

ANGEL GOLD CORP.
(An Exploration Stage Company)

Condensed Consolidated Interim Financial Statements
For the Six Months Ended June 30, 2016
(Expressed in Canadian Dollars)
(Unaudited)

These unaudited condensed consolidated interim financial statements of Angel Gold Corp. for the six months ended June 30, 2016 have been prepared by management and approved by the Board of Directors. These unaudited condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

ANGEL GOLD CORP.
Condensed Consolidated Interim Statements of Financial Position
As at
(Unaudited)
(Expressed in Canadian Dollars)

	June 30, 2016	December 31, 2015 (Audited)
Assets		
Current		
Cash and cash equivalents	\$ 448,703	\$ 313,476
Receivables	5,192	3,700
Prepaid expenses	1,735	1,804
	455,630	318,980
Equipment (note 6)	47,415	54,131
Exploration and Evaluation Assets (note 7)	1,071,830	774,472
	\$ 1,574,875	\$ 1,147,583
Liabilities		
Current		
Accounts payable and accrued liabilities (notes 8 and 10)	\$ 441,097	\$ 435,321
Shareholders' Equity		
Capital Stock (note 9)	31,549,276	30,928,011
Reserves (note 9)	3,738,859	3,692,855
Deficit	(34,154,357)	(33,908,604)
	1,133,778	712,262
	\$ 1,574,875	\$ 1,147,583

Nature of operations and going concern (note 1)
Subsequent event (note 13)

Approved on behalf of the Board:

"Blanca Stella Frias" (signed)
..... Director
Blanca Stella Frias

"Allen V. Ambrose" (signed)
..... Director
Allen V. Ambrose

See notes to the condensed consolidated interim financial statements.

ANGEL GOLD CORP.**Condensed Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)**

	Three Months Ended June 30, 2016	Three Months Ended June 30, 2015	Six Months Ended June 30, 2016	Six Months Ended June 30, 2015
Expenses				
Amortization	\$ 44	\$ 44	\$ 88	\$ 88
Consulting and management fees (note 10)	80,635	57,757	123,822	109,835
Directors' fees (note 10)	30,934	29,280	63,889	59,000
Investor relations	-	6,000	-	15,000
Office and miscellaneous	1,601	818	2,601	1,475
Professional fees	4,043	3,126	4,043	4,670
Share-based payments (note 9(d) and 10(a))	31,315	6,765	46,004	28,511
Shareholder communications	4,483	5,306	4,963	13,309
Transfer agent and regulatory fees	4,462	2,739	11,566	9,182
Travel and related costs	1,553	-	1,553	5,148
Loss from operations	(159,070)	(111,835)	(258,529)	(246,218)
Other items				
Interest income	-	-	-	124
Foreign exchange gain (loss)	5,011	(187)	12,776	288
	5,011	(187)	12,776	412
Loss and comprehensive loss for the period	\$ (154,059)	\$ (112,022)	\$ (245,753)	\$ (245,806)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding	48,503,644	29,684,483	42,421,146	26,730,884

See notes to the condensed consolidated interim financial statements.

ANGEL GOLD CORP.
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Capital Stock			Reserves				Shareholders' Equity
	Common Shares	Amount	Deficit	Options	Warrants	Agent's Warrants		
Balance, December 31, 2014	23,471,898	\$ 29,971,933	\$ (33,371,095)	\$ 3,039,016	\$ -	\$ 538,149	\$ 178,003	
Loss and comprehensive loss for the period	-	-	(245,806)	-	-	-	(245,806)	
Shares issued for private placement	11,143,750	891,500	-	-	-	-	891,500	
Finders' units issued	366,750	-	-	-	-	-	-	
Share issuance costs	-	(10,317)	-	-	-	-	(10,317)	
Share-based payments	-	-	-	28,511	-	-	28,511	
Balance, June 30, 2015	34,982,398	\$ 30,853,116	\$ (33,616,901)	\$ 3,067,527	\$ -	\$ 538,149	\$ 841,891	
Balance, December 31, 2015	36,338,648	\$ 30,928,011	\$ (33,908,604)	\$ 3,127,581	\$ 27,125	\$ 538,149	\$ 712,262	
Loss and comprehensive loss for the period	-	-	(245,753)	-	-	-	(245,753)	
Shares issued for private placement	12,500,600	625,030	-	-	-	-	625,030	
Finder's units issued	60,000	2,995	-	-	-	-	2,995	
Share issuance costs	-	(6,760)	-	-	-	-	(6,760)	
Share-based payments	-	-	-	46,004	-	-	46,004	
Balance, June 30, 2016	48,899,248	\$ 31,549,276	\$ (34,154,357)	\$ 3,173,585	\$ 27,125	\$ 538,149	\$ 1,133,778	

See notes to the condensed consolidated interim financial statements.

ANGEL GOLD CORP.
Condensed Consolidated Interim Statements of Cash Flows
Six Months Ended June 30,
(Unaudited)
(Expressed in Canadian Dollars)

	2016	2015
Operating Activities		
Loss for the period	\$ (245,753)	\$ (245,806)
Items not involving cash:		
Amortization	88	88
Share-based payments	46,004	28,511
	(199,661)	(217,207)
Changes in non-cash working capital items:		
Receivables	(1,492)	(6,803)
Prepaid expenses	69	(54)
Accounts payable and accrued liabilities	7,523	120,308
Cash Used in Operating Activities	(193,561)	(103,756)
Financing Activity		
Proceeds from shares issued, net of share issuance costs	621,265	881,183
Cash Provided by Financing Activity	621,265	881,183
Investing Activities		
Purchase of equipment	-	(2,880)
Expenditures on exploration and evaluation assets	(292,477)	(421,525)
Cash Used in Investing Activity	(292,477)	(424,525)
Change in Cash and Cash Equivalents	135,227	353,022
Cash and Cash Equivalents, Beginning of Period	313,476	186,885
Cash and Cash Equivalents, End of Period	\$ 448,703	\$ 539,907
Supplementary Cash Flow Information		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Non-cash items:		
Exploration and evaluation expenditures in accounts payable and accrued liabilities	\$ 83,290	\$ 62,506
Amortization included in exploration and evaluation assets	\$ 6,628	7,574

See notes to the condensed consolidated interim financial statements.

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Angel Gold Corp. (the "Company") was incorporated under the laws of British Columbia on August 8, 1988. The Company is engaged in the acquisition and exploration of mineral properties in Colombia. The Company's head office and principal address is located at 545 – 999 Canada Place, Vancouver, British Columbia, Canada V6C 3E1, and its registered records office is 2080 – 777 Hornby Street, Vancouver, British Columbia, Canada V6Z 1S4.

These unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which presumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

Several conditions cast significant doubt on the validity of this assumption. The Company incurred a loss of \$245,753 during the six months ended June 30, 2016 (2015 - \$245,806). As at June 30, 2016, the Company had an accumulated deficit of \$34,154,357 (December 31, 2015 - \$33,908,604) and had a working capital position of \$14,533 (December 31, 2015 – working capital deficiency of \$116,341).

The ability of the Company to continue as a going concern and meet its commitments as they become due, including the acquisition, exploration and development of its exploration and evaluation assets, is dependent on the Company's ability to obtain the necessary financing. Management is planning to raise additional capital to finance operations and to acquire and explore its exploration and evaluation assets. During the six months ended June 30, 2016, the Company received gross proceeds of \$625,030 in conjunction with the closing of a private placement (see note 9).

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its debts and liabilities, and maintain its exploration and evaluation assets. The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to continue exploration of these properties, and future profitable production or proceeds from disposition. The carrying value of the Company's exploration and evaluation assets does not reflect current or future values.

These unaudited condensed consolidated interim financial statements do not include any adjustments for the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

2. BASIS OF PREPARATION

These unaudited condensed consolidated interim financial statements were reviewed by the Audit Committee and approved and authorized for issue on August 29, 2016 by the Board of Directors of the Company.

(a) Principles of consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Angel Gold S.A.S. All intercompany accounts and transactions have been eliminated on consolidation.

(b) Statement of Compliance

These unaudited condensed consolidated interim financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC").

(c) Basis of preparation

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss ("FVTPL"), which are stated at their fair value. In addition, these unaudited condensed consolidated interim financial statements have been prepared using the accrual basis of accounting except for cash flow information. These unaudited condensed consolidated interim financial statements are presented in Canadian dollars unless otherwise noted.

3. NEW ACCOUNTING STANDARDS

New accounting pronouncement

The following new standard has been issued by the IASB, but is not yet effective:

IFRS 9 *Financial Instruments* (2014)

This is a finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

3. NEW ACCOUNTING STANDARDS (continued)

- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- De-recognition. The requirements for the de-recognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to the Company's annual period beginning on January 1, 2018.

4. FINANCIAL INSTRUMENTS

The Company has designated its cash and cash equivalents as FVTPL; and accounts payable and accrued liabilities, as other financial liabilities.

The carrying values of cash and cash equivalents and accounts payable and accrued liabilities approximate their fair values due to the short term to maturity of the instruments.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

Concentration of credit risk exists with respect to the Company's cash and cash equivalents. The Company's cash and cash equivalents are substantially held with a single major Canadian financial institution and with a major Colombian financial institution.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	June 30, 2016	December 31, 2015
Bank accounts and GICs in Canada	\$ 370,886	\$ 220,434
Bank account in Colombia	77,817	93,042
	\$ 448,703	\$ 313,476

(b) Liquidity risk

Liquidity risk is the risk the Company will be unable to meet its financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required for operations and anticipated investing and financing activities.

The Company's cash and cash equivalents at June 30, 2016 totalled \$448,703 (December 31, 2015 - \$313,476). At June 30, 2016, the Company had accounts payable and accrued liabilities of \$441,097 (December 31, 2015 - \$435,321). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. The Company is not exposed to other price risk. The Company is exposed to market risks as follows:

(i) Interest rate risk

Interest rate risk consists of two components:

- (a) To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.
- (b) To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

The Company's cash and cash equivalents consist of cash held in bank accounts and cashable GICs with fixed interest rates. Accordingly, due to the short-term nature of these financial instruments, fluctuations in market rates will not have a significant impact on estimated cash flows or fair values as of June 30, 2016.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value of the Company's financial assets and liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars.

The Company operates in Canada and Colombia and a portion of its expenses are incurred in Colombian pesos and US dollars. A significant change in the exchange rate between the Canadian dollar relative to the Colombian peso and US dollar could have a material effect on the Company's results of operations, financial position and cash flows. The Company does not manage currency risk through hedging or other currency management tools.

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

4. FINANCIAL INSTRUMENTS (Continued)

(c) Market risk (continued)

(ii) Foreign currency risk (continued)

As at June 30, 2016 and December 31, 2015, the Company is exposed to currency risk through the following financial asset and liabilities denominated in Colombian pesos:

	June 30, 2016		December 31, 2015	
	Colombian pesos	Cdn \$	Colombian pesos	Cdn \$
Cash	175,148,390	77,817	211,286,347	93,042
Accounts payable	(31,757,108)	(14,108)	(15,532,653)	(6,840)
Net exposure	143,391,282	63,709	195,753,694	86,202

Assuming all other variables remain constant, a 4% (2015 - 4%) weakening or strengthening of the Canadian dollar against the Colombian peso would result in a change of approximately \$2,550 (December 31, 2015 - \$3,450) to loss and comprehensive loss.

5. CAPITAL MANAGEMENT

The Company considers its capital under management to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition and exploration of exploration and evaluation assets. The Board of Directors does not establish a quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The property in which the Company currently has an interest is in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Although the Company has been successful at raising funds in the past through obtaining equity financing, it is uncertain whether it can continue this financing.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the six months ended June 30, 2016. The Company is not subject to externally imposed capital requirements.

ANGEL GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****Six Months Ended June 30, 2016****(Unaudited)****(Expressed in Canadian Dollars)****6. EQUIPMENT****Cost**

Balance, December 31, 2014 \$ 117,638

Additions 4,169

Balance, December 31, 2015 and June 30, 2016 121,807

Accumulated Amortization

Balance, December 31, 2014 \$ 55,637

Amortization 12,039

Balance, December 31, 2015 67,676

Amortization 6,716

Balance, June 30, 2016 \$ 74,392

Carrying Amount

December 31, 2015 \$ 54,131

June 30, 2016 \$ 47,415

ANGEL GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****Six Months Ended June 30, 2016****(Unaudited)****(Expressed in Canadian Dollars)****7. EXPLORATION AND EVALUATION ASSETS**

	El Porvenir	El Pino West	Total
Balance, December 31, 2014	\$ 97,079	\$ -	\$ 97,079
Acquisition costs			
Property acquisition	29,429	-	29,429
Expenditures			
Amortization	11,863	-	11,863
Administration	230,813	-	230,813
Assaying	61,323	1,668	62,991
Consulting	187,233	-	187,233
Reports	38,029	-	38,029
Salaries and wages	87,175	-	87,175
Travel costs	29,860	-	29,860
Expenditures for the year	646,296	1,668	647,964
Balance, December 31, 2015	772,804	1,668	774,472
Acquisition costs			
Property acquisition	-	-	-
Expenditures			
Amortization	6,716	-	6,716
Administration	70,763	-	70,763
Assaying	89,094	-	89,094
Consulting	54,921	1,200	56,121
Salaries and wages	56,239	-	56,239
Travel costs	18,425	-	18,425
Expenditures for the period	296,158	1,200	297,358
Balance, June 30, 2016	\$ 1,068,962	\$ 2,868	\$ 1,071,830

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

(a) El Porvenir, Colombia

On November 14, 2014, the Company entered into an Option Agreement with Mineros S.A. ("Mineros") for the 100% acquisition of the El Porvenir gold property, located within the Segovia-Remedios gold belt in the Department of Antioquia, Colombia. The payment terms of the agreement are as follows:

- US \$50,000 upon signing (paid);
- US \$50,000 due 90 days after signing (known as the "Due Diligence and Approval Period") (paid);
- US \$100,000 due by the second anniversary of the Due Diligence and Approval Period;
- US \$400,000 due by the third anniversary of the Due Diligence and Approval Period;
- US \$400,000 due by the fourth anniversary of the Due Diligence and Approval Period; and
- US \$1,000,000 due by the fifth anniversary of the Due Diligence and Approval Period.

The Company must also incur the following expenditures, totaling US \$5,200,000:

- US \$200,000 in year one (incurred);
- US \$500,000 in year two; and
- US \$1,500,000 in each of years three, four and five.

Upon earning the 100% interest in the property, the Company will grant a 3% net smelter royalty ("NSR") to Mineros.

During the year ended December 31, 2014, the Company received final regulatory approval for the transaction.

During the six months ended June 30, 2016, the option agreement was amended to allow for an immediate transfer of the concession titles to the Company and to allow for fifty tonnes per day of production without additional payment under the agreement. The modified agreement sees changes to the financial guarantees to the vendor, which will now be: 1) a promissory note to guarantee the payments stipulated in the original agreement; 2) a promissory note to guarantee the payment of the NSR stipulated in the original agreement; and 3) a pledge agreement without withholding to guarantee the completion of the financial obligations contained in the price and NSR clauses of the agreement.

(b) El Pino West & Heliconia

During the year ended December 31, 2015, the Company received the concession contracts for the El Pino West & Heliconia properties in Colombia from the Secretary of Mines of Antioquia, Colombia, requesting the Company's formal execution thereof. The Company is now waiting for approval by the Antioquia governor and registration of the contracts with the National Mining Registry.

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

7. EXPLORATION AND EVALUATION ASSETS (Continued)

(c) Realization of assets

The investment in and expenditures on exploration and evaluation assets comprise a significant portion of the Company's assets. Realization of the Company's investment in exploration and evaluation assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal.

Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(d) Title to exploration and evaluation assets

Although the Company has taken steps to verify the title to its exploration and evaluation asset in which it has an interest, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects.

(e) Environmental

The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters. The Company may also be held liable should environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it has previously had an interest.

The Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions.

If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the properties may be diminished or negated.

ANGEL GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****Six Months Ended June 30, 2016****(Unaudited)****(Expressed in Canadian Dollars)****8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	June 30, 2016	December 31, 2015
Trade payables	\$ 24,618	\$ 19,234
Accrued liabilities	20,000	20,000
Due to related parties (note 10)	396,479	396,087
	\$ 441,097	\$ 435,321

9. CAPITAL STOCK**(a) Authorized**

Unlimited number of common shares without par value.

Unlimited number of preferred shares with a par value of \$1 each.

(b) Issued

During the six months ended June 30, 2016, the Company completed a non-brokered private placement, raising gross proceeds of \$625,030 through the issuance of 12,500,600 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.10. The Company issued 60,000 finder's units, which have the same terms as the private placement units. The Company incurred share issuance costs totaling \$6,760.

During the year ended December 31, 2015, the Company entered into the following capital stock transactions:

(i) During March 2015, the Company closed the first tranche of a non-brokered private placement, raising gross proceeds of \$392,500 through the issuance of 4,906,250 units at a price of \$0.08 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.16. Total share issuance costs were \$2,848.

(ii) During June 2015, the Company closed the second tranche of a non-brokered private placement, raising gross proceeds of \$499,000 through the issuance of 6,237,500 units at a price of \$0.08 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.16. In conjunction with the financing, the Company issued 366,750 finder's units with a value of \$29,340. The finder's units have the same terms as the private placement units. Additional share issuance costs were \$989.

ANGEL GOLD CORP.**Notes to the Condensed Consolidated Interim Financial Statements****Six Months Ended June 30, 2016****(Unaudited)****(Expressed in Canadian Dollars)****9. CAPITAL STOCK (Continued)**

- (iii) During July 2015, the Company closed the third and final tranche of a non-brokered private placement, raising gross proceeds of \$108,500 through the issuance of 1,356,250 units at a price of \$0.08 per unit. Each unit is comprised of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share for a period of two years at a price of \$0.16. Total share issuance costs were \$6,480.

(c) Warrants outstanding

Share purchase warrants outstanding and exercisable as at June 30, 2016 are as follows:

	Number of Warrants	Weighted Average Exercise Price
Outstanding, December 31, 2014	9,006,168	\$ 0.26
Expired	(1,022,170)	\$ 1.50
Issued	6,433,375	\$ 0.16
Outstanding, December 31, 2015	14,417,373	\$0.13
Issued	6,280,300	\$0.10
Outstanding, June 30, 2016	20,697,673	\$0.12

Share purchase warrants outstanding and exercisable are as follows:

Expiry Date	Exercise Price	Number of Warrants	
		June 30, 2016	December 31, 2015
March 30, 2016	\$ 0.10	-	12,000
March 25, 2017	\$ 0.16	2,453,125	2,453,125
March 30, 2017 ⁽¹⁾	\$ 0.10	7,983,998	7,983,998
June 11, 2017	\$ 0.16	3,302,125	3,302,125
July 1, 2017	\$ 0.16	678,125	678,125
March 31, 2018	\$ 0.10	5,380,300	-
April 19, 2018	\$ 0.10	900,000	-
		20,697,673	14,429,373
Weighted average remaining life of warrants		1.08 years	1.30 years

- (1) During the six months ended June 30, 2016, the expiry date of these warrants were extended from March 30, 2016 to the earlier of March 30, 2017 and the day that is the 20th day following five consecutive trading days after March 30, 2016 during which the shares of the Company trade at a daily closing price of at least \$0.12 per share.

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

9. CAPITAL STOCK (Continued)

(d) Stock options

The Company has a rolling stock option plan, which allows the Board of Directors to grant options to directors, officers, employees and consultants. Under the terms of the option plan, options may be granted to a maximum of 10% of the issued common shares, subject to TSX Venture Exchange approval.

A summary of the status of the Company's outstanding stock options as at June 30, 2016 and December 31, 2015 and changes during the respective periods are as follows:

	Number of Options	Weighted Average Exercise Price
Outstanding, December 31, 2014	2,300,500	\$ 0.28
Forfeited	(378,000)	\$ 1.09
Granted	1,575,000	\$ 0.16
Outstanding, December 31, 2015	3,497,500	\$0.13
Forfeited	(70,000)	\$ 0.16
Granted	1,462,425	\$ 0.16
Outstanding, June 30, 2016	4,889,925	\$0.14

During the six months ended June 30, 2016, the Company granted stock options to its directors, officers and consultants to acquire up to 1,462,425 common shares of the Company with an exercise price of \$0.16 per share. The stock options vest 50% on November 8, 2016 and 50% on May 8, 2017. The total fair value of the stock options granted was \$96,223. The fair value of the stock options was calculated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate 0.79%; expected life 5 years; expected volatility 135%; dividend rate 0%; and forfeiture rate 0%.

Expected stock price volatility was derived from an average volatility based on historical movements in the closing prices of the Company's stock.

Share-based payment expense for the six months ended June 30, 2016 totalled \$46,004 (2015 - \$28,511) and includes \$14,688 of expense relating to previously-granted stock options.

All options granted by the Company vest on the following terms:

- Grant date; or
- Vest over 12 months, with one-half vesting six months from the grant date and the remaining half on the first anniversary of the grant date; or
- Options granted to consultants for investor relations vest over 12 months with no more than one-quarter of the options vesting in any three-month period.

A total of 2,214,925 options remain to be vested as at June 30, 2016 (December 31, 2015 – 1,575,000).

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

10. RELATED PARTY TRANSACTIONS

- (a) Key management personnel comprise the Chief Executive Officer and directors of the Company. The remuneration of the key management personnel for the six months ended June 30, 2016 is as follows:

	2016	2015
Short-term employee benefits	\$ 143,331	\$ 147,834
Share-based payments	\$ 36,881	\$ 16,645

- (i) Included in short-term employee benefits are management fees of \$79,442 (2015 - \$88,835) paid or accrued to key management personnel and \$63,889 (2015 - \$59,000) of directors' fees paid or accrued during the six months ended June 30, 2016.
- (ii) Share-based payments pertain to vesting of previously granted options to key management personnel.
- (b) Included in accounts payable and accrued liabilities is \$396,479 (December 31, 2015 - \$396,087) due to directors, officers and companies controlled by directors of the Company. The amount due to the related parties has no specific terms of repayment, is unsecured and non-interest-bearing.

11. CONTINGENT LIABILITY

A former consultant to the Company, whose services to the Company terminated during fiscal 2011, initiated a claim against the Company's subsidiary, Angel Gold S.A.S., during the year ended December 31, 2014. The Company had filed a response to this claim stating that it was without any legal basis and without an amount that is determinable. On September 23, 2015, the Colombia courts rendered a decision in favour of the Company and, as a result, no amount is owing to the claimant. On November 23, 2015, the former consultant filed an appeal to the court decision.

12. SEGMENTED INFORMATION

The Company has one operating segment, mineral exploration in Colombia. The following geographic data includes assets based on their physical location. Geographic segmentation of the Company's assets are as follows:

June 30, 2016	Colombia	Canada	Total
Exploration and evaluation asset	\$ 1,071,830	\$ -	\$ 1,071,830
Equipment	46,893	522	47,415
	\$ 1,118,723	\$ 522	\$ 1,119,245
December 31, 2015	Colombia	Canada	Total
Exploration and evaluation asset	\$ 774,472	\$ -	\$ 774,472
Equipment	53,521	610	54,131
	\$ 827,993	\$ 610	\$ 828,603

ANGEL GOLD CORP.

Notes to the Condensed Consolidated Interim Financial Statements

Six Months Ended June 30, 2016

(Unaudited)

(Expressed in Canadian Dollars)

13. SUBSEQUENT EVENT

During July 2016, the Company issued 391,667 common shares, for proceeds totaling \$39,167, in conjunction with the exercise of share purchase warrants.