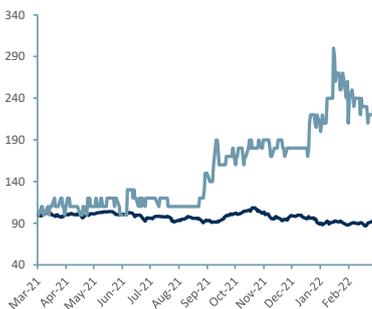


# BRIEFING NOTE

## 52 Wk. Lo/Hi

## 0.05 – 0.17



ANK.V (lighter line) TSXV market vs price relative

### Friday, 25 March 2022

Close Price	0.12
52 wk Range Low	0.05
52 wk Range High	0.17
MCAP (m)	C\$17.06
EV (m)	C\$18.16
Index: Public	TSXV
Financial YE	31-Jul
Currency	CAD

### Business Activity

Mining E&P

### Key Metrics

Gross debt (m)	C\$1.25
Cash (m)	C\$0.15
Net Debt (Cash) (m)	C\$1.10
Net Operating Cash (m)	-C\$1.03
Revenue (m)	\$0.0
Net Income (loss) (m)	-C\$6.72

### Key Ratios

(Net Cash) / Shareholder Equity %	6.48%
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### ACF Mining Research

TSXV Market Index

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# Angkor Resources Corp.

## Core Investment Case

Angkor Resources Corp (TSXV:ANK.V, OTCQB:ANKOF) is a Canadian mineral explorer with oil & gas (O&G) properties in Cambodia (present since 2012). The current portfolio includes two licenses in Andong Meas and Oyadao with multiple prospects for gold, copper, and rare earth elements (REE). Angkor is in the final stages of negotiating an O&G exploration license in Cambodia known as Block VIII in the Kampong-Som sedimentary basin. ANK.V is the only publicity-traded North American company with mineral assets in the mining friendly jurisdiction of Cambodia. Angkor is also targeting clean energy solutions in Cambodia and Canada via its subsidiary EnerCam (a potential revenue stream for the company).

- Mineral and O&G, Au, Cu, REE explorer w/ assets in Cambodia;
- No revenues as of 1Q22A (3-months ended 31 Oct 2021);
- Carbon/gas capturing clean energy project;
- Cash+& CE at C\$145.2k as of 31 Oct 2021.

CAD (m)	MCAP	EV	RoA %	RoE %	NCO	Levered FCF
2022	17.06	18.16	-74.20%	-199.69%	-1.0	0.7
Multiples						
	EV/ Revs	P/ S	Trail PE	BV/ Share	P/ B	Current
2022	N/A	N/A	N/A	0.00	50.43x	0.08x

## Investment Case

**Angkor Resources (ANK.V) – Necessities of Daily Living. Exploration stage O&G and minerals (Au, Cu, REE) explorer with assets in Cambodia.**

**Multiple exploration targets** – Angkor’s focus is the exploration and development of its two mineral exploration licenses: **Andong Meas License, Oyadao North Exploration License**. Its Andong Meas license covers an area of ~118 km<sup>2</sup> and includes **Canada Wall Prospect, Wild Boar Prospect, Gossan Hills Prospect and South Creek Prospect**. Angkor is waiting for final approval of the Production Sharing Contract on an exploration license for a 7,300 km<sup>2</sup> oil and gas region - **Block VIII**.

**Presence in favourable mining jurisdiction:** Cambodia offers favourable regulations to attract business and industry investments, including the adoption of a modern mining governance policy modeled on Western Australian mining law. The Cambodian government offers a 30% profit tax rate and a 3% royalty on precious metals. There are no restrictions for foreign-owned mining companies. In addition, Cambodia is investing in upgrading its infrastructure (upgraded highway conditions and roads as well as greater access to hydro power).

**Targeting the clean energy market:** Angkor via its subsidiary, EnerCam Exploration Ltd., is aiming to provide environmentally friendly energy solutions. Angkor is targeting energy-related prospects in Cambodia and Canada, which want to reduce greenhouse emissions and lower their carbon footprints whilst still providing energy in high demand locations. ANK.V is also examining the extraction of hydrogen from its Block VIII onshore O&G asset.

**Management team’s skin in the game:** Angkor Resources has an experienced leadership team with direct operational experience of working in the energy and minerals sector in developing countries. The management team holds ~23.2% of all outstanding shares.

## Catalysts

Positive drilling results at its properties; new strategic partnerships; increased demand for clean energy solutions; successful capital raise(s).

## Operational Strategy

Angkor's business strategy focuses on selecting strategic partners to advance each of its multiple prospects towards production. With a sizeable land package, strategic partnerships, favorable government policies, and positive exploration results; Angkor Resources aims to transition from a Cambodia explorer to a Cambodia mineral producer.

Angkor Resources has entered into 10 deals on its properties valued at a total US\$ 23m with several exploration partners such as Japan Oil, Gas and Metals National Corporation (JOGMEC), Emerald Resources NL (ASX: EMR) and Hommy 5 Resources Inc. ANK.V continues to seek exploration and development partners on other properties in its inventory to further supplement revenue and working capital.

ANK.V typically seeks partners to fund the whole or part of the exploration project. While this dilutes ANK.V's project interest, it helps to spread or minimize the risk for investors. ANK.V is planning to raise up to US\$ 3.13m in 1H22E to fund its projects.

**Aggressive exploration:** Global demand trends across a range of sectors and geographies strongly suggest rising demand for copper and energy. The Russia/Ukraine war has accelerated expectations for price increases, but the underlying drivers have been in place for at least three years. Angkor intends to pursue exploration at its properties aggressively.

Angkor has extensive exploration planned on the Andong Meas license, which holds several copper, gold, and rare earth (REE) opportunities. ANK.V is undertaking a research project with 10 members of the Institute of Technology of Cambodia (ITC). Angkor will facilitate soil, ground magnetics, diamond drilling sample collection and subsequent assays.

**Oyadao north license exploration target** - Oyadao is a 148 km<sup>2</sup> license with a potential gold resource yielding 40.2 GPT (grams per (metric) ton) via a Gold Grab Sample, using underground sampling.

**Block VIII O&G onshore concession:** Angkor's surveys indicate significant reserves – potential to create Cambodia's first onshore traditional oil & gas energy source that can transition towards renewables and establish the country as a producer rather than an energy importer. The renewables transition work is conducted by Angkor's subsidiary EnerCam.

**EnerCam:** Received approval from the Cambodian government to negotiate a Production Sharing Contract (PSC) on Block VIII (finalized ToA in 2021).

## Management Team

➤ **CEO, Delayne Weeks.**



Delayne has 30+ years of experience in corporate finance, business structure and international community development projects across five continents. Delayne has also consulted in economic development for municipalities across Western Canada and has owned and operated several successful private businesses.

➤ **VP Exploration, Dennis Ouellette.**



Dennis is Angkor's Qualified Person and a member of The Association of Professional Engineers and Geo-scientists of Alberta. Dennis has worked on exploration programs in Canada and internationally and as a geologist for Falconbridge and Goldquest (Goldcorp). He has also served as Manager of the Yukon Chamber of Mines.

➤ **Exec VP Operations, Mike Weeks.**



Mike was the founder of Angkor and has served as its CEO, President and Exec Chairman for 9+ years (2009-18). Mike has 35 years' experience in energy, power generation and mineral including petroleum project management. Mike has 20 years negotiating with foreign governments in the development and implementation of natural resource concessions. He is the largest single holder of Angkor's stock with >20m shares.

➤ **CFO, Benita Sauer.**



Benita is Angkor's CFO since July 2020. Benita is currently also a Senior Manager with MNP, a leading Canadian accountancy firm, and has worked as a CPA for 10+ years in public practice across a variety of industries. An Audit and Tax background enables Benita to manage a team of assurance professionals, drawing on the support of MNPs specialized teams for public company accounting needs.

## Risks

**Project development risk** – This includes failure to obtain a license or to discover or develop an economically recoverable ore reserve, to conclude a definitive feasibility study, and to obtain the necessary consents and approvals for the conduct of exploration and mining.

**Commodity price risk** – ANK.V is highly exposed to commodity price volatility. A potential fall in commodity prices could lead to its projects becoming economically unviable. Risk mitigation steps could include measures to hedge risk including steps such as stockpiling when prices are low and price hedging when prices rise above expectations.

**Funding availability** – Mining is a capital-intensive business and requires a significant amount of investment as well as working capital. If the company is unable to raise capital for its exploration and development activities, it will adversely impact the timelines for its projects. Also, too much new equity (raising money via issuing equity) will lead to dilution while debt funding will increase interest cost thereby putting further pressures on cash flows. ANK.V does not have an ESG policy at this time, which creates a significant potential barrier to funding, in our view. We estimate that in 2021 AUM \$30trn were formerly inaccessible to companies without an ESG with metrics. We believe the AUM filtered informally at this time using ESG filters is far in excess of AUM \$30trn.

**Regulatory risk** – Mining projects tend to attract high regulatory interest given their impact on the environment as well as on the country's natural resources. ANK.V's assets are located in Cambodia, with mining laws modeled after those of Western Australia. Failure to comply with them could lead to delay or complete shutdown of the development of the assets. In common with many junior miners ANK.V does not have an ESG policy or use big data collection and analysis at this time.

**Personnel risk** - Small and mid-sized corps are more dependent on their C-suite/executive management teams than large and mega-cap global corps. The loss of key personnel can have a disproportionate impact on valuation and perception compared to similar events at larger more mature (often ex-growth) companies.

**O&G risk** – The O&G industry is already heavily scrutinised and viewed as not being environmentally friendly – corporate and financial institutions are encouraged to divest from brown assets. Not having a robust ESG policy could be seen unfavourably by investors as a potential lack of transparency and accountability. The Russia/Ukraine war may alleviate this pressure in the immediate future.

## Notes [Intentionally Blank]

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