



# ANGKOR GOLD CORP.

**Management's Discussion and Analysis**

**For the Nine Month Period Ended April 30, 2014**

## Angkor Gold Corp.

### Management's Discussion and Analysis of Financial Position and Results of Operations for the nine month period ended April 30, 2014

#### BACKGROUND

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This Management's Discussion & Analysis ("MD&A") of Angkor Gold Corp. ("Angkor Gold" or the "Company") is dated as of June 27, 2014, which is the date of filing this document. It provides a review of our financial results, from the viewpoint of management, for the nine month period ended April 30, 2014. This MD&A should be read in conjunction with the Company's audited consolidated financial statements for the year ended July 31, 2013. This discussion includes the accounts of the Company and its wholly-owned subsidiaries, PPMC Canada, a corporation existing under the provincial laws of Alberta; Angkor Gold Corp. (Cambodia) Co. Ltd. ("PPMC Cambodia"), a corporation existing under the laws of the Kingdom of Cambodia; Liberty Mining International Pty Ltd. ("Liberty"), a corporation existing under the laws of Australia; Transol Mining and Exploration Pty Ltd. ("Transol Australia"), a corporation existing under the laws of Australia; Liberty Mining (Cambodia) Ltd. ("LMC Cambodia"), a corporation existing under the laws of the Kingdom of Cambodia; Liberty Mining International Pty Ltd. ("LMI Cambodia"), a corporation existing under the laws of the Kingdom of Cambodia; and Transol Mining and Exploration Pty Ltd. ("Transol Cambodia"), a corporation existing under the laws of the Kingdom of Cambodia.

#### BUSINESS UPDATE

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On June 26, 2014, the Company entered in to a definitive agreement with Tohui Beishan Property Group Holding Ltd., a company incorporated in Hong Kong, China. The terms of the strategic alliance are as follows:

- i. Private placement by TG of \$2,250,000 for 7,900,000 units (issued subsequent to April 30, 2014) of the Company. Each unit consists of one common share at a price of \$0.285 per share and one non-transferrable warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.50 and expires June 30, 2015.
- ii. The issuance to TG of an option to purchase 15% of the shares of its wholly owned subsidiary for an aggregate exercise price of \$4,285,000 valid up until June 30, 2015.
- iii. TG will be entitled a seat on the board of directors of the Company upon closing of the transaction. The transaction entitled TG to nominate Mr. Jiancheng Peng who is currently the President of TG

On February 20, 2013, the Company signed a Definitive Agreement (“DA”) with Mesco Gold Ltd. (“Mesco”) pursuant to which the Company has agreed to sell Mesco the rights to develop and mine the Company’s Phum Syarung prospect located within its Oyadao South Concession in Ratanakiri Province, Cambodia. The DA confirms that the Company will receive 10% of the net smelter royalty from all production at the Phum Syarung prospect. Mesco will pay the Company \$1,200,000 USD, \$700,000 USD in cash which has been paid and a \$500,000 USD promissory note, for the prospect. The promissory note is payable either two months from closing or when the Cambodian government grants a preliminary exploitation license to Mesco, whichever is later. The sale closed on April 30, 2013 and initial payment of \$700,000 USD was received on that date. It is management’s judgment that the preliminary exploitation license will be granted in not more than the next nine months.

On November 14, 2013, the Company closed a Purchase Agreement with Mesco which extends their existing land package from 6 square kilometers to 12 square kilometers to include Angkor’s recently identified Blue Lizard prospect. Angkor and Mesco have also agreed to amend their current NSR terms to introduce a sliding scale Net Smelter Royalty on production from the expanded land package based on the price of gold as follows: 7.5% between \$1,300 to \$1,700, increasing by 0.5% per \$50 change in the price of gold above \$1,700, decreasing by 0.5% per \$50 change in the price of gold below \$1,300.

The financial statements are prepared in accordance with International Financial Reporting Standards. All financial information is presented in Canadian dollars, unless otherwise specified.

## **FORWARD-LOOKING STATEMENTS**

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This MD&A may contain forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors outside management’s control that could cause actual results to differ materially from those expressed in the forward-looking statements. The Company does not assume responsibility for the accuracy and completeness of the forward-looking statements and does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth below.

## SELECTED FINANCIAL INFORMATION

The following is selected financial data from the Company's consolidated financial statements for the nine month period ended April 30, 2014 and the last two years, ending July 31, 2013 and 2012.

		Years ended		
		April 30, 2014	July 31, 2013	July 31, 2012
Total revenues	\$	376,539	\$ -	\$ -
Net loss for the period		(302,555)	(1,034,484)	(3,068,187)
Earnings (loss) per share		(0.00)	(0.01)	(0.05)
Earnings (loss) per share – fully diluted		(0.00)	(0.01)	(0.05)
Cash and cash equivalents		398,884	1,321,170	1,371,441
Total assets		12,483,525	12,518,058	10,582,533
Total long-term liabilities		332,286	327,478	110,309

## CORPORATE DEVELOPMENT AND STRATEGY

### OVERVIEW

Over the wet season, all outstanding analyses from last dry season were completed, and results were assessed through to the nine month period ended April 30, 2014. While most effort was directed towards Andong Meas tenement, work continued on other projects. The following table details the work done.

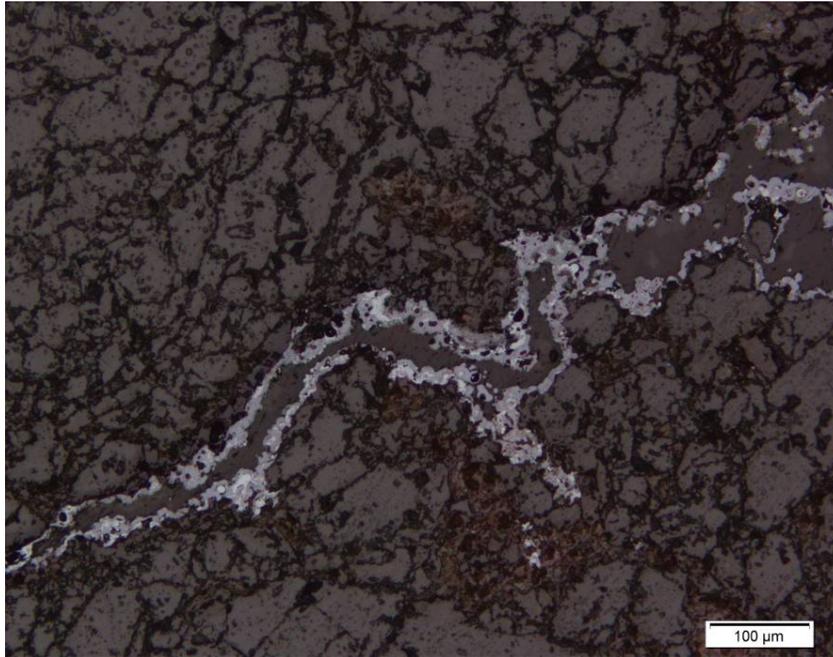
Tenement	Prospect	TMS			Mapping	Colour coding	XRF	Rocks assay	VLF-R	VLF-EM	IP
		Collected	Sieved	PanCon							
Andong Meas	China Wall	2033	1612	460	3.4	1457	1608	117	11.73	18.46	41.69
	Wild Boar		2	372							
Koan Nheak						4552					
Banlung North	Kunmum					1645					
Banlung	Okalla						1391				
Oyadao South	Otray		285	285			285	5			
Oyadao							58	36			

### Oyadao South

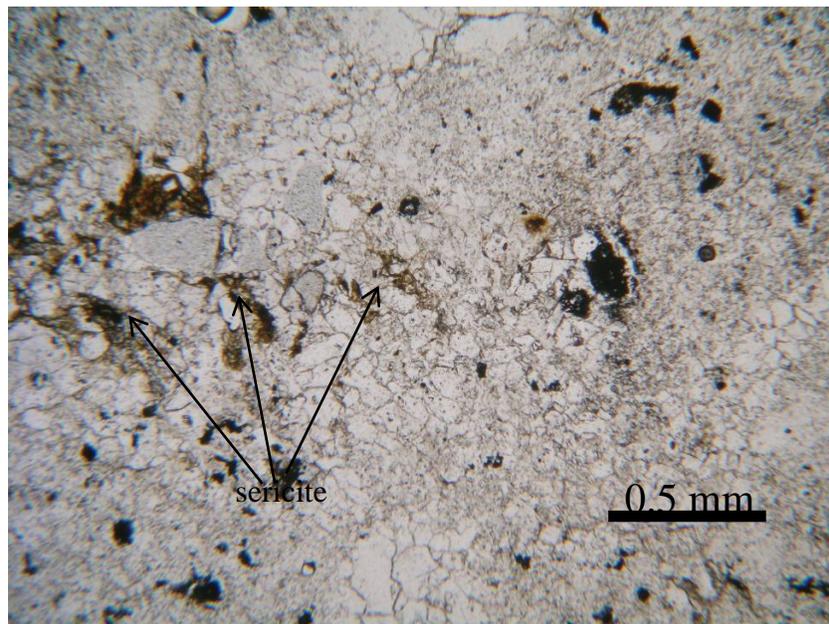
A brief microscopy and XRD study, done by a geological consultant, recognized that a strong silicification lithocap, advanced argillic and argillic alteration are distributed on the surface of Otray and Cassava area of the Oyadao South tenement, indicating that acidic epithermal system occurs in the area. This confirms our own studies. Such alteration is often observed at the upper part of porphyry mineralization system and they concluded therefore that there is potential that porphyry mineralization underlies Otray and Cassava prospects.

In a quartz vein sample 131108-04 from Otray, a narrow haematite vein (light grey) was observed in the quartz (dull darker grey). Within the haematite vein are numerous small discrete chalcocite granules (bright grey, almost white). The presence of the chalcocite can be regarded as a very positive feature,

being the first material confirmation of the termite mound geochemical anomaly of copper at Otray. The photomicrograph below is under reflected light.



In transmitted light, the same sample shows common sericite. Again, this is an exciting development, because it confirms the interpretation made in the field under hand lens. The presence of sericite in an epithermal environment is suggestive of mesothermal conditions, indicating far greater proximity ( $\pm 200\text{m}$ ) to the underlying porphyry than one would expect of a simple epithermal deposit ( $\pm 500\text{m}$ ).



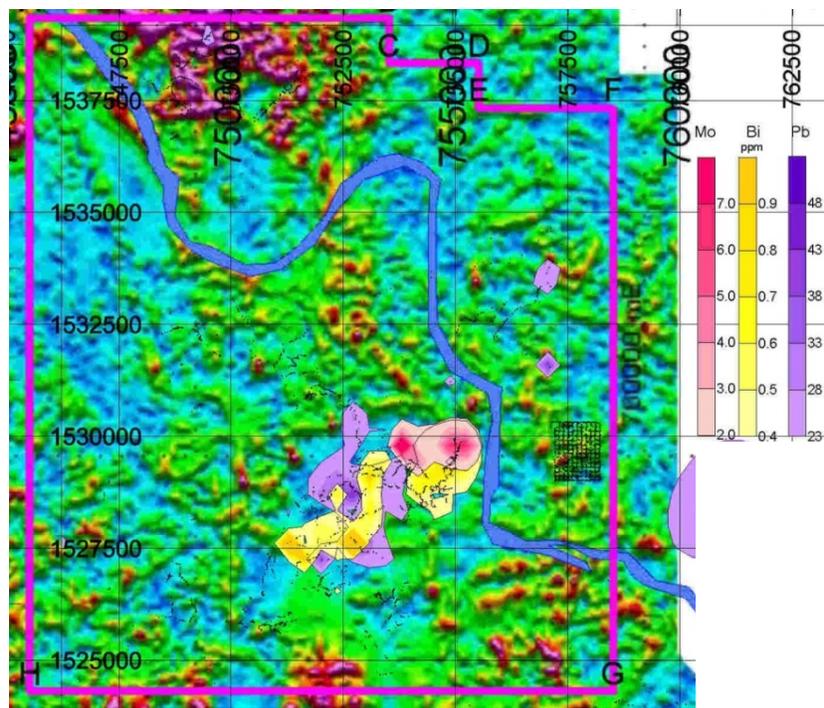
Fundamental research on the Otray-Cassava prospects at the Mineral Deposits Research Unit of the University of BC is ongoing.

An experimental ground magnetic survey coupled with pilot spontaneous potential and VLF-EM surveys were completed satisfactorily on Blue Lizard prospect in Oyadao South tenement last year and in the previous quarter. The lessons learned have been applied in the current quarter to the Andong Meas tenement.

### Andong Meas

Effort this quarter has been focused on a reconnaissance survey aimed at collecting representative float, subcrop and outcrop rock and termite mound samples along all accessible moto tracks and simple mapping program.

The termite sampling reconnaissance included 2301 samples collected over an area of roughly 23km<sup>2</sup> west and south of Se San. The most immediate pattern that emerges is a concentration of lead, bismuth and molybdenum in the China Wall area. This area is the focus of a major part of continuing investigations.



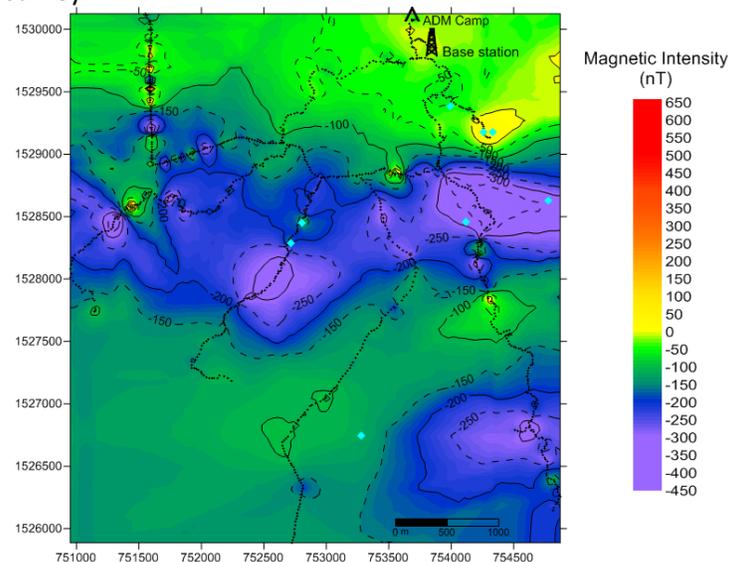
Some of the rock samples logged in the field during the Andong Meas investigation are particularly interesting. Rhyolite mainly occurs northwest of the camp, where some andesite and basalt are overlain by laterite. East of the camp a stockwork sample surrounded by granite was found; and south of the camp, intrusive granite and diorite, some with pyrite mineralization and some quartz veins were located. Diorites with the same pyrite mineralization were found east of Sesan, but more on the northern side. This pyrite mineralization is aligned SW-NE.

Within the study area, detailed creek mapping shows mainly granite, with propylitic alteration and local clustered pyrite mineralization either in small veinlets or in vuggy quartz. Along the creek many andesite-diorite dykes, with an average orientation of 020° of sub vertical dip (70 to 80° E) showing pyrite mineralization, have intruded the granite.



Andesite dyke cutting granite outcrop.

A geophysical ground magnetic investigation focused on the area of the termite mound geochemical anomaly, which is also where stream sediments recorded Au concentration between 0.2 to 10.5 ppm. The results shown below, with in situ pyrite locations (light blue points) highlight some anomalous locations for the VLF survey.



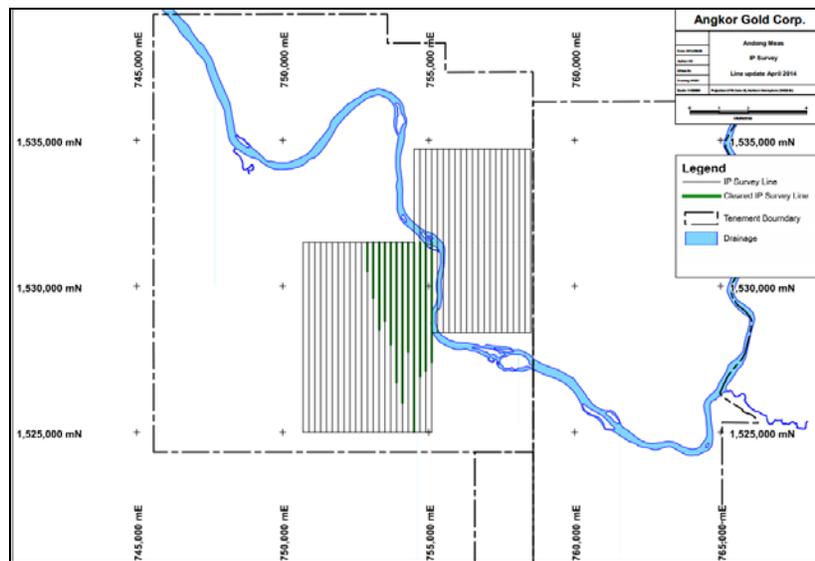
Spatial interpolation of magnetic intensity in the study area, light blue points indicates pyrite location.

The spatial interpolation highlights the main magnetic intensity variation areas. Four zones can be identified:

- 1) North part with higher magnetic intensity may be correlated to basalt in the east and to diorite which has a pyrite mineralization in the west.
- 2) South of this high, across the centre of the study area, a low magnetic intensity belt has a W –E orientation. Local blips of pyrite mineralization and quartz veining occur. The general lithology is granite with some rhyolite.
- 3) Along the low magnetic intensity area another high magnetic intensity corridor with the same orientation has been detected in the east. On the edges on the weak magnetic intensity corridor a quite obvious magnetic anomaly has been detected.
- 4) A low magnetic intensity zone of unknown extent is located in the SE of the study area.

VLF-EM and VLF-R surveys were completed over this study area, and over the Wild Boar prospect. These surveys indicate strong continuous tabular conductors in the Wild Boar area, consistent with the veining observed in the workings, and show a good broad conductor in the main area of low magnetic intensity. This entire area is the current subject of a massive IP survey, which should be completed by late May 2014. The area of this IP survey is depicted in the figure below.

The geological mapping has reinforced the exciting potential of Andong Meas, particularly to the northwest of China Wall, where a hill of rhyolite coincides with a magnetic high. This is the focus of further VLF-EM work. Data from all prior exploration is being critically reviewed in the light of mapping, which continues.



Map of IP Survey line update

### Okalla

Subsequent to the end of the quarter, as the initial IP work at Andong Meas is nearing completion, effort is being transferred to the eastern end of Okalla, where a more modest IP survey is planned.

## OVERALL PERFORMANCE FOR THE REPORTING PERIOD

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For the three month period ended April 30, 2014, the Company recorded a total comprehensive income of \$222,302 (\$0.00 income per share) compared with total comprehensive net income of \$330,350 (\$0.00 income per share) for the same period ended April 30, 2013.

The \$222,302 net income in the three month period ended April 30, 2014 was driven by: (i) salaries, wages, and benefits of \$104,551, (ii) corporate development of \$15,743, (iii) social development of \$28,500, (iv) office expenses of \$14,155, (v) professional fees of \$27,862, and (vi) payment of net smelter royalty of \$376,539 .

The \$330,350 total comprehensive income in the three month period ended April 30, 2013 was driven by: (i) salaries, wages, and benefits of \$177,624, (ii) share-based compensation of \$101,600, (iii) corporate development of \$44,475, (iv) social development of \$28,500, (v) office expenses of \$74,026, (vi) professional fees of \$28,218 and (vii) net proceeds on sale of mineral property of \$699,654.

The \$383,628 total comprehensive loss in the nine month period ended April 30, 2013 was driven by: (i) salaries, wages, and benefits of \$518,103, (ii) share-based compensation of \$715,300, (iii) corporate development of \$139,447, (iv) social development of \$85,564, (v) office expenses of \$226,051, (vi) professional fees of \$154,973 and (vii) net proceeds on sale of mineral property of \$1,362,530.

### Working Capital and Total Assets

As at April 30, 2014, the Company had \$12,483,525 in total assets and a net working capital of \$112,694.

### Summary of Quarterly Results

The following table provides selected financial information of the Company for each of the last eight quarters ended April 30, 2014.

		For the quarters ended			
	April 30, 2014	January 31, 2014	October 31, 2013	July 31, 2013	
Total revenues	\$ 376,539	\$ -	\$ -	\$ -	
Total comprehensive income (loss)	222,302	(309,689)	(215,125)	(658,918)	
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.01)	
Earnings (loss) per share – fully diluted	(0.00)	(0.00)	(0.00)	(0.01)	
Cash and cash equivalents	398,884	153,264	465,934	1,321,170	
Total assets	12,483,525	12,293,377	12,314,513	12,518,058	
Total long-term liabilities	332,386	337,282	338,222	327,478	

	For the quarters ended			
	April 30, 2013	January 31, 2013	October 31, 2012	July 31, 2012
Total revenues	\$ -	\$ -	\$ -	\$ -
Total comprehensive income (loss)	330,350	(276,316)	(437,662)	687,021
Earnings (loss) per share	(0.00)	(0.01)	(0.01)	(0.01)
Earnings (loss) per share – fully diluted	(0.00)	(0.01)	(0.01)	(0.01)
Cash and cash equivalents	2,555,902	2,549,052	744,737	1,371,441
Total assets	13,068,471	12,527,616	12,194,389	10,582,533
Total long-term financial liabilities	111,248	110,121	-	-

### **CAPITAL EXPENDITURES**

During the nine month period ended April 30, 2014, the Company capitalized \$855,132 of deferred exploration expenditures and \$61,368 of property, plant and equipment. During the year ended July 31, 2013, the Company capitalized \$3,557,159 of deferred exploration expenditures and \$11,365 of property, plant and equipment.

### **LIQUIDITY AND CAPITAL RESOURCES**

The Company's aggregate operating, investing and financing activities for the nine month period ended April 30, 2014 resulted in a cash decrease of \$922,286 (April 30, 2013 – cash increase of \$1,184,461). At April 30, 2014, the Company's balance of cash and cash equivalents was \$398,884 (July 31, 2013 – \$1,321,170) and the Company had a net working capital of \$112,718 (July 31, 2013 –\$1,177,611).

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

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The Company entered into the following transactions with related parties during the nine month period ended April 30, 2014. Amounts stated below are presented in reference to the nine month periods ended April 30, 2014 and April 30, 2013, respectively:

- Expense report reimbursements to certain directors and officers of the Company in the amount of \$27,581 (2013 - \$37,054).

Of these related party transactions, \$854 is remaining in accounts payable as at April 30, 2014 (July 31, 2013 - \$2,960), which is unsecured, non-interest bearing and have no specific terms of repayment.

All related party transactions were measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

The remuneration of directors and other members of key management were as follows:

	Nine months ended April 30, 2014	Nine months ended April 30, 2013
Management payments	\$ 276,496	\$ 517,126
Stock-based payments	-	345,205
	<u>\$ 276,496</u>	<u>\$ 862,331</u>

## OFF BALANCE SHEET ARRANGEMENTS

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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

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As disclosed in its audited consolidated financial statements for the year ended July 31, 2013, 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**

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a) Authorized:

Common Shares

Unlimited number of common shares

Preferred Shares

Unlimited number of preferred shares

b) Issued and outstanding:

April 30, 2014: 79,305,113 common shares

June 27, 2014: 87,205,113 common shares

## **RISKS AND UNCERTAINTIES**

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The exploration for and development of mineral deposits are highly speculative activities and are subject to significant risks. The Company's ability to realize its investments in exploration projects is dependent upon a number of factors, including its ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically recoverable reserves within its projects. Other significant risks are listed below.

### Operations in Cambodia

The Company's primary mineral property is located in Cambodia and as such, it is exposed to various levels of political, economic, and other risks and uncertainties. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, crime, political instability, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation policies, restrictions on foreign exchange or repatriation, and changing political conditions and governmental regulations. Changes, if any, in mining or investment policies or shifts in political attitude in Cambodia may adversely affect the operations or profitability of the mineral property. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use, mine safety, and the rewarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction. Failure to comply strictly with applicable laws, regulations, and local practices relating to mineral right applications and tenure, could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interest. The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the mineral property.

### Stage of Development

The Company's primary mineral property is in the exploration stage and the Company does not have an operating history with respect to its exploration activities. Exploration and development of mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. The amounts attributed to the Company's interest in its properties as reflected in its financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors such as unusual or unexpected geological formations, and other known and unknown factors.

### Environmental

Fires, power outages, labour disruptions, flooding, explosions, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expense and delays in the activities of the Company, and they may render the Company's properties uneconomic. The Company has no liability insurance, and the Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

### Future Financings

If the Company's exploration programs are successful, additional funds will be required for further exploration and development to place a property into commercial production. The Company's available sources of funds are: (i) the Company's existing cash and cash equivalents, (ii) the further sale of equity capital or (iii) the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further exploration or development thereof. There is no assurance such sources will continue to be available on favourable terms or at all. If available, future equity financings may result in dilution to current shareholders.

### Profitability of Operations

The Company is not currently operating profitably and it should be anticipated that it will operate at a loss at least until such time as production is achieved from its property, if production is, in fact, ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

### Currency Risk

The Company's mineral property options incur costs which are denominated in USD. Future changes in exchange rates could materially affect the viability of exploring and developing this property.

## DISCLOSURE CONTROLS AND PROCEDURES

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Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer (“CEO”) and the Chief Financial Officer (“CFO”) on a timely basis so that appropriate decisions can be made regarding public disclosure.

An evaluation of the effectiveness of the design and operation of disclosure controls and procedures was conducted as of July 31, 2013, by and under the supervision of the CEO and CFO. Based on this evaluation, the CEO and CFO have concluded that the disclosure controls and procedures, as defined in Canada by Multilateral Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings, are effective to ensure that (i) information required to be disclosed in reports that are filed or submitted under Canadian securities legislation and the Exchange Act is recorded, processed, summarized and reported within the time periods specified in those rules and forms; and (ii) material information relating to the Company is accumulated and communicated to the Company’s management, including the CEO and CFO, or persons performing similar functions.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

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The following is a breakdown of the cumulative material costs for exploration and evaluation assets:

		<b>Nine month period ended April 30, 2014</b>	Years ended	
			July 31, 2013	July 31, 2012
Non-earn in payments	\$	<b>6,703,078</b>	\$ 5,903,810	\$ 6,209,569
Earn in payments		<b>4,669,412</b>	4,617,673	2,752,533
Total		<b>11,376,615</b>	\$ 10,521,483	\$ 8,962,102
<hr/>				
General and administrative	\$	<b>821,777</b>	\$ 2,489,872	\$ 2,220,261

General and administrative expenses are provided by category of major expense in the Consolidated Statements of Comprehensive Loss included in the financial statements for the nine month period ended April 30, 2014.

## SUBSEQUENT EVENTS

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Refer to note 15 in the condensed interim financial statements for the period ended April 30, 2014.

## OTHER INFORMATION

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