMENT OF CAPITAL

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to continue its business and maintain a flexible capital structure, which optimizes the costs of capital at an acceptable risk. The Company's capital includes the components of its shareholders' equity.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its underlying assets. To maintain or adjust its capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets, or adjust the amount of cash. In order to preserve cash, the Company does not pay any dividends.

The Company is not subject to any externally imposed capital requirements. The Company did not change their capital management approach during the period ended October 31, 2021.

The Company's ability to continue its operations is dependent on its success in raising equity through share issuances, suitable debt financing and/or other financing arrangements.

ANGOLD RESOURCES LTD.

Notes to the Condensed Consolidated Interim Financial Statements

For the six months ended October 31, 2021 and 2020

(Expressed in Canadian Dollars - unaudited)

10. FINANCIAL INSTRUMENTS

a) Categories of financial instruments and fair value measurements

The Company's financial assets and liabilities are classified as follows:

| | October 31, 2021 | April 30, 2021 |
|-------------------------------------------|------------------|----------------|
| Financial assets: | | |
| <i>Fair value through profit and loss</i> | | |
| Cash | \$ 485,727 | \$ 4,086,975 |
| Financial liabilities: | | |
| <i>Other financial liabilities</i> | | |
| Accounts payable | \$ 91,422 | \$ 130,483 |
| Note payable | - | 14,431 |

The amount of accounts payable includes amounts due to related parties.

The fair values of the Company's cash and cash equivalents and accounts payable approximate their carrying amounts due to the short-term nature of these instruments.

IFRS 7 *Financial Instruments: Disclosures* establishes a fair value hierarchy that reflects the significance of inputs used in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At October 31, 2021 and April 30, 2021, the Company had no financial assets measured and recognized on the consolidated statement of financial position at fair value belonging in Level 2 or Level 3 of the fair value hierarchy.

b) Management of financial risks

The Company's financial instruments expose the Company to certain financial risks, including credit risk, liquidity risk, interest rate risk and foreign currency risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. At October 31, 2021, the Company was exposed to credit risk on its cash and cash equivalents.

The Company's cash and cash equivalents are held with a high credit quality financial institution in Canada and as at October 31, 2021, management considers its exposure to credit risk to be low.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by maintaining adequate cash and managing its capital and expenditures.

At October 31, 2021, the Company had cash of \$485,727 (April 30, 2021 - \$4,086,975) and accounts payable and accrued liabilities of \$378,998 (April 30, 2021 - \$196,821) with contractual maturities of less than one year. The Company had sufficient cash to meet its current liabilities at October 31, 2021. The Company assessed its liquidity risk as low as at October 31, 2021.

ANGOLD RESOURCES LTD.
Notes to the Condensed Consolidated Interim Financial Statements
For the six months ended October 31, 2021 and 2020
(Expressed in Canadian Dollars - unaudited)

10. FINANCIAL INSTRUMENTS (continued)

b) Management of financial risks (continued)

Interest rate risk

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

The Company's financial assets and financial liabilities are not exposed to interest rate risk due to their short-term nature and maturity. The Company is not exposed to interest rate risk at October 31, 2021.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company is exposed to foreign currency risk to the extent that it has monetary assets and liabilities denominated in foreign currencies.

As at October 31, 2021, the Company is exposed to foreign currency risk, as it has cash, accounts payables and accrued liabilities denominated in US Dollars and Chilean Peso. Based on its volume of transactions, the Company determines its foreign currency risk is not significant.

The following is the Canadian equivalent of financial assets and liabilities that are denominated in US dollars and Chilean Peso:

| | October 31, 2021 | April 30, 2021 |
|------------------|-------------------------|-----------------------|
| Cash | \$ 69,628 | \$ 961,044 |
| Accounts payable | (234,474) | (120,653) |
| Note payable | - | (14,431) |
| Net exposure | \$ (164,846) | \$ 825,960 |

11. SEGMENTED INFORMATION

The Company is organized into business units based on exploration and evaluation assets and has three reportable operating segments, being that of acquisition and exploration and evaluation activities in Chile, United States and Canada. The Company is in the exploration stage and has no reportable segment revenues or operating results.

The Company's total assets are segmented geographically as follows:

| | Chile | United States | Canada | Total |
|-----------------------------------|--------------|----------------------|---------------|--------------|
| As at July 31, 2021 | | | | |
| Current assets | \$ 45,618 | \$ 35,767 | \$ 636,490 | \$ 717,875 |
| Deposit | - | 38,342 | - | 38,342 |
| Exploration and evaluation assets | 5,423,911 | 849,389 | 183,016 | 6,456,315 |
| | \$ 5,469,529 | \$ 923,498 | \$ 819,506 | \$ 7,212,532 |
| As at April 30, 2021 | | | | |
| Current Assets | \$ 187,149 | \$ 8,067 | \$ 4,476,306 | \$ 4,671,522 |
| Exploration and evaluation assets | 3,179,352 | 314,585 | 182,791 | 3,676,727 |
| | \$ 3,366,501 | \$ 322,652 | \$ 4,659,097 | \$ 8,348,249 |