

# Angkor Signs USD \$3.65 Million Earn-In Agreement with Hommy Resources on Banlung Property



September 19, 2018 (Source) – Angkor Gold Corp. (TSXV: ANK and OTC: ANKOF) (“Angkor” or “the Company”) CEO Stephen Burega is pleased to announce that Angkor has entered into an Earn-In Agreement (the Agreement) with Canadian-based

private company, Hommy 5 Resources Inc. (“Hommy Resources”), on Angkor’s wholly-owned Banlung property in northeastern Cambodia. The Banlung property is one of Angkor’s five licenses in Cambodia.

“I am extremely pleased to announce Angkor has concluded a major, long-term funding agreement with Hommy Resources on our Banlung license,” said Angkor’s CEO Stephen Burega. “As the region’s most successful project generator, Angkor has been able to attract such development and funding partners as Japan’s JOGMEC and Australia’s Emerald Resources to our collection of gold and copper assets. The principals behind Hommy Resources are already shareholders of Angkor, and their stable funding of continued exploration on our highly prospective Banlung property will allow us to rapidly advance this asset.”

Angkor’s Banlung property includes two primary prospects – Okalla West and Okalla East with gold mineralization associated with an alkaline intrusive complex. The styles of mineralization and alteration observed during Angkor’s previous exploration are typical of mineralization associated

with alkaline systems. Drilling on the property is expected to begin in the coming dry season. Initial drilling at Okalla West will be aimed at prospective structurally-hosted gold anomalies. Gold with associated zinc, arsenic and lead anomalies are top priority.

Approximately USD \$1.2 million in work has been done at Banlung since the beginning of 2017, including shallow drilling to investigate and better understand the underlying structure. In addition to drilling, the entire license area has previously been the subject of an aeromagnetic survey, satellite imagery geological interpretation, with reconnaissance field truth mapping and multi-element stream sediment geochemical survey, as well as extensive grab sample, termite mound and auger sampling.

The Company previously reported a high-grade zone in 2011 which included an intercept of high grade gold at Okalla East of 86.0 gpt Au over 1m, at 101m to 102m in drill hole BL11-026 (see Company press release of March 1, 2018). Note that this is a selected interval of mineralization and is not necessarily representative of the mineralization hosted on the property. The link between gold mineralization and alkaline rocks can be found in many cases around the world, including some of the largest gold deposits such as the Cripple Creek deposit in Colorado, Brucejack Gold mine in Canada and Porgera in Papua New Guinea.

“I am particularly pleased that Dr. Adrian Mann is back as a consultant for Hommy Resources,” said Dennis Ouellette, Angkor’s VP of Exploration. “He has years of experience as Angkor’s former VP Exploration and is intimately familiar with the tremendous exploration potential at Okalla West and Okalla East. I look forward to working with him.”

The terms of the Agreement with Hommy Resources include a total investment by Hommy Resources of USD \$3.3 million in exploration and development expenditures plus cash payments to

Angkor of USD \$350,000 over a 3-year period for them to acquire a 51% participating interest in the Banlung license. Upon completion of the initial earn-in option, Hommy Resources has the right to acquire an additional 29% participating interest in the license with the commissioning, and completion of a Feasibility Study. After that, Angkor will maintain a 20% participating interest in the property through to production, or at Angkor's discretion, can convert to a 3.5% Net Smelter Return ("NSR") on all metals. Angkor will be the operator on the project until Hommy Resources acquires a 51% participating interest in the Banlung license.

### **Key Highlights of the Agreement:**

- Angkor has granted to Hommy Resources the sole and exclusive right and option to acquire up to a 80% Participating Interest in Angkor's Banlung license through the exercise of three milestones.
- The completion of the first Option will occur when Hommy Resources has spent a total of USD \$500,000 in exploration and development expenses within one year on the Banlung license with an additional cash payment to Angkor of USD \$150,000, at which point Hommy Resources will have earned a 20% participating interest.
- After Hommy Resources has fully paid the amounts referred to the First Option, Hommy Resources can elect to acquire a 51% Participating Interest, by incurring additional exploration & development expenditures of USD \$2,800,000 plus an additional USD \$200,000 cash payment to Angkor. All exploration and development expenditures by Hommy Resources must be completed no later than 720 days following the earning of the First Option.
- After Hommy Resources has earned the First and Second Options, Hommy Resources can elect to acquire an additional 29% Participating Interest by completing a Definitive Feasibility Study on the property before March 7, 2022.

- After the exercise of the Third Option, Angkor, in its sole discretion, may choose to continue to hold a 20% Participating Interest or to convert its 20% Participating Interest into a 3.5% NSR. Hommy Resources may also buy back from Angkor up to an undivided 1.5% NSR for an amount to be mutually agreed upon or set by arbitration, reducing Angkor's NSR to 2.0%.
- If Angkor chooses to hold its 20% Participating Interest, Hommy Resources will fund Angkor's share of the cost of exploration and development, which will be repaid by Angkor from future revenue from the property.
- Should there be a decision to mine, Angkor and Hommy Resources agree to fund the development and operation of any mining property in proportion to their Participating Interests after Hommy Resources has earned its Second Option of 51%. If Hommy Resources has not yet earned its full 51%, Hommy Resources will continue to make the exploration and development and other payments until it reaches its 51% vested interest before Angkor is required to co-fund. Angkor may decline at any time to co-fund the development and operation of the mining property and retain at its option a fixed and free-carried 20% Participating Interest through to production or a 3.5% NSR.
- Either Hommy Resources or Angkor may choose to convert all of Hommy Resources fully vested Participating Interest to common shares in Angkor at a fixed conversion price of CDN \$0.25 (twenty-five cents Canadian) per share, provided that if the conversion is at Hommy Resources request, Hommy Resources must first pay to Angkor the sum of USD \$100,000.

## **ABOUT ANGKOR GOLD CORP.**

ANGKOR Gold Corp. is a public company listed on the TSX-Venture Exchange and is a leading mineral explorer in Cambodia with a large land package and a first-mover advantage building

strong relationships with all levels of government and stakeholders.

#### **ABOUT HOMMY 5 RESOURCES INC.**

Hommy 5 Resources Inc. is a private company based in Alberta, Canada. It is a family fund of Canadian investors experienced in the resource sector.

Dennis Ouellette, B.Sc, P.Geo., is 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 Exploration and has reviewed and approved the technical disclosure in this release.

On behalf of the Board,  
Mike Weeks  
Executive Chairman, Angkor Gold Corp.

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