



# ANGKOR GOLD CORP.

**Management's Discussion and Analysis**

**For The Three Months Ended October 31, 2016**

# MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED OCTOBER 31, 2016

## BACKGROUND

This Management's Discussion & Analysis ("MD&A") of Angkor Gold Corp. ("Angkor" or the "Company") provides a review of our financial results, from the viewpoint of management, for the three month period ended October 31, 2016. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the quarter ended October 31, 2016. This discussion includes the accounts of the Company and its wholly-owned subsidiaries, Prairie Pacific Mining Corp. ("PPMC Canada"), a corporation existing under the provincial laws of Alberta; and Angkor Gold Cambodia Co. Ltd. ("AGC"), a corporation existing under the laws of the Kingdom of Cambodia, and Liberty Mining International Pty Ltd, a corporation existing under the laws of the Kingdom of Cambodia. Readers are cautioned that the MD&A contains forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the Company's public information filings which can be accessed and viewed through a link to the Company's Canadian Securities Commissions filings via the System for Electronic Data Analysis and Retrieval (SEDAR) at [www.sedar.com](http://www.sedar.com).

Unless otherwise noted, amounts are expressed in Canadian dollars. Where appropriate, for transactions completed in US dollars a conversion rate of \$1 USD equals \$1.34 CDN has been used throughout this report. Where an amount is fixed in USD under the terms of an agreement or contract, the reported Canadian dollar equivalent will fluctuate based on prevailing conversation rates but the USD amount will not change.

This section contains forward-looking statements and should be read in conjunction with the risk factors described in "Risks and Uncertainties" and the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A.

## FORWARD LOOKING STATEMENTS

Information set forth in this MD&A may involve forward-looking statements under applicable securities laws. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. All statements, other than statements of historical fact, included herein including, without limitation; statements about the size and timing of future exploration on and the development of the Company's properties are forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the need for additional financing; operational risks associated with mineral exploration; fluctuations in commodity prices; title matters; environmental liability claims and insurance; reliance on key personnel; the volatility of our common share price and volume and other reports and filings with the TSX Venture Exchange ("TSX-V") and applicable Canadian securities regulations. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are

made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, except as required by applicable securities laws. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies the Company is bound. Investors are cautioned against attributing undue certainty to forward-looking statements.

## **DATE & APPROVAL**

This MD&A reflects information available as at December 30th, 2016. The Financial Statements and the MD&A were approved by the Board of Directors on December 30th, 2016.

## **QUALIFIED PERSON**

The technical information in this document has been reviewed and approved by Dr. Adrian G. Mann, P.Geol., a Qualified Person as defined by National Instrument 43-101 ("NI 43-101"). Dr. Mann is responsible for the review of the technical disclosure in this document.

## **CORPORATE OVERVIEW**

Angkor Gold Corp. was incorporated under the laws of the Province of British Columbia, Canada on October 16, 2008 with its primary focus on mineral exploration in Cambodia. Angkor's five exploration licenses in the Kingdom of Cambodia cover 1,352 km<sup>2</sup>, which the company has been actively exploring over the past 6 years.

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol ANK.

# **HIGHLIGHTS DURING THE THREE MONTH PERIOD ENDED OCTOBER 31, 2016**

## **FINANCING AND CORPORATE**

- **Angkor Announces Commencement Of Preparation Of Technical Report Under National Instrument 43-101**

On October 7, 2016, the Company announced that it had commissioned a technical report ("43-101 Report") to be prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") on the Phum Syarung property 100% owned by Mesco Gold ("Mesco"). Angkor does not expect the report to disclose a meaningful Canadian compliant NI 43-101 resource estimate.

- **Cambodian Government Issues First Commercial Mining License To Mesco Gold**

On September 12, 2016, the Company announced that Cambodia's Ministry of Mines and Energy had approved and issued a mining license for Mesco's Phum Syarung mine. Angkor holds a floating Net Smelter Return ("NSR") of up to 7.5% on the Phum Syarung mine that is 100% owned by Mesco.

- **CDC Grants Approval For The Phum Syarung Gold Mine**

On August 30, 2016, the Company announced that the Council for the Development of Cambodia (CDC) had granted approval for the certificate of registration on Mesco's Phum Syarung mine. The council consists of all 26 Ministries in Cambodia and is chaired by the Prime Minister.

- **Angkor Announces \$1.5 Million Private Placement**

On August 16, 2016, the Company announced a Brokered Private Placement (the "Private Placement") and engaged Gravititas Securities Inc. ("Gravititas Securities" or the "Agent") to complete a best efforts private placement to fund Angkor's operations and exploration activities with respect to its operations in Cambodia.

The private placement was for 3,488,372 units (each "Unit") at a purchase price of \$0.43 per Unit, for aggregate gross proceeds to the Company of up to \$1,500,000. Each Unit consisted of one (1) common share ("Common Share") of the Company and one (1) full non-transferable share purchase warrant ("Warrant"). Each full Warrant entitled the holder to acquire one (1) Common Share at an exercise price of \$0.50 for a period of 12 months from the closing date of the Private Placement. In the event that the Company's common shares traded at a closing price on the Exchange of greater than \$0.60 per share for a period of 10 consecutive trading days at any time after the closing date, the Company could accelerate the expiry date of the Warrants by giving notice to the holders thereof and in such case the Warrants would expire on the 30th day after the date hereafter referred to as the Eligible Acceleration Date on which such notice is given by the Company. There would be a hold period of four months and one day on all securities issued under this financing. The announced private placement was subject to TSX Venture Exchange approval.

On November 18, 2016, the Company announced that it and Gravititas Securities Inc. jointly agreed to cancel the Company's proposed financing previously announced on August 16, 2016 due to the necessity to complete a NI 43-101 report on Mesco's property.

## **EXPLORATION**

- **Angkor Gold Announces 3.3 Km North-South Mineralized Gold Zone On Its Peacock Prospect**

On August 15, 2016, the Company announced the results of intensive exploration and analysis of its Peacock Prospect with surface values up to 31.8 g/t gold at its Koan Nheak license in Monduliri Province, Cambodia. The work program was conducted over six months targeting the priority prospects on the Koan Nheak license covering 34.5 km<sup>2</sup> of mapping, 15.5 km<sup>2</sup> surface geochemistry and 20 km<sup>2</sup> of IP surveys in the Peacock prospect area. The interpreted result is a north-south structurally complex, anomalous gold corridor

centered on an epithermal vein system, related to the Peacock intrusive diorite and Lockett fault. To the immediate south of the Peacock intrusive, within the structural corridor is a newly identified 1250m x 750m zone, extending south along the Lockett fault zone into the sandstones, siltstones and limestones with evidence of strong limonite oxidation, quartz veinlets at surface and assay values up to 1.85 g/t gold. The Lockett fault striking north/south is believed to dip steeply to the east.

- **Environmental Approval Received For Phum Syarung Mine**

On August 8, 2016, the Company announced that the Cambodian government had approved the Environmental and Social Impact Assessment (“ESIA”) for the Mesco Phum Syarung mine located in northeastern Cambodia. The decision represented the final step before approval from the Minister of Mines, for Mesco’s mining license application covering 12 km<sup>2</sup> at their Phum Syarung mine site, for the extraction of minerals including gold and other precious and base metals. The Company has an NSR agreement with Mesco with regard to this property.

See the “Subsequent Events” section below for material events taking place between the end of the current reporting period and the filing date of this document.

## SELECTED ANNUAL FINANCIAL INFORMATION

The following is selected financial data from the Company’s consolidated audited financial statements for the last three fiscal years ending July 31, 2016, 2015 and 2014.

	July 31, 2016	July 31, 2015 (Restated)	July 31, 2014 (Restated)
<b>Total revenues</b>	\$nil	\$nil	\$nil
<b>Net earnings (loss) for the year</b>	\$(1,984,522)	\$(2,870,907)	\$76,128
<b>Earnings (loss) per share</b>	\$(0.02)	\$(0.03)	\$0.00
<b>Earnings (loss) per share – fully diluted</b>	\$(0.02)	\$(0.03)	\$0.00
<b>Cash and cash equivalents</b>	\$886,159	\$1,880,964	\$1,419,703
<b>Total assets</b>	\$9,066,133	\$9,424,948	\$8,305,709
<b>Total long-term liabilities</b>	\$nil	\$473,030	\$500,909

# EXPLORATION UPDATE FOR QUARTER ENDED OCTOBER 31, 2016

## SUMMARY

Angkor's six exploration licenses in the Kingdom of Cambodia cover approximately 1,291 km<sup>2</sup>, which the company has been actively exploring over the past 7 years. The company has now covered all license areas with stream sediment geochemical sampling and has flown low level aeromagnetic surveys over most of the ground. Angkor has diamond drilled 21,855 metres in 190 holes, augured 2,643 metres over 728 holes, collected over 165,000 termite mound samples and 'B' and 'C' zone soil samples in over 20 centres of interest over a combined area of more than 140 km<sup>2</sup>, in addition to numerous trenches, IP surveys and detailed geological field mapping.

Angkor's licenses are:

- Andong Meas (187 km<sup>2</sup>)
- Banlung (150 km<sup>2</sup>)
- Banlung North (296 km<sup>2</sup>)
- Koan Nheak (189 km<sup>2</sup>)
- Oyadao (222 km<sup>2</sup>)
- Oyadao South (247 km<sup>2</sup>)

License areas above are approximate. Individual licenses have various prospects contained within them. Exploration activity is described by license area and prospect name below.

## EXPLORATION THIS QUARTER

As is typical for this quarter, there has been little exploration work on all the Company's license areas due to the onset of the rainy season, which makes trenching, augering and testing difficult. Individual exploration activities, if any, are broken down below by license area.

Okalla West Prospect, located on the Banlung License, was the only area on which exploration continued into the wet season with an auger drilling program. The auger drilling portion of the exploration was suspended in late August due the heavy rainfall, leaving approximately 500 planned holes to complete for the next exploration season.

Most of the collection and testing activities this quarter were centered in panning auger soil samples, preparing samples for sending to the laboratory and pH measurement over the soil samples, as illustrated in the table below:

	Test Method	No. of Samples
Geochemistry	XRF	-
	Pancon	1451
	Laboratory Assay	235
	SWIR	-
	Magsus	-
	pH Soil	1168
	Auger soil	741
Drilling	Auger Holes	242
	Total Metres	994.8m

## Glossary of Technical Terms

“XRF” means x-ray fluorescence analyzer, used to identify over 30 different elements in each sample.

“Pancon” refers to pan concentration of half of each sample.

“Laboratory Assay” refers to samples sent to ALS Chemex, an international independent laboratory service used by the Company for assay analysis.

“SWIR” is an acronym for short wavelength infrared, a form of imagery uses wavelength to identify clay minerals formed by alteration processes.

“Magsus” refers to magnetic susceptibility, a technique to measure magnetic strength in rock.

“pH Soil” refers to testing soil acidity, which can be a good tool to indicate the presence of decaying sulphides.

“Auger Soil” refers to samples collected under the drilling auger program.

“Gravity” refers to a technique of exploration that measures differences in gravity deep below surface to several kilometres, the difference in rock density will dictate a difference in gravity, so it is an indication of a change in the structure.

“IP” means Induced Polarization, a technique for imaging used to determine the ability of a rock to conduct or resist, and to hold, an induced electric charge, essentially near surface (10-20m).

“Deep IP Sounding” means Induced polarization that generally measures at depths from 200 to 500 metres.

“VLF-EM” means very low frequency electro-magnetics, a ground-probing technique that uses the distortion of VLF radio signals to locate zones of conductivity in the ground, down to 50m maximum depth.

### LICENSE AREAS:

#### ANDONG MEAS LICENSE

The company believes there is significant potential and interest from several parties for this area for further exploration. The license is maintained, secured, and regularly monitored throughout the wet season.

#### *Canada Wall Prospect:*

No field exploration work has been done during this quarter, but some previously collected data have been the subject of continuing research. The gold-copper-molybdenum prospect was extensively studied previously. The next stage of exploration will likely be trenching of approximately 2000m.

#### *Wild Boar Prospect:*

No exploration work was done during this quarter. Future work will likely concentrate on attempting to define drill targets by detailed topographic and termite mound surveys and VLF-EM exercise.

#### *Colonial Mine Prospect:*

No exploration field work was done on the Colonial Mine Prospect during this quarter. Data previously collected have been the subject of some continuing assessment. This is a narrow vein gold prospect. As additional resources become available, work will focus on defining drill targets by detailed topographic and VLF-EM surveys and undertaking a shallow drill program.

#### *South Creek Prospect:*

No exploration work was done this quarter. The IP survey, detailed lithological and alteration mapping completed in 2015-2016 showed evidence for gold-copper-molybdenum porphyry mineralization in this area.

### **BANLUNG EXPLORATION LICENSE**

Angkor Gold signed an exploration funding agreement with Blue River Resources on May 9, 2016 to fund work on Banlung. Angkor has currently made application to renew the license for the Banlung area. The new license is expected in early 2017. Exploration continues under the agreement with Blue River. New permitting, license fees, performance guarantees, and related costs are anticipated to be between CDN \$80,000 and \$100,000, which will be part of the exploration funding by Blue River as set out under the agreement.

The presence of the 7000m (N-S) by 2500m (E-W) "Central Gabbro" intrusive body was first recognised in 1970, and again in the 1990s. This was corroborated by an aeromagnetic survey over the tenement and a satellite image geological interpretation with limited ground ascertainment done in 2007. A stream sediment geochemical survey conducted that year suggested that the intrusive could host base metals and gold. Several traverses were made through the area in 2009 and 2011, with some pilot termite geochemical surveys done in 2013.

#### *Okalla West Prospect:*

The auger program completed to date on the Okalla West Prospect consists of 705 holes completed with a maximum auger depth of 6.6 meters. During this quarter's exploration program the Company drilled 242 auger holes and collected 741 soil samples. The auger program was temporarily suspended at the end of August due to the wet season.

A total of 116 holes were selected for initial testing consisting of 235 samples. They were sent to the ALS Chemex Laboratory in Laos early in August for gold and geochemical multi-element testing by "inductively coupled plasma-atomic emission spectrometry" (ME-ICP41) which tests for 35 different elements. The lab results from the drill holes confirmed the gold anomaly previously defined by the panned termite mound samples (visible gold). The gold grade was observed to increase from the surface to the bottom of the holes ranging from 0.01 to 2.45 g/t Au. This auger testing program represents only 1.6 km<sup>2</sup> of the 4 km<sup>2</sup> area being explored at Okalla West. These results were reported by the Company in a press release dated November 9, 2016.



**Table of the best gold intersections from 235 auger soil samples  
from Okalla West**

Auger-ID	Sample_ID	From_m	To_m	Interval_m	Au_ppm	Cu_ppm	As_ppm	Bi_ppm	Pb_ppm	Zn_ppm
OKWA16_0042	S101206	0	0.9	0.9	0.11	81	8	-2	19	41
OKWA16_0057	S101244	0	1.1	1.1	0.33	54	3	2	17	37
OKWA16_0080	S101313	0.4	0.8	0.4	0.1	154	24	2	46	47
OKWA16_0080	S101315	1.6	2	0.4	0.85	100	4	-2	16	62
OKWA16_0082	S101322	0	0.5	0.5	0.11	95	11	3	20	50
OKWA16_0083	S101324	0	1	1	0.19	178	19	-2	30	229
OKWA16_0084	S101328	0.8	2	1.2	0.15	204	31	4	27	83
OKWA16_0105	S101387	0.2	1.4	1.2	0.14	166	32	-2	36	64
OKWA16_0123	S101445	0.2	1.2	1	0.25	196	13	-2	34	96
OKWA16_0128	S101450	0.2	1.3	1.1	0.11	170	11	-2	22	150
OKWA16_0141	S101469	0	0.5	0.5	0.14	213	12	2	38	100
OKWA16_0141	S101470	0.5	2	1.5	0.13	281	12	2	29	134
OKWA16_0142	S101472	0	1.4	1.4	0.13	234	13	3	41	95
OKWA16_0171	S101565	0.1	2	1.9	0.27	369	33	9	55	116
OKWA16_0187	S101630	1.5	2	0.5	0.56	507	89	18	114	77
OKWA16_0248	S101830	2	4.5	2.5	0.89	184	2	-2	21	45
OKWA16_0251	S101833	0.2	1	0.8	0.1	213	40	-2	63	64
OKWA16_0266	S101859	2	3.6	1.6	2.45	593	92	151	257	99
OKWA16_0301	S101943	0.1	1.1	1	0.46	126	47	2	62	74
OKWA16_0325	S101997	1.9	3.4	1.5	0.1	109	14	-2	111	108
OKWA16_0333	S102018	0	1.8	1.8	0.11	185	41	-2	81	89
OKWA16_0334	S102019	0.1	2	1.9	0.17	285	418	4	252	221
OKWA16_0338	S102030	2	3.6	1.6	0.16	81	7	2	21	42
OKWA16_0361	S102082	1.8	2.8	1	0.36	148	38	2	138	92
OKWA16_0361	S102083	2.8	3.5	0.7	0.63	151	36	3	81	124
OKWA16_0363	S102085	0.2	2	1.8	0.13	309	66	-2	93	101
OKWA16_0369	S102097	0.1	2.9	2.8	0.12	102	5	3	16	53
OKWA16_0408	S102189	0	1.1	1.1	0.29	268	17	-2	50	100

The samples collected showed that the gold present was eroded and transported from a local hydrothermal source. The higher concentration of gold in termite mounds is located at high topography elevation. The soil pH at these high elevations showed an acidity environment. There is also a presence of copper (Cu), lead (Pb), zinc (Zn), bismuth (Bi) and arsenic (As) in the samples.

The next exploration program is planned to include trenching of up to 1000m in the three areas that returned the best gold grades. Trenching, VLF-EM, and bulk testing will be used to further determine the size and nature of the anomaly.

Planned exploration work for the next quarter includes trenching; geochemical soil samples; and VLF-EM survey; an exploration amount for these specific activities is estimated at CDN\$74,000.

The exploration activity on this prospect, and the entire license, is fully funded under the Company's agreement with Blue River Resources Ltd.

## **BANLUNG NORTH EXPLORATION LICENSE**

No field work has been done on this license, but the La En and other prospects within the license area are the subject of continuing background research and data reinvestigation because of many similarities with the Okalla West prospect.

## **KOAN NHEAK EXPLORATION LICENSE**

Like the Andong Meas license, the Company believes there is significant potential at Koan Nheak for further exploration. Consideration for potential alliances or partners is underway to maximize value, expand and accelerate further exploration, and proceed with the activities described below on this area.

### *Peacock Prospect:*

No exploration work was done in this quarter, however compilation and assessment of the data collected has continued and results from the previous quarter were reported on August 15, 2016. From the extensive exploration work done last season, results returned encouraging gold mineralization related to the quartz veining system. Silver, copper, lead and zinc mineralization accompany the gold.

Previous detailed geological mapping, SWIR clay alteration studies, termite mound geochemical and VLF-EM geophysical surveys that followed up promising results from previous operations, outlined an 800m long strike of anomalous pan concentrated gold associated with quartz veining on the southern edge of a diorite intrusive. This lies between the diorite and a quartz vein stockwork with limonite and pyrite in sandstones to the south of the anomaly. Assay values from vein float and outcrop in this area confirm the gold concentration. A surface IP study suggests deep fault structures NNE and NW, with higher polarizability, which ranges from 3% to 6%, related to the mineralization.

In a press release dated August 15, 2016, the Company announced the results of intensive exploration and analysis of its Peacock Prospect, reporting surface values from zero to 31.8 g/t gold at the Koan Nheak license. The work program was conducted over six months targeting the priority prospects on the Koan Nheak license covering 34.5 km<sup>2</sup> of mapping, 15.5 km<sup>2</sup> surface geochemistry and 20 km<sup>2</sup> of IP surveys over the Peacock prospect area. The interpreted result is a north-south structurally complex, anomalous gold corridor, epithermal vein system, related to the Peacock intrusive diorite and Lockett fault. To the immediate south of the Peacock intrusive, within the structural corridor, is a newly identified 1250m x 750m zone of intense quartz veining. This zone extends south along the Lockett fault zone into the sandstones, siltstones and limestones with evidence of strong limonite oxidation, quartz veinlets at surface and assay values ranging from zero up to 1.85 g/t gold.

### *East Ring Prospect:*

No field work was done on this prospect this quarter. Previous work included termite mound geochemistry, coupled with detailed geological mapping, SWIR clay alteration studies, a VLF-EM survey and intermediate gradient surface IP, which combine to give a very convincing model of an 800m diameter diorite inlier intruding the interbedded siltstones, shales and sandstones of the area. The IP indicates a 2.5km diameter polarizability anomaly located over the diorite. Work this quarter has focussed on collating and interpreting these data.

### *Straddle Prospect*

A termite mound geochemical survey and reconnaissance geological mapping showed little of interest, however results are still being studied. No further ground work is planned on this prospect.

### **OYADAO EXPLORATION LICENSE**

This license is under option to Mesco, which is responsible for all work and for keeping the license current and in good standing. The Company has not received an update from Mesco on this license.

### **OYADAO SOUTH EXPLORATION LICENSE**

Angkor has made an application for a renewal of this license. The new license is expected in early in 2017, following which exploration will immediately commence, funded by Japan Oil, Gas and Metals National Corporation (“JOGMEC”) under its agreement with Angkor. New permitting, license fees, performance guarantees, and related costs are anticipated to be between CDN \$80,000 and \$100,000, which will be part of the exploration funding by JOGMEC as set out under the agreement.

### *Otray Prospect:*

The only recent work done was confined to final cataloguing and recording of core logging and analytical data from the drilling completed in 2014-2015. There is no specific exploration currently planned on this prospect.

### *Halo Prospect:*

No field exploration work was done this quarter on this copper-molybdenum porphyry prospect. Work on the prospect continues at the Mineral Deposit Research Unit of the University of BC; where, for the past 3 wet seasons, Angkor has had a staff member conducting fundamental research into the petrology, paragenesis, geochronology and alteration of the deposit, although field work has been temporarily suspended over the wet season. The pace of field work on the prospect will accelerate considerably early in the new year and the upcoming season, as this prospect remains a focal point for exploration activity with JOGMEC and Angkor.

**EXPLORATION EXPENDITURES FOR THE PERIOD AUGUST 1, 2016  
THROUGH OCTOBER 31, 2016**

	<b>Banlung</b>	<b>Banlung North</b>	<b>Andong Meas</b>	<b>Oyadao South</b>	<b>Oyadao</b>	<b>Koan Nheak</b>	<b>Total</b>
License fees	\$ 10,078	\$10,055	\$10,055	\$10,055	\$10,055	\$ -	\$ 50,298
Laboratory	-	-	-	-	-	-	-
UXO Clearance	8,038	-	-	-	-	-	8,038
Assays and Geophysics, field activity	26,149	1,621	2,244	1,332	1,621	1,626	34,593
Drilling	-	-	-	-	-	-	-
Freight	-	-	-	-	-	-	-
Technical staff - salaries and wages	70,334	2,985	4,325	2,985	2,985	2,985	86,599
	<b>\$114,599</b>	<b>\$14,661</b>	<b>\$16,624</b>	<b>\$14,372</b>	<b>\$14,661</b>	<b>\$4,611</b>	<b>\$179,528</b>

**MAINTENANCE OF LICENSES**

The Cambodian Ministry of Mines and Energy (“MME”) has prepared a new sub-decree for exploration and exploitation licenses. Under that format, an initial 3 year exploration period followed by two terms of two years each for continued exploration. The original five licenses have been submitted to the MME and are under consideration for renewal under the terms of the recently passed sub-decree to the Mining Law.

Annual rental fees and training fees are part of the maintenance program. Exploration reports are required by MME on each license on a bi-annual basis and a portion of each license deemed to no longer represent an interest to the license holder is relinquished on an annual basis.

The physical maintenance of the licenses requires ongoing security of any camp structures in periods of inactivity, regular reconnaissance, and general minimal technical operations. Social development activities are considered part of exploration-related activities and continue on each project through both rainy and dry seasons.

**SUMMARY**

- Due to the onset of the rainy season, during Q1 2017 the only area where the Company conducted exploration work was on the Banlung License.
- Results from previous work were reported from Koan Nheak License’s Peacock Prospect, which were reported in the Company’s press release of August 15, 2016.

## RESULTS OF OPERATIONS

### Three months ended October 31, 2016, compared to the three months ended October 31, 2015.

The Company recorded a net loss of \$494,922 (\$0.00 loss per common share) for the three months ended October 31, 2016 (the “current quarter”) compared to a net loss of \$189,805 (\$0.00 loss per common share) during the three months ended October 31, 2015 (the “prior quarter”), an increase of \$305,117 as highlighted by the following:

- Consulting fees were \$135,173 lower in the current quarter.
- Camp supplies were \$70,581 lower in the current quarter.
- Exploration and evaluation expenditures were \$78,193 lower in the current quarter.
- Professional fees were \$19,364 higher in the current quarter.
- Foreign exchange loss was \$75,686 higher in the current quarter.
- The Company recovered \$513,541 in deferred income tax in the prior quarter.

### Working Capital and Total Assets

As at October 31, 2016, the Company had \$9,510,508 in total assets and a net working capital deficiency of \$1,058,550. Its credit and interest rate risk is minimal and amounts payable and other liabilities are short term and non-interest bearing. The Company has traditionally supplemented equity financing from time to time by obtaining loans from related parties. These are used to provide interim, short-term financing to meet day-to-day cash flow needs on occasion, and are not intended to be a long-term source of capital. The Company also has received funds from project partners. The Company’s use of cash at present occurs, and in the future is expected to continue to occur, principally in two areas, namely, funding of its general and administrative expenditures and funding of its resource exploration activities, which include the cash components of the cost of acquiring, maintaining and exploring its mineral claims. Except for properties where exploration and licensing / permitting costs are fully funded through agreements with third parties (Banlung and Oyadao South License) exploration will be limited until such time as further equity has been raised by Angkor. For fiscal 2017, the Company’s expected operating expenses are estimated to be between \$75,000 and \$85,000 per month for recurring operating costs. The Company will also continue to evaluate its projects. The Company is in the process of searching for partners, as well as planning to raise additional equity capital which will allow the Company to continue with its projects.

Subsequent to the fiscal year, the Company announced an equity financing in the amount of \$1.5 million CDN, which was later cancelled (see “Subsequent Events” below). The Company expects to pursue a similar financing in early 2017. The Company is not anticipated to have sufficient cash to fund its operating expenses for the twelve months ended July 31, 2017 without an equity financing. The Company will have to raise additional equity capital for fiscal 2017 in amounts sufficient to fund both exploration work and working capital requirements. The major variables are expected to be the size, timing and results of the Company’s exploration program and its ability to continue to access capital to fund its ongoing operations. Any further exploration programs on its properties are subject to the Company raising capital, funding by existing partners or finding new partners.

## Summary of Quarterly Results

The following table provides selected financial information of the Company for each of the last eight quarters ended October 31, 2016.

	For the quarters ended			
	October 31, 2016	July 31, 2016	April 30, 2016	January 31, 2016
Total comprehensive income (loss)	\$ (212,441)	\$(3,124,533)	\$1,291,302	\$372,906
Income (loss) after taxes	\$(494,922)	\$(507,798)	\$(253,935)	\$(1,032,984)
Earnings (loss) per share	\$0.00	\$0.00	\$0.00	\$0.00
Earnings (loss) per share – fully diluted	\$0.00	\$0.00	\$0.00	\$0.00
Cash and cash equivalents	\$769,190	\$886,159	\$664,251	\$547,897
Total assets	\$9,510,508	\$9,066,133	\$19,719,255	\$20,783,057
Total long-term liabilities	-	-	\$460,498	\$515,279

### AS FILED

	For the quarters ended			
	October 31, 2015	July 31, 2015	April 30 2015	January 31, 2015
Total comprehensive income (loss)	\$(48,611)	\$1,219,944	\$50,095	\$191,351
Income (loss) after taxes	\$(189,805)	\$(1,612,905)	\$(124,695)	\$(41,288)
Earnings (loss) per share	\$0.00	\$(0.01)	\$0.00	\$0.00
Earnings (loss) per share – fully diluted	\$0.00	\$(0.01)	\$0.00	\$0.00
Cash and cash equivalents	\$1,349,163	\$1,880,964	\$1,113,326	\$548,393
Total assets	\$20,257,207	\$20,812,319	\$17,980,229	\$15,830,141
Total long-term liabilities	\$472,892	\$473,030	\$543,668	\$523,563

### AS RESTATED

	For the quarters ended			
	July 31, 2015	April 30 2015	January 31, 2015	October 31, 2014
Total comprehensive income (loss)	\$(1,634,751)	\$(113,504)	\$(65,202)	\$(430,542)
Income (loss) after taxes	\$(571,937)	\$(589,658)	\$(798,435)	\$(910,877)
Earnings (loss) per share	\$(0.03)	\$0.00	\$0.00	\$(0.01)
Earnings (loss) per share – fully diluted	\$(0.03)	\$0.00	\$0.00	\$(0.01)
Cash and cash equivalents	\$1,880,964	\$1,113,326	\$548,393	\$841,565
Total assets	\$9,424,948	\$10,105,583	\$9,367,983	\$8,765,943
Total long-term liabilities	\$473,030	\$543,668	\$523,563	\$511,928

## CAPITAL EXPENDITURES

During the three months ended October 31, 2016, the Company capitalized \$179,528 of deferred exploration expenditures.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has a comprehensive loss of \$494,922 for the three months ended October 31, 2016, accumulated losses of \$26,597,270 as at October 31, 2016 and negative cash flows from operating activities of \$1,012,332 for the three months ended October 31, 2016.

During the three months ended October 31, 2016, the Company received \$266,668 in proceeds relating to the Company's option agreement with Blue River Resources.

The Company's assets have not been put into commercial production and the Company has no operating revenues. Accordingly, the Company is dependent on the equity markets as sources of operating capital. The Company's capital resources are largely determined by the strength of the junior resource markets and the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. There can be no assurance that additional financing, whether debt or equity, will be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

## TRANSACTIONS WITH RELATED PARTIES

### *Key management compensation:*

Key management comprises directors and executive officers. The remuneration of directors and other members of key management were as follows:

<b>For the three months ended</b>	<b>October 31, 2016</b>	<b>October 31, 2015</b>
Management payments	\$81,402	\$87,862
Share-based compensation	-	-
<b>Total</b>	<b>\$81,402</b>	<b>\$87,862</b>

As at October 31, 2016, included in accounts payable and accruals is \$918,829 (July 31, 2016 - \$1,036,717) due to the Chief Executive Officer and \$Nil (July 31, 2016: \$20,000) due to the Company's country manager. 1% of the 5% Interest is held by the spouse of the Chief Executive Officer.



## OFF BALANCE SHEET ARRANGEMENTS

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

## FINANCIAL INSTRUMENTS

As disclosed in its audited consolidated financial statements for the year ended July 31, 2016, the Company has identified several financial instruments that it utilizes in its day-to-day operations. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments.

## OUTSTANDING SHARE DATA

a) Authorized:

Common Shares: Unlimited number of common shares  
Preferred Shares: Unlimited number of preferred shares

b) Issued and outstanding:

October 31, 2016: 97,591,754 common shares / 4,559,000 stock options

December 30, 2016: 101,402,379 common shares / 3,549,000 stock options

## SUBSEQUENT EVENTS

The following material events occurred subsequent to the period ended October 31, 2016.

- **Angkor Announces Appointment of Stephen Lautens as VP Corporate Affairs**

On December 6, 2016 Angkor announced the appointment of Mr. Stephen Lautens as its new Vice President of Corporate Affairs. Mr. Lautens will be responsible for communications, marketing and investor relations for the Company.

- **Angkor Announces Appointment of New Interim CFO**

On December 6, 2016 Angkor announced the resignation of Mr. Aaron Triplett as Angkor's CFO and the appointment of Mr. Terry Mereniuk, B.Comm., CPA, CMC, as interim CFO. Mr. Mereniuk is currently a director of Angkor.

- **Angkor Gold Announces And Completes Buyback of 2.5% NSR Interest On Phum Syarung Mine**

On November 29, 2016, the Company announced its intention to complete the buyback of the 2.5% Net Smelter Return ("NSR") interest from all of the original three purchasers for an amount equal to 130% of their original purchase price of \$875,000 USD in exchange for the NSR interests. The buy back amount was paid by the Company in common shares of



Angkor at a deemed price of \$0.40 CDN per share for a total of 3,810,625 common shares. The common shares are subject to a hold period of four months from the date of issue. As originally reported in a Company press release dated May 2, 2014, the Company sold to shareholders and related parties of Angkor an aggregate of 2.5% of the Company's sliding scale NSR interest to come from Mesco Gold (Cambodia) Ltd. ("Mesco") on Mesco's Phum Syarung mine located in northeastern Cambodia. The sale of the NSR interests raised capital for the Company of \$875,000 USD at that time, and included an option for Angkor to buy back the NSR interests once Mesco received licensing and moved closer to production. The buy back options of the original sales agreements were originally to be priced after one year at between 130% and 150% of the original sale price, however the Company subsequently negotiated a uniform rate for all parties' buy back at 130%, and that the buy back be fully in stock in lieu of cash. A no-cash, all-stock buy back preserves the Company's working capital. With the completion of the buy back, Angkor once again owns the original full NSR interest on all future production from Mesco's Phum Syarung mine, which is based on a sliding scale from 2.0% to 7.5%, based on gold price, the terms of which were announced in company press releases dated November 14, 2013 and January 12, 2016.

- **Gravity Survey Results Highlight Potential For A Large, Intrusive- Related Gold System**

On November 23, 2016 Angkor announced results from a recent gravity survey conducted along 30 line kms over the Banlung Mafic Intrusive Complex, including the Okalla West surface gold zone in cooperation with Blue River Resources Ltd. (TSXV: BRX). The Okalla West surface gold zone is within the Company's 150 km<sup>2</sup> Banlung Exploration Tenement, Cambodia. The gravity survey indicated a gravity anomaly, which may be interpreted as a felsic intrusive body, located directly beneath the previously delineated 4 km<sup>2</sup> Okalla West surface gold anomaly. The encouraging gravity results, combined with surface gold anomalism, indicate the potential for a large, sub-surface, Intrusive Related Gold system (IRG) in the Okalla West prospect zone.

- **Angkor And Gravitax Agree To Cancel Financing**

On November 18, 2016, the Company announced that the Company and Gravitax Securities Inc. had jointly agreed to cancel the Company's proposed financing previously announced on August 16, 2016 due to the Company's requirement to complete a NI 43-101 report on Mesco Gold's property.

- **Assay Results Confirm Gold At Okalla West Prospect**

On November 9, 2016, the Company announced the Phase 1 auger program assay results from the Okalla West, Blue River Resources (TSX-V: BXR) prospect.

The lab results from the augured holes confirmed the surface geochemistry, termite mound, pan-concentrate gold anomaly previously identified in Okalla West. The gold grades in the assays, indicated an increase from the surface to the bottom of the holes, ranging from 0.01 to 2.45 g/t. The completed portion of the auger program represented only 0.67 km<sup>2</sup> of the 4 km<sup>2</sup> surface gold anomaly area currently being explored. The hydrothermal gold signature in Okalla West is significant, as it geochemically connects the previously drilled Okalla prospect to Okalla West, potentially, regionally linking the source for both prospects to the

Okan Fault, opening up further gold exploration potential within the Banlung Tenement and locally within the region.

## **RISKS AND UNCERTAINTIES**

### **i) Exploration and Development Risk**

The Company's properties in Cambodia are in early exploration stages and are without a known body of commercial ore. Exploration for mineral resources involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. Discovery of mineral deposits is dependent upon a number of factors, not the least of which are the technical skills of the exploration personnel involved and the capital required for the programs. The cost of conducting programs may be substantial and the likelihood of success is difficult to assess. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial ore. There is also no assurance that even if commercial quantities of ore are discovered that a new ore body would be developed and brought into commercial production. The commercial viability of a mineral deposit once discovered is also dependent upon a number of factors, some of which are the particular attributes of the deposit (such as size, grade and proximity to infrastructure), commodity prices and government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection. Most of the above factors are beyond the control of the Company. The Company attempts to mitigate its exploration risk by maintaining a diversified portfolio that includes several metal commodity targets in a number of geologic and political environments. Management also balances the exploration risks through option agreements with other companies. Beyond exploration and development risk, management is faced with a number of other risk factors. The more significant ones include:

### **ii) Financial Markets**

Presently, the Company obtains the majority of its working capital from other companies that are funding exploration on Angkor projects in order to earn an interest in the mineral rights. However, the Company will be dependent on the equity markets as its main source of operating working capital and funding for any advanced exploration and development activities that may be needed on its projects. The Company's capital resources are largely determined by the strength of the resource markets and by the status of the Company's projects in relation to these markets, and its ability to compete for investor support of its projects. Consequently, there can be no assurance that equity financing will be available to the Company in the amount required at any time or for any period or if available, that it can be obtained on terms satisfactory to the Company.

### **iii) Metal Prices**

The price of gold is affected by numerous factors including central bank sales, producer hedging activities, the relative exchange rate of the U.S. dollar with other major currencies, supply and demand, political, economic conditions and production levels. In addition, the price of gold has been volatile over short periods of time due to speculative activities. The price of other metals and mineral products that the Company may explore for, all have the same or similar price risk factors. The prevailing price of metals and speculation on future price of metals by the investing public can have strong impacts on the share prices of exploration companies like Angkor.

#### **iv) Currency Risk**

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Cambodia and as such, a large portion of its expenses are incurred in U.S. dollars, which is the functional currency of Cambodia, and as such could cause a significant change in the results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations as the Company considers these risks at a minimum.

#### **v) Cash Flows**

The Company currently has no revenue from mining operations, however it does generate revenues from overhead recovery fees charged to partners for administration of project development work. If any of its exploration programs are successful and optionees of properties complete their earn-in, the Company may have to provide its share of ongoing exploration and development costs depending on the specific agreement in order to maintain its interest or be reduced in interest or to a royalty interest. Additional capital would be required to put a property into commercial production. The sources of funds currently available to the Company are the sale of its marketable securities, equity capital or the offering of an interest in its projects to another party.

#### **vi) 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. The Company's cash and cash equivalents and amounts receivable are exposed to credit risk. The Company reduces its credit risk on cash and cash equivalent by placing these instruments with institutions of high credit worthiness. The majority of the Company's cash is held through large Canadian and US financial institutions with a high investment grade rating.

#### **vii) Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk through the management of its capital structure and financial leverage. The Company insists on pre-payment of costs for exploration programs that have been approved by partner companies. Work does not commence unless funds to cover the cost of the work have been received. Accounts Payable and accrued liabilities are due and paid within the current operating period.

#### **viii) Interest Rate Risk**

The Company's exposure to interest rate risk arises from the interest rate impact on its cash. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any short-term investments included in cash due to the short term nature.

#### **ix) Market Volatility for Marketable Securities**

The Company's marketable securities consist of shares of exploration companies that are historically very volatile. There is no assurance that the Company will be able to recover the current fair market value of those shares. The Company also may not be able to sell the shares it holds in other companies in an illiquid market.

#### **x) Possible Dilution to Present and Prospective Shareholders**

The Company's plan of operation, in part, contemplates the financing of its business by the issuance of securities and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued shares of common stock, or securities convertible into common stock, would result in dilution, possibly substantial, to present and prospective holders of common stock. The Company usually seeks partners to fund in whole or in part exploration projects. This dilutes the Company's interest in properties. This dilution is undertaken to spread or minimize the risk and to expose the Company to more exploration opportunities. However, it means that any increased market capitalization or profit that might result from a possible discovery would be shared with the partner. There is no guarantee that the Company can find a partner for any property.

#### **xi) Trading Volume**

The relatively low trading volume of the Company's shares reduces the liquidity of an investment in its shares. Trading volumes fluctuate with market conditions and seasons. The Company attempts to reduce this risk by having multiple projects that are continually generating news and therefore investor interest and trading volume.

#### **xii) Volatility of Share Price**

Market prices for shares of early stage companies are often volatile. Factors such as announcements of mineral discoveries or discouraging exploration results, changes in financial results, and other factors could have a significant effect on share price.

#### **xiii) Competition**

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other exploration and mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

#### **xiv) Dependence on Management**

The Company depends heavily on the business expertise of its management. There is risk to the Company's ability to execute its business plans if some or all of the current management team were to suddenly leave the Company or become incapable of performing their individual and collective responsibilities. The Company has mitigated the risk of its managers leaving for other companies through competitive compensation, cash bonuses and by providing options to purchase Angkor stock. Some of the senior managers hold substantial share positions in Angkor and are motivated to remain with the Company. The Company has also developed the

necessary depth such that it can replace senior managers with more junior staff if necessary. Despite the mitigation measures the Company still depends heavily on its current management.

#### **xv) Title Risk**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee a clear title. Property title may be subject to unregistered prior agreements and regulatory requirements. The Company is not aware of any disputed claims of title.

#### **xvi) Environmental**

The Company's exploration and development activities are subject to extensive laws and regulations governing environment protection. The Company is also subject to various reclamation related conditions. Although the Company closely follows and believes it is operating in compliance with all applicable environmental regulations, there can be no assurance that all future requirements will be obtainable on reasonable terms. Failure to comply may result in enforcement actions causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures. Intense lobbying over environmental concerns by nongovernmental organizations has caused some governments to cancel or restrict development of mining projects. Current publicized concern over climate change may lead to carbon taxes, requirements for carbon offset purchases or new regulation. The costs or likelihood of such potential issues to the Company cannot be estimated at this time.

#### **xvii) Laws and Regulations**

The Company's exploration activities are subject to extensive federal, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters in all the jurisdictions in which it operates. These laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. The Company applies the expertise of its management, advisors, employees and contractors to ensure compliance with current laws.

#### **xviii) Mineral Resource Estimates**

The estimation of reserves and mineralization is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. No assurances can be given that the volume and grade of reserves recovered and rates of production will not be less than anticipated.

### **NEW ACCOUNTING PRONOUNCEMENTS EFFECTIVE IN FUTURE PERIODS**

IFRS 9, Financial Instruments, was originally issued in November 2009 and reissued in October 2010 and will eventually form a complete replacement for IAS 39, Financial Instruments: Recognition and Measurement. This standard sets out the recognition and measurement requirements for financial instruments and some contracts to buy or sell non-financial items. This standard is effective for annual periods beginning on or after January 1, 2018. The

Company is currently assessing the impact of adopting this standard on its consolidated financial statements.

Other changes to IFRS which are effective in future periods are not currently expected to be material to the Company.

### **CRITICAL ACCOUNTING ESTIMATES**

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the financial position reporting date, which could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following: The recoverability of exploration and evaluation assets presented on the consolidated statement of financial position;

- The estimated useful lives of property and equipment which are included in the consolidated statement of financial position and the related depreciation;
- The inputs used in accounting for share-based payment transactions in the consolidated statements of comprehensive income and loss;
- Management's determination that there is no material restoration, rehabilitation, and environmental exposure, based on the facts and circumstances that existed during the period; and,
- The valuation of deferred income tax assets.
- 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.
- Recoverability of the promissory note receivable: The promissory note was reclassified to a long-term asset in 2015. It is management's assumption the note will be collectible but there are uncertainties surrounding the time frame the proceeds will be received.

### **OTHER INFORMATION**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com).