ANGKOR GOLD CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017 AND 2016

Stated in Canadian Dollars

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MANAGEMENT'S RESPONSIBILITY

To the Shareholders of Angkor Gold Corp.:

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

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

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

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

Wolrige Mahon LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the consolidated financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with the Board of Directors, Audit Committee, and management to discuss their audit findings.

The audited consolidated financial statements were approved by the Board of Directors on 23 November 2017 and were signed on its behalf by:

"Mike Weeks"	"Grant T. Smith"
Mike Weeks, CEO	Grant T. Smith, CFO

WOLRIGE MAHON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Angkor Gold Corp.

We have audited the accompanying consolidated financial statements of Angkor Gold Corp. and its subsidiaries, which comprise the consolidated statements of financial position as at July 31, 2017 and 2016, and the consolidated statements of comprehensive income and loss, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Angkor Gold Corp. and its subsidiaries as at July 31, 2017 and 2016, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note 2 in the consolidated financial statements which indicates the existence of a material uncertainty that may cast significant doubt about Angkor Gold Corp. and its subsidiaries ability to continue as a going concern.

"Wolrige Mahon LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

November 27, 2017
Vancouver, B.C.

Wolrige Mahon LLP Ninth Floor 400 Burrard Street Vancouver British Columbia V6C 3B7
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CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note		As at 31 July 2017		As at 31 July 2016
ASSETS					
Current Assets					
Cash		**$**	**246,396**	$	886,159
Amounts receivable			**58,520**		30,050
Prepaid amounts and deposits			**139,266**		8,132
Current portion of promissory note receivable	(12)		**149,820**		-
			594,002		924,341
Non-current Assets					
Promissory note receivable	(12)		**374,550**		652,800
Long-term prepaid amounts			**66,525**		-
Property and equipment	(9)		**99,372**		117,769
Exploration and evaluation assets	(10)		**6,124,273**		7,371,223
			6,664,720		8,141,792
		$	**7,258,722**	$	9,066,133
LIABILITIES					
Current Liabilities					
Accounts payable and accrued liabilities	(14)	**$**	**1,215,969**	$	1,565,256
Net smelter return buy-back option	(11)		**-**		1,145,288
			1,215,969		2,710,544
EQUITY					
Share capital	(13)		**31,812,041**		29,063,028
Subscription receivable			**-**		(783,000)
Contributed surplus	(13)		**2,549,373**		2,453,023
Warrants	(13)		**529,005**		529,005
Accumulated other comprehensive income			**909,441**		1,195,881
Deficit			**(29,757,107)**		(26,102,348)
			6,042,753		6,355,589
		$	**7,258,722**	$	9,066,133

Nature of operations and going concern	(1)	Commitments	(15)
Basis of preparation - Statement of Compliance	(2)	Capital management	(16)
Change in accounting policy	(4)	Subsequent events	(18)

The consolidated financial statements were approved by the Board of Directors on 23 November 2017 and were signed on its behalf by:

"Mike Weeks" | *"Terry Mereniuk"*

Mike Weeks, Director | Terry Mereniuk, Director

--The accompanying notes form an integral part of the consolidated financial statements—

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	Note	Year Ended 31 July 2017	Year Ended 31 July 2016
EXPENSES			
Exploration and Evaluation			
Geological consulting fees		$ 77,162	$ -
Camp costs		108,063	290,209
License fees		208,470	2,083
		393,695	292,292
General and administrative			
Salaries, wages and benefits	(14)	662,858	567,567
Professional and consulting fees	(14)	567,539	105,445
Share-based compensation	(13)	335,000	437,079
Office and travel		312,609	583,622
Investor relations and other		171,070	96,586
Social development	(8,14)	87,099	134,637
Amortization	(9)	39,291	44,262
Filing fees		35,661	27,962
Interest and banking costs		9,611	14,056
		2,614,433	2,303,508
Other expenses (income)			
Write down of exploration and evaluation assets	(10)	651,807	172,179
NSR Buy back expense	(11)	351,547	-
Foreign exchange loss		36,972	503,207
Other income		-	(2,510)
		1,040,326	672,876
(Loss) before taxes		(3,654,759)	(2,976,384)
Deferred income tax recovery	(17)	-	993,383
Net (loss) after taxes		(3,654,759)	(1,983,001)
Other Comprehensive income (loss)			
Foreign operations – foreign currency translation differences		(286,440)	474,065
Comprehensive (Loss)		$ (3,941,199)	$ (1,508,936)
Basic and Diluted (Loss) per Common Share		$ (0.04)	$ (0.02)
Weighted Average Number of Shares Outstanding		100,209,629	93,244,328

--The accompanying notes form an integral part of the consolidated financial statements—

ANGKOR GOLD CORP.

Canadian Dollars

Statement 3

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital	Amount	Subscriptions Receivable	Warrant Reserve	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Shareholders' Equity
BALANCE 1 AUGUST 2015	93,165,754	$ 27,730,956	$ (20,000)	$ 435,225	$ 2,130,596	$ 721,816	$ (24,119,347)	$ 6,879,246
Share-based compensation	-	-	-	-	437,079	-	-	437,079
Foreign currency translation	-	-	-	-	-	474,065	-	474,065
Loss for the year	-	-	-	-	-	-	(1,983,001)	(1,983,001)
Subscriptions received	-	-	20,000	-	-	-	-	20,000
Private placement	3,126,000	1,250,400	(783,000)	93,780	(93,780)	-	-	467,400
Shares issued on options exercise	190,000	60,800	-	-	-	-	-	60,800
Fair value transfer on options	-	20,872	-	-	(20,872)	-	-	-
BALANCE 31 JULY 2016	96,481,754	$ 29,063,028	$ (783,000)	$ 529,005	$ 2,453,023	$ 1,195,881	$ (26,102,348)	$ 6,355,589
Share-based compensation	**-**	**-**	**-**	**-**	**335,000**	**-**	**-**	**335,000**
Foreign currency translation	**-**	**-**	**-**	**-**	**-**	**(286,440)**	**-**	**(286,440)**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(3,654,759)**	**(3,654,759)**
Shares issued to settle AP	**589,164**	**235,665**	**-**	**-**	**-**	**-**	**-**	**235,665**
Subscriptions received	**-**	**-**	**783,000**	**-**	**-**	**-**	**-**	**783,000**
Private placement	**1,506,250**	**482,000**	**-**	**-**	**-**	**-**	**-**	**482,000**
Shares issued on options exercise	**1,110,000**	**277,500**	**-**	**-**	**-**	**-**	**-**	**277,500**
Shares issued for NSR	**3,810,625**	**1,524,250**	**-**	**-**	**-**	**-**	**-**	**1,524,250**
Share issuance costs	**-**	**(9,052)**	**-**	**-**	**-**	**-**	**-**	**(9,052)**
Fair value transfer on options	**-**	**238,650**	**-**	**-**	**(238,650)**	**-**	**-**	**-**
BALANCE 31 JULY 2017	**103,497,793**	**$ 31,812,041**	**$ -**	**$ 529,005**	**$ 2,549,373**	**$ 909,441**	**$ (29,757,107)**	**$ 6,042,753**

--The accompanying notes form an integral part of the consolidated financial statements—

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note		Year Ended 31 July 2017		Year Ended 31 July 2016
OPERATING ACTIVITIES					
(Loss) for the Year		$	**(3,654,759)**	$	(1,983,001)
Items not Affecting Cash					
Amortization			**39,291**		44,262
Deferred income tax (recovery)			**-**		(473,030)
Share-based compensation			**335,000**		437,079
Gain on reversal of foreign tax liability			**-**		(520,353)
Write down of exploration and evaluation assets			**651,807**		172,179
NSR buy-back expense	(11)		**351,547**		-
Non-cash bonus paid	(14)		**76,250**		-
Foreign exchange loss			**27,415**		503,207
			1,481,310		163,344
			(2,173,449)		(1,819,657)
Net Change in Non-cash Working Capital					
Amounts receivable			**(28,470)**		19,704
Prepaid amounts and other assets			**(197,659)**		24,473
Accounts payable and accrued liabilities			**(125,666)**		1,237,796
Cash (Used in) Operating Activities			**(2,525,244)**		(537,684)
INVESTING ACTIVITIES					
Purchases of property and equipment			**(23,841)**		(28,166)
Proceeds from option agreements			**1,400,479**		194,650
Advancement of exploration and evaluation assets			**(844,293)**		(1,125,532)
Cash (Used in) Provided by Investing Activities			**532,345**		(959,048)
FINANCING ACTIVITIES					
Issuance of shares, net of share issuance costs			**472,948**		467,400
Proceeds from exercise of options			**49,900**		-
Proceeds from subscription receivable			**783,000**		-
Proceeds from promissory note receivable			**105,896**		-
Cash Provided by Financing Activities			**1,411,744**		467,400
Net Effect of Translation on Foreign Currency Cash			**(58,608)**		34,527
Net (Decrease) in Cash			**(639,763)**		(994,805)
Cash position – beginning of year			**886,159**		1,880,964
Cash Position – End of Year		$	**246,396**	$	886,159
Supplementary Cash Disclosure					
Accounts payable included in exploration and evaluation assets			**200,894**		37,000
Accounts payable settled by shares			**387,015**		-
Fair value transfer on option exercises			**238,650**		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) Nature of operations and going concern

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

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

There are several adverse conditions that may cast substantial doubt upon the Company's ability to continue as a going concern. The Company has negative working capital, has incurred operating losses since inception, has no source of revenue, is unable to self-finance operations and has significant on-going cash requirements to meet its overhead requirements and maintain its mineral interests. Further, the business of mining and exploration involves a high degree of risk and there can be no assurance that current or future exploration programs will result in profitable mining operations. The recoverability of intangible exploration and evaluation assets is dependent upon several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of mineral properties. For the Company to continue to operate as a going concern it must obtain additional financing; although the Company has been successful in the past at raising funds, there can be no assurance that this will continue in the future. These factors indicate a material uncertainty that casts significant doubt over the Company's ability to continue as a going concern.

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

	31 July 2017	31 July 2016
Working capital (deficit)	**$ (621,967)**	$ (1,786,203)
Accumulated deficit	**$ (29,757,107)**	$ (26,102,348)

2) Basis of preparation – Statement of Compliance

These Financial Statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Financial Statements have been prepared on a historical cost basis. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The policies set out in Note 3 were consistently applied to all the periods presented unless otherwise noted below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3) Summary of significant accounting policies

a) Basis of presentation

Subsidiaries

These Financial Statements incorporate the financial statements of the Company and the entities controlled by the Company, which consist of:

- Angkor Gold Corp. (Cambodia) Co., ("AGC"), which was incorporated in the Kingdom of Cambodia, owned 100% by the Company.
- Prairie Pacific Mining Corp. ("PPMC Canada"), which was incorporated in Canada, owned 100% by the Company.
- Liberty Mining International Pty Ltd. ("Liberty"), which was incorporated in the Kingdom of Cambodia, owned 100% by the Company.

Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

Non-controlling interest in the net assets of consolidated subsidiaries are identified separately from the Company's equity. Non-controlling interest consists of the non-controlling interest at the date of the original business combination plus the non-controlling interest's share of changes in equity since the date of acquisition.

b) Foreign Currency

The Company's presentation currency is the Canadian dollar ("$"). The functional currency for the Company, PPMC Canada and Liberty, being the currency of the primary economic environment in which the entity operates, is the Canadian dollar. The functional currency of AGC is the US dollar ("US$").

Items included in the financial statements of each consolidated entity are measured using the currency of the primary economic environment in which the entity operates (the "Functional Currency"). Foreign currency transactions are translated into the Functional Currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the Functional Currency of an entity are recognized in profit or loss in the year in which the gain or loss arises.

Assets and liabilities of operations with a Functional Currency other than the Canadian dollar are translated at the year-end rates of exchange, and the results of its operations are translated at average rates of exchange for the year. The resulting translation adjustments are recognized in other comprehensive income. Additionally, foreign exchange gains and losses related to certain intercompany amounts that are neither planned nor likely to be settled in the foreseeable future are included in other comprehensive income.

c) Income taxes

Income tax expense consists of current and deferred tax expense. Income tax expense is recognized in the consolidated statement of comprehensive income (loss), except to the extent that it relates directly to equity.

Current tax expense is the expected tax payable on the taxable income for the year, using tax rates and laws enacted or substantively enacted at year end, adjusted for amendments to tax payable with regards to previous years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured on a non-discounted basis using the enacted or substantively enacted tax rates at the end of the year, and which are expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the year that enactment or substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

d) Income (Loss) per share

Basic income (loss) per share is computed by dividing the net income (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting year. Diluted income (loss) per share is computed similar to basic income (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire common stock at the average market price during the reporting periods.

e) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, deposits held with banks, and redeemable term deposits. Where term deposits held with banks have a maturity in excess of three months, but are redeemable without principal penalty, they will be classified as cash equivalents. There are no cash equivalents as at July 31, 2017 or 2016.

f) Financial instruments:

All financial instruments are recognized when the Company becomes party to the contract and measured, initially, at fair value on the consolidated statement of financial position. Fair value at initial recognition is adjusted for transaction costs, except for those financial instruments at fair value through profit or loss where the transactions costs are expensed in profit or loss. The Company has classified each financial instrument into the following categories: “fair value through profit or loss”, “loans and receivables”, and “other liabilities”. Subsequent measurement of the financial instruments is based on their respective classification. Unrealized gains and losses on fair value through profit or loss instruments are recognized in profit or loss. The other categories of financial instruments are recognized at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows over the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. The Company had made the following classifications:

Financial Asset or Liability	Category
Cash	Loans and receivables
Amounts receivable (excluding GST and VAT receivables)	Loans and receivables
Promissory note receivable	Loans and receivables
Deposits	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Net smelter return buy-back option	Other liabilities

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Impairment of financial assets

At each reporting date the Company assesses whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Interest, dividends, losses, and gains relating to financial liabilities are recognized in profit or loss in interest and banking costs.

g) Property and equipment

Property and equipment ("PE") are initially recorded at cost and subsequently carried at cost less any accumulated depreciation and accumulated impairment losses. Depreciation is provided, on a declining balance basis, using the rates intended to amortize the cost of assets over their estimated useful lives.

Property and Equipment	**Rate**
Vehicles	30%
IT Equipment	55%
Small Equipment and Tools	25%
Heavy and Processing Equipment	25%
Other Tangible Assets	20%

An item of PE is derecognized upon disposal, when held for sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the consolidated statements of comprehensive income and loss.

h) Exploration and evaluation assets

Exploration and evaluation assets include activities directly related to exploration and evaluation activities such as acquisition costs, exploration drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. All other activities are expensed during the year. Subsequent to initial recognition, exploration and evaluation assets are carried at cost less any accumulated impairment losses.

The capitalized exploration and evaluation expenditures will be amortized against revenue from future production or written off if the area of interest is abandoned or sold. Costs incurred before the Company has obtained legal rights to explore the area are recognized in profit or loss.

The amounts shown for exploration and evaluation expenditures represent costs incurred to date, less recoveries, and do not necessarily reflect present or future values. The amounts are classified as intangible assets.

Indicators of impairment of exploration and evaluation assets are assessed at each reporting period. If an indicator of impairment exists to suggest that the technical feasibility and commercial viability of the project is in question, and facts and circumstances suggest the carrying amount exceeds the recoverable amount, the carrying value of the exploration and evaluation assets will be written down to the estimated recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Recoverability of the carrying amount of any exploration and evaluation assets is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

i) Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's assets, including exploration and evaluation assets, are reviewed to determine whether there is any indication the assets are impaired. The Company uses external factors, such as changes in expected future prices, costs and other market factors to assess for indication of impairment. If any such indication exists an estimate of the asset's recoverable amount is calculated, being the higher of fair value less direct costs to sell and the asset's value in use.

If the carrying amount of the asset exceeds its recoverable amount, the asset is impaired and an impairment loss is charged to the consolidated statements of comprehensive income and loss so as to reduce the carrying amount in the consolidated statements of financial position to its recoverable amount.

Fair value is determined as the amount that would be obtained from the sale of assets in an arm's length transaction between knowledgeable and willing parties. Fair values for mineral assets are generally determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset, including its eventual disposal, using assumptions that an independent market participant may take into account. These cash flows are discounted by a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, to arrive at a net present value of the asset.

Value in use is determined as the present value of the estimated future cash flows expected to arise from the continued use of the asset in its present form and its eventual disposal. Value in use is determined by applying assumptions specific to the Company's continued use and cannot take into account future development.

In testing for indications of impairment and performing impairment calculations, assets are considered as collective groups and referred as to cash generating units. Cash generating units are the smallest identifiable group of assets, liabilities, and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

j) Decommissioning costs:

A decommissioning cost obligation to incur restoration, rehabilitation, and environmental costs arises when environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for, and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability when the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operating license conditions and, when applicable, the environment in which the mine operates.

Pretax discount rates that reflect the time value of money are used to calculate the net present value. These costs are charged against the consolidated statements of comprehensive income and loss over the economic life of the related asset, through amortization using either the unit of production or the straight-line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense recognized in the consolidated statements of comprehensive income and loss.

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in the consolidated statements of comprehensive income and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The operations of the Company have been, and may in the future be, affected from time to time in varying degree by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

The Company has no material restoration, rehabilitation, and environmental obligations as the disturbances to date are minimal.

k) Share based payments

The fair value of share options granted to employees is recognized as an expense over the period during which the options vest with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee, including directors of the Company.

The fair value is measured at the grant date using the Black-Scholes Option-Pricing Model, taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that are expected to vest.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss. When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model.

Options or warrants granted related to the issuance of shares are valued at their fair value, as measured by the use of a valuation model, and recorded as a reduction of share capital.

4) Change in accounting policy

During the year ended 31 July 2016, the Company retroactively changed its accounting policy for exploration and evaluation expenditures. Previously, the Company capitalized acquisition costs and deferred exploration and evaluation expenditures of mineral properties to the specific mineral properties, net of recoveries received. Under the new policy, the Company capitalizes activities directly related to exploration and evaluation activities such as acquisition costs, exploration drilling, trenching, sampling, and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. All other activities are expensed during the year. Management believes that this treatment provides a more accurate depiction of the asset base of the Company prior to establishing the economic feasibility of its resource base. As required by IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, the Company included the restated statement of financial position as of 1 August 2014 in the audited financial statements for year ended 31 July 2016.

5) Critical accounting judgments and key sources of estimation uncertainty

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

a) Critical accounting estimates:

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

- The recoverability of exploration and evaluation assets presented on the 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.

b) Critical accounting judgments:

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

- Functional currency: The determination of the functional currency of AGC as the US dollar and the functional currency of the Company and other subsidiaries as the Canadian dollar.
- Going concern: The Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.
- Recoverability of the promissory note receivable: It is management's assumption the note will be collectible but there are uncertainties surrounding the time frame the proceeds will be received.

6) Accounting standards issued but not yet effective

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company is currently assessing the impact, if any, that these standards might have on its Financial Statements.

a) IFRS 9, Financial Instruments

In July 2014, the IASB issued IFRS 9, Financial Instruments (IFRS 9). IFRS 9 replaces the current multiple classification and measurement models for financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset or liability. It also introduces additional changes relating to financial liabilities and aligns hedge accounting more closely with risk management. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted. The Company does not intend to early adopt IFRS 9. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

b) IFRS 15 – Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued and replaces IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers and SIC-31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a single five –step model framework for determining the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with early adoption of the new standard permitted. The Company does not intend to early adopt IFRS 15. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

c) IFRS 16, Leases

In January 2016, the IASB issued IFRS 16. The new standard brings most leases on-balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases. Lessor accounting however remains largely unchanged and the distinction between operating and finance leases is retained. This standard is effective for annual reporting periods on or after 1 January 2019. Early adoption is permitted if IFRS 15 has also been adopted. Management is currently reviewing the impact that this standard will have on the Company's Financial Statements.

7) Financial instruments and risk management

a) Financial instrument classification and measurement

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

At July 31, 2017, there is no significant difference between the carrying values and fair values of the Company's financial instruments except as discussed in Note 12.

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

- Level 1 – quoted prices in active markets for identical financial instruments.
- Level 2 – quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.
- Level 3 – valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

As at July 31, 2017, the Company does not have any financial instruments measured at fair value.

b) Market risk

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c) Credit risk

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

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

The Company is also exposed to credit risk with respect to the unsecured promissory note receivable from Mesco in the amount of $524,370 (US$420,000). The Company has amended the payment of this note to now involve a payment plan as described in Note 12.

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

d) Liquidity risk

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

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

	31 July 2017	31 July 2016
Accounts payable	$ **1,215,969**	$ 1,565,256
NSR buy back option	**-**	1,145,288
	$ **1,215,969**	$ 2,710,544

e) Interest rate risk

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

The Company is exposed to cash flow interest rate risk on the variable rate of interest earned on its cash. The cash flow interest rate risk on cash is insignificant as deposits are either short term or pay interest at rates of 1.2% or less. The Company does not have any cash flow interest risk associated with its promissory note receivable as the note bears no interest. Fair value interest rate risk exists on the promissory note as it is non-interest bearing. The fair value of the promissory note is disclosed in Note 12. The Company does not hold any other financial assets or liabilities which incur interest. The fair value interest rate risk on the Company's other assets and liabilities are deemed to be insignificant.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

f) Foreign currency risk

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

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

The Company is exposed to foreign exchange risk. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations; however, management monitors foreign exchange exposure and if rates continue to fall, management will look at entering into derivative contracts. Should the US dollar and Canadian dollar exchange rate have changed by 12% at the year end the impact to profit or loss would be +/- $77,000.

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

		31 July 2017		31 July 2016
Cash	$	**255,421**	$	316,729
Promissory note receivable	$	**524,370**	$	652,800
Performance bonds (included within exploration and evaluation assets)	$	**-**	$	104,448
Accounts payable	$	**(137,238)**	$	(53,159)
NSR buy back option	$	**-**	$	(1,145,288)

8) Social Development

During the year ended 31 July 2016, under a consulting agreement with the Company's Chief Executive Officer ("CEO") $9,500 per month payable to the CEO for services rendered was to be retained by the Company for social development projects in the Kingdom of Cambodia. These amounts have been accrued as social development expenditures. At 31 July 2017, a provision of $58,917 (31 July 2016 - $294,582) is included in accounts payable and accrued liabilities with respect to these expenditures.

During the year ended 31 July 2017, the Company and the CEO agreed to amend the terms of the agreement that all fees relating to the services rendered by the CEO will be classified as "salaries, wages, and benefits" within the consolidated statement of loss and comprehensive loss and the previously accrued amounts will be settled as such with the CEO.

During the year ended 31 July 2017, the Company settled 80% of the outstanding salary payable of $294,582 through the issuance of 589,164 shares at $0.40 per share to the CEO totaling $235,665.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9) Property and equipment

	Heavy Equipment	IT Equipment	Processing Equipment	Small Equipment, Tools and Other	Vehicles	Total
COST						
Balance at 1 August 2015	$ 53,791	$ 28,024	$ 10,545	$ 154,504	$ 205,227	$ 452,091
FX adjustment	(136)	(159)	(27)	(518)	(777)	(1,617)
Additions	-	5,211	-	7,602	15,353	28,166
Balance at 31 July 2016	53,655	33,076	10,518	161,588	219,803	478,640
FX adjustment	(2,346)	(1,451)	(459)	(7,069)	(9,633)	(20,958)
Additions	-	3,198	-	1,581	19,062	23,841
Balance at 31 July 2017	**$ 51,309**	**$ 34,823**	**$ 10,059**	**$ 156,100**	**$ 229,232**	**$ 481,523**
AMORTIZATION						
Balance at 1 August 2015	$ 53,791	$ 17,940	$ 8,999	$ 87,177	$ 150,251	$ 318,158
FX adjustment	(136)	(164)	(29)	(520)	(700)	(1,549)
Amortization	-	7,060	392	17,774	19,036	44,262
Balance at 31 July 2016	53,655	24,836	9,362	104,431	168,587	360,871
FX adjustment	**(2,346)**	**(1,401)**	**(426)**	**(5,410)**	**(8,428)**	**(18,011)**
Amortization	**-**	**5,526**	**293**	**14,866**	**18,606**	**39,291**
Balance at 31 July 2017	**$ 51,309**	**$ 28,961**	**$ 9,229**	**$ 113,887**	**$ 178,765**	**$ 382,151**
CARRYING AMOUNTS						
At 31 July 2016	$ -	$ 8,240	$ 1,156	$ 57,157	$ 51,216	117,769
At 31 July 2017	**$ -**	**$ 5,862**	**$ 830**	**$ 42,213**	**$ 50,467**	**$ 99,372**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

10) Exploration and evaluation assets

The Company has interests in mineral properties; details of which follow for the year ended 31 July 2017 and the year ended 31 July 2016:

	Andong Meas (ADM)	Banlung North (BLN)	Banlung South (BLS)	Koan Nheak (KHN)	Trapean Kraham (TK)	Oyadao (OY)	Oyadao South (OYS)	Total
Balance at 1 August 2015	$ 464,123	$ 596,731	$ 2,121,712	$ 596,731	$ 137,093	$ 530,428	$ 2,121,712	$ 6,568,530
Additions	78,787	101,298	360,170	101,298	33,766	90,043	360,170	1,125,532
Funds received under option agreements	-	-	(194,650)	-	-	-	-	(194,650)
Write-down of exploration and evaluation assets	-	-	-	-	(172,179)	-	-	(172,179)
Adjustment on currency translation	3,080	3,959	14,076	3,959	1,320	3,519	14,077	43,990
Balance at 31 July 2016	$ 545,990	$ 701,988	$ 2,301,308	$ 701,988	$ -	$ 623,990	$ 2,495,959	$ 7,371,223
Additions	**14,412**	**-**	**458,585**	**234,845**	**-**	**50,643**	**249,202**	**1,007,687**
Funds received under option agreements	**-**	**-**	**(727,124)**	**-**	**-**	**-**	**(673,355)**	**(1,400,479)**
Write down of exploration and evaluation assets	**(26,474)**	**(572,385)**	**-**	**(26,474)**	**-**	**-**	**(26,474)**	**(651,807)**
Adjustments on currency translation	**(6,465)**	**(129,603)**	**(21,036)**	**(8,311)**	**-**	**(7,387)**	**(29,549)**	**(202,351)**
Balance at 31 July 2017	**$ 527,463**	**$ -**	**$ 2,011,733**	**$ 902,048**	**$ -**	**$ 667,246**	**$ 2,015,783**	**$ 6,124,273**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

During the year ended 31 July 2017:

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

During the year ended 31 July 2017, the Company determined that performance bonds related to expired licenses were no longer recoverable. As a result, the Company has written off $105,896 (US$80,000), which was allocated evenly between Andong Meas, Banlung North, Koan Nheak, and Oyadao South.

On 16 March 2017, the Company announced it had successfully renewed five exploration licenses for an initial three year term with the option to extend a further four years. The exploration licenses include: Andong Meas, Banlung South, Koan Nheak, Oyadao and Oyadao South.

a) Mesco Gold (Cambodia) Ltd. ("Mesco") Agreements:

On 20 February 2013, the Company sold to Mesco the rights to develop and mine the Company's Phum Syarung prospect located within its Oyadao South Concession in Ratanakiri Province, Cambodia. As per the Definitive Agreement the Company was to receive a 10% Net Smelter Return ("NSR") (the "Mesco Return") (subsequently adjusted to a sliding scale NSR based on the gold price, see below) from all future production at the Phum Syarung prospect. Mesco paid the Company US$1,200,000 (US$700,000 in cash and a US$500,000 promissory note described in Note 12), for the prospect. The costs that had been capitalized to the portion of the license sold totalled US$503,355 resulting in the gain on sale of Phum Syarung prospect of $701,485 (US$696,645).

On 11 November 2013, the Company closed a Purchase Agreement with Mesco which extended their existing land package from 6 square kilometres to 12 square kilometres to include Angkor's Blue Lizard prospect. Angkor received US$700,000 in staged payments through 2013 – 2015. These payments were in addition to the US$1,200,000 from its sale of the Phum Syarung Prospect in February 2013.

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

In addition, the Company assigned 2.5% of the NSR to various individuals and subsequently purchased back the NSR option as described in Note 11.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

During the year ended 31 July 2017:

At 31 July 2017, $524,370 (US$420,000) (31 July 2016 - $652,800 (US$500,000)) is outstanding and has been included in promissory note receivable as described in Note 12.

As at 31 July 2017, the Commencement Date for the agreement dated 6 December 2015 was not established.

b) Blue River Resources ("Blue River") Agreement:

On 3 May 2016, the Company entered into an agreement with Blue River to explore Angkor's 100% owned Banlung tenement in Ratanakiri Province, Cambodia. The agreement gives Blue River the right to acquire up to a 70% interest in the Banlung license upon exercise of the First, Second, Third, and Fourth options, as defined in the agreement. Blue River initially has the right, based on the first three options, to participate in up to a 50% interest in the Banlung license after the completion of a total investment of US$3.5 million in exploration expenditures over a 4-year period. Once the first 3 options have been satisfied, Blue River may then exercise their option on an additional 20% interest of the Banlung tenement through the commission and completion of a Bankable Feasibility Study (as defined in the agreement) on the property or portion thereof.

The payments required are based on the following schedule:

Option 1 – 10% earn-in interest

- US$50,000 to paid to the Company upon execution of the agreement (paid);
- US$50,000 to paid to the Company within 30 days of the execution of the agreement (paid);
- US$200,000 of exploration and development expenditures to be incurred or caused to be incurred by 30 June 2016 (paid);
- US$200,000 of exploration and development expenditures to be incurred or caused to be incurred by 31 December 2016 (paid);
- US$200,000 of exploration and development expenditures to be incurred or caused to be incurred by 30 June 2017 (paid);
- US$200,000 of exploration and development expenditures to be incurred or caused to be incurred by 31 December 2017;
- US$100,000 of exploration and development expenditures to be incurred or caused to be incurred by 28 February 2018;

Option 2 – 30% earn-in interest

- US$1,500,000 of exploration and development expenditures to be incurred within two years of all the cash payments and expenditures under Option 1 having been incurred;

Option 3 – 10% earn-in interest

- US$1,000,000 to be paid to the Company within one year of all the expenditures under Option 2 having been incurred;

Option 4 – 20% earn-in interest

- Exercisable at any time subsequent to the exercise of Options 1-3 and upon completion of a Bankable Feasibility Study;

After exercise of Option 4, Angkor has the option, at its sole discretion, to continue to hold the 30% free-carried participating interest in the property or to convert this to a 5% NSR provided that, if, subsequent to the conversion to the 5% NSR, Blue River enters into a proposed sale of the property with a third party then Angkor will have a

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

right of first refusal to match any written offer and to convert its 5% NSR to a 30% free-carried participating interest in the property.

During the year ended 31 July 2017:

The Company recognized $727,124 (31 July 2016 - $194,650) from Blue River which is recorded against the exploration and evaluation asset base for the Banlung South property.

Subsequent to the year end, the agreement was terminated and it is described in Note 18.

c) Agreement to sell 5% beneficial interest in exploration and evaluation assets

On 26 February 2015, the Company entered into an agreement with various investors ("Participants") for gross proceeds of $1,427,933. The agreement resulted in a sale of a 5% beneficial interest in all mineral claims, including the potential NSR of Phum Syarung described in Note 10 (a). Of this 5%, 1% (total investment of $285,667) is held by the spouse of the CEO.

The Company retained the right to buy back this beneficial interest at fair value within two years.

The total proceeds received were deducted from the cost of total exploration and evaluation assets during the year ended 31 July 2015.

During the year ended 31 July 2017:

The two-year period whereby the Company had the right to buy-back the 5% beneficial interest expired. Management is currently working with the various investors to extend the buy-back option period but there is no guarantee that the buy-back option period will be successfully extended.

d) Japan Oil, Gas and Metals National Corporation ("JOGMEC") Agreement:

On 14 June 2016, the Company entered into a joint exploration agreement with JOGMEC to explore the Company's 100% owned Oyadao license. The agreement gives JOGMEC the option to acquire 51% of the Oyadao South license for a total investment of US$3 million in exploration expenditures over a 3-year period, subject to meeting a minimum expenditure of US$1 million at the end of each of 31 March 2017, 2018, 2019, respectively. In addition, a condition of the agreement was that the Company acquire a renewal or a new license with a minimum 3-year term. JOGMEC may accelerate its earn-in period by meeting the minimum expenditure of US$3 million at any time prior to 31 March 2019.

During the year ended 31 July 2017:

The Company renewed the license for an initial 3-year term with the option to extend a further 4 years. The Company received $673,355 (US$500,000) in funds under the option agreement. The exploration expenses have not hit the first milestone for this agreement.

11) Net smelter return buy-back option

During the year ended 31 July 2015, the Company assigned, to various individuals, 2.5% of the Mesco Return (the "Mesco Return Interest") described in Note 10 (a) for gross proceeds of $1,145,288 (US$875,000). Of the various individuals that purchased the Mesco Return Interest, 1% or US$350,000 was assigned to a director and officer of the Company to settle debts owed to them.

The Company had the option to re-purchase the Mesco Return Interest from the recipients at a price equal to 115-150% of the purchase price if exercised within a period of 2 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On 16 December 2016, the Company announced the completion of the buyback of the 2.5% of Mesco Return Interest for an amount equal to 130% of the original purchase price of US$875,000 which was settled by the Company in common shares at the deemed price of $0.40 per share for a total of 3,810,625 common shares. This allowed the Company to maintain its original rights to the 2.5% NSR based on the sliding scale depending on the price of gold described in Note 10 (a).

12) Promissory note receivable

As part of the agreement dated 20 February 2013 with Mesco (as described in Note 10 (a)), the Company received a note payable of US$500,000 from the sale price in the amount of US$1,900,000 from the sale of Phum Syarung Prospect. This promissory note is unsecured and bears no interest.

During the year ended 31 July 2017, the Company agreed to amend the note receivable in the amount of US$500,000 so that it could be paid in scheduled installments. The initial installment payment of US$50,000 was due on 25 March 2017 (received) with additional payments of US$30,000 due every three months thereafter (US$30,000 payments due on 25 June 2017 and 25 September 2017 were received as at the date of this report) until the US$500,000 is retired or the earlier of an amended mining license being issued or Mesco begins processing ore at Phum Syarung. The current portion of $149,820 represents the Canadian dollar equivalent of US$120,000, with the balance of $374,550 (US$300,000) allocated to non-current asset.

The fair value of the note as at 31 July 2017 is estimated to be $383,000 (US$307,000) (2016 - $517,015 (US$395,000)), using a discount rate of 18% (2016 – 18%).

13) Share capital

a) Authorized:

Unlimited common shares without par value.

b) Issued or allotted and fully paid:

See Consolidated Statements of Changes in Equity for further detail.

	Number of Shares	Amount
Balance 1 August 2015	93,165,754	$ 27,730,956
Shares issued upon exercise of options	190,000	81,672
Private placement – net of share issuance costs	3,126,000	1,250,400
Balance 31 July 2016	96,481,754	$ 29,063,028
Shares issued upon exercise of options	**1,110,000**	**516,150**
Shares issued for NSR buy-back	**3,810,625**	**1,524,250**
Private placement – net of share issuance costs	**1,506,250**	**472,948**
Shares issued to settle amount payable	**589,164**	**235,665**
Balance 31 July 2017	**103,497,793**	**$ 31,812,041**

On 21 April 2016, 190,000 common shares were issued upon exercise of options with an exercise price of $0.32 per option for a value of $60,800 in settlement of accounts payable. Of the $60,800, the Company settled $19,200 in accounts payable owing to officers of the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On 28 July 2016, the Company completed a non-brokered private placement for 3,126,000 Units at $0.40 per unit for gross proceeds of $1,250,400. Each Unit comprises one common share plus one half warrant, with each full warrant exercisable at $0.50 per common share within one year from the issuance of the Units. Of the total funds raised, $783,000 was received subsequent to 31 July 2016. The value of $93,780 ascribed to the warrants was determined on a residual value basis.

<u>During the year ended 31 July 2017:</u>

On 19 October 2016, 1,110,000 common shares were issued upon exercise of options with an exercise price of $0.25 per option for a value of $277,500. Of the value of $277,500, the Company received $49,900 cash, $76,250 was in lieu of cash bonuses for certain Cambodian employees, and $151,350 was used to settle accounts payable. Upon exercise of the options, $238,650 in contributed surplus was allocated to share capital. The market price per share on the date of exercise was $0.43.

On 16 December 2016, the Company issued 3,810,625 common shares of the Company with a value of $1,524,250 to complete the NSR buy-back (Note 11).

On 11 April 2017, the Company completed a non-brokered private placement for 1,506,250 shares at $0.32 per share for gross proceeds of $482,000. The Company incurred $9,052 in share issuance costs. Of the total shares, 337,500 were purchased by management of Angkor.

On 26 June 2017, the Company issued 589,164 common shares to Mike Weeks at $0.40 per share to settle $235,665 in accounts payable. The amount settled represented 80% of $294,582 in salary due to him as CEO between October 2012 and November 2016 (see Note 8).

c) Summary of stock option activity

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

<u>During the year ended 31 July 2017:</u>

On 19 October 2016, 1,110,000 common shares were issued upon exercise of options with an exercise price of $0.25 per option for a value of $277,500. Upon exercise of the options, $238,650 in contributed surplus was allocated to share capital.

On 11 April 2017, the Company granted 2,990,000 incentive stock options to its directors, officer, and consultants at an exercise price of $0.38 per share and a life of five years from the date of grant. These options vested immediately.

On 18 July 2017, the Company granted 300,000 incentive stock options to Grant T. Smith, the new CFO of the Company, at an exercise price of $0.30 per share and a life of five years from the date of grant. The options vest quarterly, 75,000 options vest on each of the follow dates: 18 October 2017, 18 January 2018, 18 April 2018, and 18 July 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

On 18 July 2017, the Company also granted 1,000,000 incentive stock options to its directors, officer, and consultants at an exercise price of $0.30 per share and a life of five years from the date of grant. These options vested immediately.

On 19 October 2016, 137,000 options priced at $0.25 expired unexercised.

On 21 March 2017, 145,000 options priced at $0.32 expired unexercised.

On 28 March 2017 and 7 June 2017, 230,000 and 30,000 options priced at $0.34 expired unexercised, respectively.

On 26 June 2017, 150,000 options priced at $0.33 expired unexercised.

Stock option activity during years ended 31 July 2017 and 31 July 2016 is as follows:

STOCK OPTION ACTIVITY	**31 July 2017**	**Weighted Average Exercise price**	31 July 2016	Weighted Average Exercise price
Balance – beginning of year	**4,559,000**	**0.38**	2,789,000	$ 0.30
Granted	**4,290,000**	**0.36**	2,250,000	0.45
Expired	**(692,000)**	**0.32**	(290,000)	0.28
Exercised	**(1,110,000)**	**0.25**	(190,000)	0.32
Balance – end of year	**7,047,000**	**0.39**	4,559,000	$ 0.38

Details of stock options outstanding as at 31 July 2017 and 31 July 2016 are as follows:

Date of Grant	Expiry Date		Exercise Price	31 July 2017 Outstanding	31 July 2017 Exercisable	31 July 2016 Outstanding
19 October 2011	19 October 2016	$	0.25	**-**	**-**	1,247,000
28 March 2012	28 March 2017	$	0.34	**-**	**-**	230,000
7 June 2012	7 June 2017	$	0.34	**-**	**-**	30,000
4 December 2012	4 December 2017	$	0.33	**235,000**	**235,000**	235,000
21 March 2014	21 March 2017	$	0.32	**-**	**-**	145,000
26 June 2014	26 June 2017	$	0.33	**-**	**-**	150,000
13 April 2015	13 April 2020	$	0.45	**272,000**	**272,000**	272,000
7 August 2015	7 August 2017	$	0.49	**250,000**	**250,000**	250,000
14 June 2016	14 June 2021	$	0.45	**2,000,000**	**2,000,000**	2,000,000
11 April 2017	11 April 2022	$	0.38	**2,990,000**	**2,990,000**	-
18 July 2017	18 July 2022	$	0.30	**1,000,000**	**1,000,000**	-
18 July 2017	18 July 2022	$	0.30	**300,000**	**-**	-
				7,047,000	**6,747,000**	4,559,000

The outstanding options have a weighted average remaining life of the options of 4.13 years (31 July 2016 – 2.62 years).

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d) Warrants

WARRANTS	**31 July 2017**	**Weighted Average Exercise price**	31 July 2016	Weighted Average Exercise price
Balance – beginning of year	**1,563,000**	**0.50**	-	$ -
Issued	**-**	**-**	1,563,000	0.50
Balance – end of year	**1,563,000**	**0.50**	1,563,000	$ 0.50

On 24 April 2017, the TSX Venture Exchange accepted the Company's request to extend the expiry date of 1,563,000 common share purchase warrants by twelve months that were issued as part of a non-brokered private placement completed by the Company in July 2016. The new expiry date is 29 July 2018.

e) Share-based payments

During the year ended 31 July 2017, the Company granted 4,290,000 incentive stock options to its directors, officer, and consultants and recognized share based payments on vested options as follows:

	31 July 2017	31 July 2016
Total Options Granted Vested	**3,990,000**	2,250,000
Average exercise price	**$ 0.36**	$ 0.45
Estimated fair value of compensation	**$ 335,000**	$ 437,079
Estimated fair value per option	**$ 0.09**	$ 0.19

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

	31 July 2017	31 July 2016
Risk free interest rate	**1.20%**	0.65%
Expected dividend yield	**0.00%**	0.00%
Stock price	**$ 0.31**	$ 0.45
Expected stock price volatility (calculated monthly)	**33%**	71%
Expected option life in years	**5 years**	5 years
Forfeiture rate	**0%**	10.00%

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Transactions and balances with related parties not disclosed elsewhere in the Financial Statements are as follows:

RELATED PARTY DISCLOSURE – KEY MANAGEMENT PERSONNEL

Name and Principal Position	Year[i]		Remuneration or fees[ii]		Share-based awards		Amounts Payable
Mike Weeks, CEO	**2017**	**$**	**114,000**	**$**	**35,791**	**$**	**522,298**
	2016	$	162,000	$	61,285	$	631,179
Delayne Weeks, VP of Social Development	**2017**	**$**	**45,000**	**$**	**34,463**	**$**	**313,283**
	2016	$	57,600	$	71,499	$	491,219
Terry Mereniuk, Interim CFO	**2017**	**$**	**40,470**	**$**	**35,513**	**$**	-
	2016	$	-	**$**	20,428	**$**	-
Clearline CPA, a company of which Grant T. Smith, CFO is a director	**2017**	**$**	**9,000**	**$**	**-**	**$**	**9,450**
	2016	$	-	$	-	$	-
JP Dau, VP of Operations	**2017**	**$**	**90,229**	**$**	**37,794**	**$**	**24,554**
	2016	$	99,240	$	-	$	21,306
Stephen Burega, VP of Corporate Development	**2017**	**$**	**84,000**	**$**	**34,274**	**$**	**20,500**
	2016	$	91,512	$	82,961	$	20,500
Ken Booth – Director	**2017**	**$**	**-**	**$**	**29,183**	**$**	**-**
	2016	$	-	$	20,428	$	-
Rhonda Hewko – Director	**2017**	**$**	**-**	**$**	**29,183**	**$**	**-**
	2016	$	-	$	37,621	$	-
Adrian Mann, former Director	**2017**	**$**	**-**	**$**	**-**	**$**	**-**
	2016	$	17,341	$	-	$	-
Aaron Triplett, former CFO	**2017**	**$**	**-**	**$**	**-**	**$**	**-**
	2016	$	44,563	$	-	$	-

(i) For the years ended 31 July 2017 and 2016.
(ii) Amounts disclosed were paid or accrued to the related party.

The total key management personnel compensation during the year ended 31 July 2017 was $618,900 (2016 - $766,478), represented by fees of $382,699 (2016 - $472,256) and $236,201 (2016 - $294,222) in share-based awards.

On 26 June 2017, the Company issued 589,164 common shares to Mike Weeks at $0.40 per share to settle $235,665 in amounts payable (Note 8). As part of the private placement dated 11 April 2017, the Company issued 312,500 common shares to settle $100,000 of debt. On 19 October 2016, the Company exercised 165,000 options at $0.25 per option on behalf of Terry Mereniuk as settlement of $41,250 in accounts payable. On 19 October 2016, the Company exercised 75,000 options at $0.25 per option on behalf of JP Dau in lieu of a cash bonus of $18,750 and exercised an additional 75,000 options on his behalf at $0.25 per option as settlement of $18,750 in accounts payable.

Subsequent to the year end, on 23 September 2017, the Company received a non-interest bearing loan in the amount of $55,000 from Mike Weeks, CEO. The loan is repayable within 6 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

15) Commitments

The Company previously entered into an exploration services agreement with Beijing Explo-Tech Engineering Co. Ltd. ("BETEC") under the following terms:

Cash payments due were $287,500 of which $203,500 was made during fiscal 2016 and $46,200 was paid during the year-ended 31 July 2017. In addition to the cash payments, the Company was due to issue BETEC shares of the Company with an aggregate value of $287,500.

During the year ended 31 July 2017, the Company renegotiated the terms of the agreement with BETEC such that all previous cash payments were deemed satisfied, and the shares issuable under the agreement were replaced with a cash payment due of $180,000. The renegotiated cash payment is payable in twelve equal monthly installments of $15,000 beginning on 1 December 2016. As at 31 July 2017, the Company has recorded $120,000 to BETEC in accounts payable and accrued liabilities.

16) Capital management

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

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, issue new debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including capital deployment, results from operations, results from the exploration and development of its properties and general industry conditions.

At 31 July 2017, the Company's capital structure consists of the share capital of the Company. The Company is not subject to any externally imposed capital requirements. In order to maximize ongoing development efforts, the Company does not pay dividends. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the size of the Company, is reasonable.

During the year ended 31 July 2017, there were no significant changes in the processes used by the Company or in the Company's objectives and policies for managing its capital. The Company expects that based on the proceeds from the planned financings, sufficient capital resources are available to support further expansion and development of its mining assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

17) Deferred income Tax

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

	31 July 2017	31 July 2016
Loss for the year	**$ (3,654,759)**	$ (2,976,384)
Expected income tax recovery at statutory rate of 26% (2016 - 26%)	**$ (950,237)**	$ (773,860)
Non-deductible share-based payments	**87,100**	112,247
Share issuance costs booked to equity	**(2,354)**	-
Utilization of tax basis of mineral property to offset taxes payable	**-**	-
Permanent differences, changes in estimates and other	**241,250**	(271,516)
Changes and differences in tax rates	**(72,518)**	(28,888)
Tax benefit not recognized	**696,759**	488,987
Reversal of prior year accrual	**-**	520,353
Total income tax expense (recovery)	**$ -**	$ (993,383)
Current tax expense (recovery)	**$ -**	$ (520,353)
Deferred tax expense (recovery)	**$ -**	$ (473,030)

a) Recognized deferred tax liabilities:

Certain expenditures capitalized for accounting purposes are considered current year expenses for tax purposes and form part of the Company's tax loss carry forward. Due to uncertainty in realizing the tax benefit of these tax loss carry forwards, the Company has not recognized the corresponding tax asset. As such, management has recognized a deferred tax liability in Cambodia related to the accounting value in excess of the tax value of the exploration and evaluation assets.

b) Unrecognized deferred tax assets

Management has not recognized deferred tax assets in any of the jurisdictions in which it currently operates due to the fact that it is not probable that these assets will be realized in the foreseeable future. The following represents deferred tax assets by jurisdiction using an estimated future tax rate of 26%.

	Canada	**Cambodia**	**2017**	2016
Share issuance costs	**$ 12,413**	**$ -**	**$ 12,413**	$ 21,060
Non-capital loss carry forwards	**3,274,507**	**-**	**3,274,507**	3,000,900
Charitable donations	**2,270**	**-**	**2,270**	2,270
Mineral properties	**-**	**635,411**	**635,411**	203,612
	$ 3,289,190	**$ 635,411**	**$ 3,924,601**	$ 3,227,842

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

c) Loss carry-forward by year of expiry:

	Canada	Cambodia	Total
2028	$ 12,481	$ -	12,481
2029	2,573,549	-	2,573,549
2030	110,363	-	110,363
2031	1,337,447	-	1,337,447
2032	1,675,941	-	1,675,941
2033	1,781,563	-	1,781,563
2034	1,260,215	-	1,260,215
2035	1,376,444	-	1,376,444
2036	966,508	-	966,508
2037	1,499,746	-	1,499,746
	$ 12,594,257	-	12,594,257

Management has not recognized deferred tax assets of other deductible temporary differences rated to share issuance costs in Canada of $47,741 (2016 - $81,000) and property plant and equipment in Cambodia of $2,947,977 (2016 - $1,376,637).

18) Subsequent events

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

On 29 September, 2017 the Company closed a non-brokered private placement, subject to TSX Venture Exchange approval. The Company completed the sale of 1,900,000 units at a purchase price of $0.30 per unit for gross proceeds of $570,000. The Company incurred $6,000 and 20,000 finder's warrants in share issuance costs. Each unit consists of one common share, and one full non-transferable share purchase warrant. Each full warrant will entitles the holder to acquire one common share at an exercise price of $0.35 for a period of 24 months from the closing date of the private placement. Of the total, approximately 166,673 units were purchased by insiders and management of Angkor. The common shares acquired by the subscribers are subject to a hold period of four months plus one day and may not be traded until January 29, 2018.

On 20 September, 2017 the Company received the approval of the Cambodian Ministry of Mines and Energy to proceed with its joint project with Renaissance Minerals Ltd ("Renaissance") on Angkor's wholly-owned Koan Nheak property. Renaissance is a subsidiary of Emerald Resources. This approval allows Angkor and Renaissance to proceed with their joint exploration plans of Koan Nheak under their Definitive Earn-In Agreement that was announced on 12 July 2017. The agreement terms include a total investment by Emerald Resources's subsidiary, Renaissance, for US$2 million in exploration and development expenditures plus a US$200,000 cash payment to the Company over a 2 year period for them to acquire a 51% participating interest in the Koan Nheak license. Upon completion of the initial earn in option, Renaissance has the right to acquire an additional 29% participating interest. After that, the Company will maintain a 20% participating interest in the property, or at their discretion can convert it to a 3.5% net smelter return on all metals. Renaissance will be the operator on the project throughout.

19) Comparative amounts

Certain amounts presented within the consolidated statement of loss and comprehensive loss for the year ended 31 July 2016 have been reclassified to conform to the presentation adopted in the current year. The net effect of these reclassifications on comprehensive loss for the year ended 31 July 2016 is Nil.