



# ANGKOR RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS

FOR THE NINE-MONTH PERIOD ENDED 30 APRIL 2023

**Stated in Canadian Dollars**

DATE: 28 JUNE 2023

*The Company has elected to provide "Quarterly Highlights" as provided for a venture issuer by Section 2.2.1 of National Instrument 51-102F1.*



## **TO OUR SHAREHOLDERS**

This Management Discussion and Analysis (“MD&A”) of Angkor Resources Corp. (“Angkor” or the “Company”) is dated on 28 June 2023 and provides information on the Company’s activities for the three months ended 30 April 2023, and subsequent activity to the date of this report. Consequently, this MD&A should be read in conjunction with the Condensed Interim Consolidated Financial Statements for the three-month period ended 30 April 2023, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), as applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting.

Effective the third quarter of its 2020 fiscal year, the Company elected to provide interim MD&A disclosure under the “Quarterly Highlights” regime as set out in Section 2.2.1 of National Instrument 51-102F1. Discussion of the Company, its operations and associated risks is further described in the Company’s filings, which include the 31 July 2022 MD&A and audited consolidated financial statements, available for viewing at [www.sedar.com/](http://www.sedar.com/)

## **INTRODUCTION**

Angkor Resources Corp. was incorporated under the laws of the Province of British Columbia, Canada on 16 October 2008 and has been primarily focused on resource exploration in Cambodia in both the mineral and the oil and gas energy sectors. Angkor’s three mineral exploration licenses in the Kingdom of Cambodia cover approximately 366 km<sup>2</sup> and to date have indicated copper and gold mineralization area with several porphyry systems on at least two of the three licenses.

In early 2019, the Company announced its intention to pursue oil and gas opportunities in Cambodia, and after negotiating through COVID for a PSC (Production Sharing Contract) for an onshore 7300 square kilometre energy/oil and gas license titled Block VIII, the Company was granted the license in September 2022. In early 2022, the Ministry of Mines and Energy of Cambodia requested the Company assist with funding and a proposed restart of an offshore oil production facility, wholly owned by the government of Cambodia. The Company underwent negotiations for a reduced Production Sharing Contract for this Project and now awaits final approval from the government ministries to proceed.

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange under the symbol ANK and under the OTCQB under the symbol ANKOF. In 2019 the Company changed its name from Angkor Gold Corp. to Angkor Resources Corp. to reflect its addition of an energy/oil and gas assets to its exploration portfolio.



As a resource optimizer, Angkor's business model is to secure opportunities in the resource sector that:

- provide development and/or production potential for minerals and energy solutions
- create quick pathways to revenue streams
- implement solid Environmental and Social platforms on its projects
- provide solutions to a problem with benefits for all stakeholders.

Specifically on the exploration components, the Company acquires licenses to properties to investigate for resource potential. Initial exploration and investigation is generally conducted by the Company. Not all projects are given equal priority at all times, and technical work programs depend on the availability of exploration funding, the Company's assessment of geological potential, and the potential interest from third parties. Not all projects or licenses may be considered "significant" or "material" as those terms are defined in Form 51-102F1, although they may become so in the future depending on a number of factors, or conversely, may no longer be considered "significant" or "material" should they fail to meet expectations and the necessary criteria over time. Licenses that fail to meet criteria are released from the Company's portfolio.

Since 2022, the Company's subsidiary EnerCam Resources (Cambodia) Co. Ltd., has held the right to pursue exploration to production activities for oil and gas on onshore Block VIII in the SW quadrant of Cambodia as well as its mineral subsidiary Angkor Gold Cambodia Co. Ltd, conducting its mineral exploration work.

Furthermore, since 2023, a gas/carbon capture project was commissioned in Saskatchewan Canada. Net proceeds from the project are expected to be received starting in June 2023, as the proceeds for the first several months of 2023 were deducted from operational startup costs.

As projects within the licenses show positive results through exploration, the Company may seek potential exploration and development partners to assist or fund further exploration by the Company with a view to further possible development. There is no fixed model for such arrangements with third parties but may generally include joint development agreements, funding agreements, earn-ins, partnerships, joint ventures and outright sale. As part of funding, earn-in and other agreements, Angkor generally negotiates a carried interest for the Company. Each agreement is negotiated on its own basis depending on the circumstances; specific terms may vary from agreement to agreement. The Company believes third party funding agreements benefit Angkor by reducing the need to go to public markets for capital financings that would result in greater shareholder dilution. The Company also believes that having multiple projects with funding agreements with third parties may serve to reduce some of the risk inherent in resource exploration and development.



## **QUARTERLY HIGHLIGHTS**

### **CORPORATE**

On April 25, The Company announced the increase in gas and carbon capture to over 450,000 cubic feet/day. By capturing gases otherwise vented to the atmosphere, the project was implemented to provide a revenue stream as well as reduce environmental emissions. The Project is located in Evesham, Saskatchewan.

### **EXPLORATION**

On February 9, the company announced its deep trenching project at the Wild Boar prospect on Andong Meas license. Previous exploration identified gold float samples to a depth of 1.0 meter and multiple, narrow in situ veins, forming an anomaly over several square kilometers.

On February 28, the Company announced the commencement of the Company's exploration on the Andong Bor copper gold porphyry property. After completion of the Initial Environmental and Social Assessment on the property, the sampled area of Thmei south required infill augering and sampling activities. Previously, the Company confirmed a copper gold porphyry system on the Thmei North prospect with similar results on the Thmei South prospect.

### **TRENDS, RISKS, AND MARKET CONDITIONS**

At the time of this report, the Company has completed deep trenching at the Wild Boar gold prospect on Andong Meas license, which holds several copper, gold, and base metal opportunities. As well, teams completed a sampling survey on the Andong Bor license and further sampling on the Oyadao North license in the northern section directly east of the Wild Boar prospect. As rains have started in the area, the Company will undertake evaluation and assessment of the various exploration programs.

During this past quarter, gold prices generally increased, ranging from \$1811 - \$2040 per ounce USD. Copper fluctuated between \$3.86 to \$4.07 USD per pound up from lower summer prices of 2022. Natural gas has seen a significant decrease from \$9.14 in August of 2022 to a current price of \$2.10 per 1000 cubic feet and oil has ranged between \$72 - \$77.50 USD per barrel during the quarter.

For Cambodia, who desperately wants its own source of energy, traditional oil and gas is very attractive and for that reason, the Company continues to seek solutions for the Kingdom to not only discover its own source of energy, but also to help in the development of upstream facilities like refineries, power generation with natural gas, LPG facilities, etc. The Company is currently pursuing partnership arrangements on the onshore Block VIII license and awaiting approval from the Ministry of Economics and Finance for its proposal for offshore recovery production on Block A.



## INTERIM FINANCIAL PERFORMANCE

The comprehensive loss for the nine-month period ended 30 April 2023 was \$807,086 compared to a comprehensive loss of \$2,075,760 in the comparative period. The main fluctuations in costs are as follows:

<b>Professional and consulting fees (rounded to the nearest '000)</b>	<b>9 Months 2023</b>	9 Months 2022	<b>3 months 2023</b>	3 months 2022
	\$ 367,000	\$ 318,000	\$ 100,000	\$ 147,000
<b>Variance</b>	<b>49,000</b>		<b>(47,000)</b>	

The increase in professional and consulting fees for the nine-month period ended 30 April 2023 is primarily a result of the increase in negotiation and public relations fees paid towards licensing in Cambodia and production efforts.

<b>Salaries, wages, and benefits (rounded to the nearest '000)</b>	<b>9 Months 2023</b>	9 Months 2022	<b>3 months 2023</b>	3 months 2022
	\$ 207,000	\$ 134,000	\$ 27,000	\$ 53,000
<b>Variance</b>	<b>73,000</b>		<b>(26,000)</b>	

The increase in salaries, wages and benefits for the nine-month period ended 30 April 2023 is due to the licensing and production efforts increasing in Cambodia and the increase in staffing levels as a result.

<b>Office and travel (rounded to the nearest '000)</b>	<b>9 Months 2023</b>	9 Months 2022	<b>3 months 2023</b>	3 months 2022
	\$ 194,000	\$ 202,000	\$ 90,000	\$ 76,000
<b>Variance</b>	<b>(8,000)</b>		<b>14,000</b>	

The increase in office and travel for the three-month period ended 30 April 2023 is due to increased marketing and travel efforts relating to exploration activities and licensing efforts with the government.

## LIQUIDITY AND FINANCIAL CONDITION OF THE COMPANY

The Company's working capital deficit (current assets less current liabilities) as at 30 April 2023 was \$2,437,720 compared with a working capital deficit of \$2,769,571 as at 30 April 2022.

Cash used in operating activities during the nine-month period ended 30 April 2023 totaled \$651,958 (30 April 2022 – \$418,342).



Cash used in investing activities during the nine-month period ended 30 April 2023 totaled \$222,141 (30 April 2022 – \$604,720).

Cash provided by financing activities during the nine-month period ended 30 April 2023 was \$286,151 (30 April 2022 - \$1,486,296).

Management believes raising capital is extremely challenging and therefore, it is paramount to continue to be innovative and seek special projects that will create cash flow opportunities. This quarter marked the continued startup of the gas processing at Evesham and although revenues occurred, they were offset by facility operating startup costs during December 2022, January and February of 2023. The project started with roughly 200,000 cubic feet per day and at the time of this report, the volume has increased to just over 500,000 cubic feet per day. The project is ongoing to build a revenue stream from the sale of natural gas into the Saskatchewan distribution system of the Ministry of Energy and Resources.

Additional sources of working capital may come from the earn-in agreements. The Company continues to seek exploration and development partners on other properties in its portfolio to further supplement revenue and working capital. Furthermore, the Company continues to seek resource opportunities that will create revenue streams that will provide recurring cashflow for its operations.

Although the Company has been successful in the past in obtaining financing, there can be no assurance that it will be able to obtain adequate financing in the future or that the terms of such financing may be favorable.



## MAJOR OPERATING MILESTONES

During the period under review, the Company completed the following:

- Completed the infill sampling program on the Thmei South project on the Andong Bor license
- Completed a deep trenching program on the Wild Boar project of the Andong Meas license
- Started a sampling project on Padol Village project of the Oyadao North license
- Met with Ministry of Mines and Energy to verify and finalize terms for restarting offshore production on Block A Apsara
- Pursued funding for onshore Block VIII for a two-phase project to indicate hydrocarbon resource requiring \$25-30 million USD
- Supported operational team at Evesham to increase gas / carbon capture and production from 200,000 to 450,000 cubic feet per day (450 MC) and infill in Saskatchewan Canada

## RELATED PARTY TRANSACTIONS

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

### RELATED PARTY DISCLOSURE – KEY MANAGEMENT PERSONNEL

Principal Position	Year	Remuneration or fees <sup>(i)</sup> <sup>(ii)</sup>	Share based payments <sup>(i)</sup>	Amounts Payable <sup>(ii)</sup>
Executive VP Operations	2023 Q3	\$ 75,174	\$ -	\$ 51,225
	2022 Q3	\$ 39,800	\$ -	\$ 60,321
CEO	2023 Q3	\$ 63,599	\$ -	\$ 419,324
	2022 Q3	\$ 46,125	\$ -	\$ 72,821
MNP LLP, a company of which the CFO is a Partner	2023 Q3	\$ 58,590	\$ -	\$ -
	2022 Q3	\$ 48,825	\$ -	\$ -
VP Exploration	2023 Q3	\$ 79,846	\$ -	\$ 71,286
	2022 Q3	\$ 73,826	\$ -	\$ 57,486

<sup>(i)</sup> For the period ended 30 April 2023 and 2022.

<sup>(ii)</sup> Amounts disclosed were paid or accrued to the related party

The total key management personnel compensation during the period ended 30 April 2023 was \$277,208 (2022 - \$208,576), represented by fees of \$277,208 (2022 - \$208,576), and \$nil (2022 - \$nil) in share-based



payments. These fees have been recorded in professional and consulting fees, wages and benefits, and social development in the statement of loss and comprehensive loss.

Included in the above table is a loan advanced to the Company of \$100,075 on 10 November 2021, by related parties including the CEO and Executive VP of Operations. The loan incurs interest at 4% annually, calculated and compounded monthly, is unsecured and has no fixed terms of repayment. The loan can be repaid by the Company in shares, at the discretion of the creditor, at the monthly average stock price during the month the shares are issued.

Included in the above table are loans advanced to the Company of \$100,000 and \$75,000 on 22 September 2022 and 26 October 2022, respectively, by related parties including the CEO. The loans are callable, incur interest at 4% annually, calculated and compounded monthly, are unsecured and have no fixed terms of repayment.

Included in the above table is a loan advanced to the Company of \$4,500 on 11 January 2023, by related parties including the CEO. The loan is callable, incur interest at 7% annually, calculated and compounded monthly, are unsecured and have no fixed terms of repayment.

Included in the above table is a loan advanced to the Company of \$51,000 on 21 February 2023, by related parties including the CEO. The loan is callable, incur interest at 7% annually, calculated and compounded monthly, are unsecured and have no fixed terms of repayment.

## **DISCLOSURE OF OUTSTANDING SHARE DATA**

As at 30 April 2023, the Company had 170,470,271 common shares issued and outstanding. As at the date of this report, the fully diluted amount of 217,739,279 includes warrants of 39,858,333 and options of 7,410,675.

## **QUALIFIED PERSON**

The technical and scientific information in this document has been reviewed and approved by Dennis Ouellette, B.Sc., P.Geo., a member of The Association of Professional Engineers and Geoscientists of Alberta (APEGA # 104257) and a Qualified Person as defined by National Instrument 43-101 ("NI 43-101"). He is the Company's VP of Exploration on site in Cambodia.

## **COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES**

As of the date of the MD&A, the Company does not have any commitments, expected or unexpected, or uncertainties.



## **RISK FACTORS**

In the Annual MD&A, the most significant risks faced by the Company were disclosed. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to consider the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.



## A CAUTIONARY TALE

This document contains “forward-looking information” which may include, but is not limited to, statements with respect to the future financial or operating performance of the Corporation, its subsidiaries and its projects, the future supply, demand, inventory, production and price of minerals, the estimation of reserves and resources, the realization of reserve estimates, the timing and amount of estimated future production, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters.

Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and/or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; changes in project parameters as plans continue to be refined; future prices of resources; possible variations of ore grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the resource industry; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities. Although the Corporation has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Respectfully submitted

On Behalf of the Board of Directors

“Delayne Weeks”

Delayne Weeks

CEO