



PRESS RELEASE

PR. No. 303/2022

ASANTE GOLD CORPORATION (ASG)-

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND SIX MONTHS ENDED JULY 31, 2022

ASG has released its Unaudited Financial Statements for the three and six months ended July 31, 2022 as per the attached.

Issued in Accra, this 16th
day of September 2022.

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att'd.

Distribution:

1. All LDMs
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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars - unaudited)

For the three and six months ended July 31, 2022 and 2021

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - Unaudited

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The management of Asante Gold Corporation is responsible for the preparation of the accompanying unaudited condensed interim consolidated financial statements. The unaudited condensed interim consolidated financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim consolidated financial statements and are in accordance with IAS 34 - Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - Unaudited

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - Unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	July 31, 2022	January 31, 2022
	\$	\$
ASSETS		
Current Assets		
Cash	108,572,704	5,849,478
Receivables	476,073	95,884
Prepaid expenses and deposits	13,662,162	7,738,533
Marketable securities (Note 6)	5,917,224	7,509,281
Total Current Assets	128,628,163	21,193,176
Non-Current Assets		
Inventories (Note 7)	24,175,958	2,052,761
Prepaid expenses	1,008,546	707,006
Reclamation bonds (Note 8)	3,466,243	3,466,243
Property, plant and equipment (Note 9)	220,508,558	97,500,488
Mineral properties (Note 9)	101,789,915	-
Loans receivables	350,811	113,856
Exploration and evaluation assets (Note 10)	10,445,639	8,517,471
Development properties (Note 11)	-	93,300,798
Total Assets	490,373,833	226,851,799
LIABILITIES		
Current Liabilities		
Trade and other payables	104,318,468	11,949,338
Due to related parties (Note 20)	1,944,752	495,503
Short term loans - related parties (Note 20)	-	1,483,684
Deferred payments (Note 5 and 12)	41,793,919	74,588,849
Current portion of rehabilitation provision (Note 13)	1,391,909	1,391,909
Current tax liabilities (Note 5)	23,989,925	22,355,201
Deferred revenue (Note 14)	128,742,452	-
Other current liabilities (Note 22)	-	9,851,400
Total Current Liabilities	302,181,425	122,115,884
Long Term Liabilities		
Rehabilitation provision (Note 13)	10,412,567	10,412,567
Other liabilities	1,722,319	487,357
Total Liabilities	314,316,311	133,015,808
Shareholders' Equity		
Share capital (Note 15)	191,955,314	91,923,970
Reserve for share-based payments (Note 16)	23,217,717	5,323,838
Reserve for warrants (Note 15)	377,734	417,286
Accumulated other comprehensive income	3,408,759	716,229
Accumulated deficit	(54,154,587)	(16,593,315)
Equity attributable to shareholders of the Company	164,804,937	81,788,008
Non-controlling interest (Note 17)	11,252,585	12,047,983
Total Equity	176,057,522	93,835,991
Total Liabilities and Equity	490,373,833	226,851,799

Going concern (Note 2c)
Subsequent events (Note 24)

"Alex Heath & Douglas MacQuarrie"

Signed on behalf of the Board of Directors

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - Unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

	For the three months ended July 31,		For the six months ended July 31,	
	2022	2021	2022	2021
	\$	\$	\$	\$
Expenses				
Advertising, trade shows and promotions	168,769	4,832	310,633	6,952
Depreciation (Note 9)	8,742,127	-	11,805,357	-
Finance charge (Notes 5, 12, and 14)	6,184,522	-	6,222,060	-
Foreign exchange loss (gain)	(7,971,365)	29,704	(7,564,278)	64,706
General office	118,723	30,530	223,151	41,837
Management and consulting fees (Note 20)	1,350,565	119,378	4,100,483	208,306
Professional services (Note 20)	298,731	205,034	514,205	241,158
Share-based payments (Notes 16 and 20)	3,625,785	-	18,018,524	92,532
Shareholder communications	99,567	26,705	264,115	40,541
Transfer agent and regulatory fees	88,039	7,110	248,851	10,185
Travel	128,248	35,212	231,558	35,434
	12,833,711	458,505	34,374,659	741,651
Other item				
Interest income	(173,098)	-	(173,098)	-
Unrealized loss on investment (Note 6)	4,289,988	-	4,592,057	-
Loss for the period	(16,950,601)	(458,505)	(38,793,618)	(741,651)
Loss attribute to:				
Shareholders of the Company	(16,076,388)	(458,505)	(37,613,082)	(741,651)
Non-controlling interest	(874,213)	-	(1,180,536)	-
Loss for the period	(16,950,601)	(458,505)	(38,793,618)	(741,651)
Other comprehensive income				
Currency translation adjustment - shareholders of the Company	2,971,926	99,147	2,692,530	(147,363)
Total comprehensive loss for the period	(13,978,675)	(359,358)	(36,101,088)	(889,014)
Comprehensive loss attribute to:				
Shareholders of the Company	(13,104,462)	(359,358)	(34,920,552)	(889,014)
Non-controlling interest	(874,213)	-	(1,180,536)	-
Total comprehensive loss for the period	(13,978,675)	(359,358)	(36,101,088)	(889,014)
Loss per common share (basic and diluted) attributed to				
Shareholders of the Company	(0.04)	(0.00)	(0.11)	(0.01)
Weighted average number of common shares outstanding (basic and diluted)	315,372,571	137,075,364	305,189,650	116,929,608

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - Unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Number of Shares Issued	Share Capital	Reserve for Share- Based Payment	Reserve for Warrants	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Non- Controlling Interest	Total Shareholders' Equity
		\$	\$	\$	\$	\$		\$
Balance at January 31, 2021	87,921,909	9,452,035	1,392,818	302,680	(8,115,445)	496,928	-	3,529,016
Common shares and warrants								
issued for cash	46,775,100	7,016,265	-	-	-	-	-	7,016,265
Issuance costs	-	(388,963)	-	-	-	-	-	(388,963)
Finders shares	935,502	219,843	-	-	-	-	-	219,843
Finders warrants	-	-	-	134,706	-	-	-	134,706
Advance subscriptions	-	3,750,000	-	-	-	-	-	3,750,000
Options exercised	1,011,348	214,877	(91,972)	-	-	-	-	122,905
Warrants exercised	1,301,451	102,218	-	-	-	-	-	102,218
Share based payments	-	-	92,532	-	-	-	-	92,532
Net loss for the period	-	-	-	-	(741,651)	-	-	(741,651)
Currency translation adjustment	-	-	-	-	-	(147,363)	-	(147,363)
Balance at July 31, 2021	137,945,310	20,366,275	1,393,378	437,386	(8,857,096)	349,565	-	13,689,508
Balance at January 31, 2022	253,691,381	91,923,970	5,323,838	417,286	(16,593,315)	716,229	12,047,983	93,835,991
Common shares issued for cash	58,431,914	102,255,850	-	-	-	-	-	102,255,850
Common share issued for exploration and evaluation assets	250,000	325,000	-	-	-	-	-	325,000
Issuance costs	-	(3,223,610)	-	-	-	-	-	(3,223,610)
Options exercised	550,000	155,335	(72,835)	-	-	-	-	82,500
Options expired	-	-	(51,810)	-	51,810	-	-	-
Warrants exercised	4,299,167	518,769	-	(39,552)	-	-	-	479,217
Share based payments	-	-	18,018,524	-	-	-	-	18,018,524
Change in non-controlling interest	-	-	-	-	-	-	385,138	385,138
Net loss for the period	-	-	-	-	(37,613,082)	-	(1,180,536)	(38,793,618)
Currency translation adjustment	-	-	-	-	-	2,692,530	-	2,692,530
Balance at July 31, 2022	317,222,462	191,955,314	23,217,717	377,734	(54,154,587)	3,408,759	11,252,585	176,057,522

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - Unaudited

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the six months ended July 31,	
	2022	2021
	\$	\$
Cash flows used in operating activities		
Loss for the period	(38,793,618)	(741,651)
Items not affecting cash		
Depreciation	11,805,357	-
Finance charge	559,063	-
Foreign exchange	-	64,706
Share-based payments	18,018,524	92,532
Unrealized loss on investment	4,592,057	-
Changes in non-cash working capital items		
Prepaid expenses and deposits	(6,225,169)	(1,358,338)
Receivables	(380,189)	(38,505)
Trade and other payables	655,105	32,653
Inventories	(22,123,197)	-
Loan receivables	(236,955)	407
Due to related parties	(34,435)	106,449
	(32,163,457)	(1,841,747)
Cash flows used in investing activities		
Purchase of property, plant and equipment	(54,845,771)	(171,003)
Investment in marketable securities	(3,000,000)	-
Investment in exploration and evaluation assets	(1,314,941)	(1,970,129)
	(59,160,712)	(2,141,132)
Cash flows from financing activities		
Shares and warrants issued for cash	102,255,850	7,016,265
Advance subscriptions	-	3,750,000
Issuance costs	(3,223,610)	(34,414)
Warrants exercised	479,217	102,218
Options exercised	82,500	122,905
Proceeds from deferred revenue	130,150,000	-
Repayment of short term loan	-	(59,500)
Other liabilities	1,234,962	-
Repayment of deferred payments	(38,229,000)	-
	192,749,919	10,897,474
Effect of foreign exchange on cash	1,297,476	(301,978)
Total increase in cash	102,723,226	6,612,617
Cash at beginning of the period	5,849,478	479,098
Cash at end of the period	108,572,704	7,091,715
Supplemental cash-flow disclosure:		
Interest paid	-	-
Income taxes paid	-	-
Supplemental Non-cash disclosure:		
Share issued for exploration and evaluation assets acquisitions	325,000	-
Reclassification of development properties	99,607,040	-
Exploration and evaluation assets included in trade and other payables	58,235	148,297
Property, plant and equipment included in trade and other payables	103,470,822	-
Exploration and evaluation assets included in due to related parties	-	202,460
Reclassification of stock options exercised	72,835	-
Reclassification of warrants exercised	39,552	-
Reclassification of stock options expired	51,810	-
Depreciation capitalized in exploration and evaluation assets	30,436	45,368
Depreciation capitalized in mineral properties	2,182,875	-

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - unaudited

1. NATURE OF OPERATIONS

Asante Gold Corporation's business activity is the exploration and evaluation, development, and production of mineral properties in Ghana, West Africa. Asante Gold Corporation (the "Company" or "Asante") was incorporated under the Canada Business Corporations Act on May 4, 2011 and has continued as a company under the Business Corporations Act of British Columbia. The Company is currently listed on the Canadian Securities Exchange ("CSE") under the symbol "ASE" and the Ghana Stock Exchange ("GSE") under the symbol "ASG".

The address of the Company's corporate office and principal place of business is Suite 615, 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6.

The Company is in the process of acquiring, exploring, developing, and operating mineral resource properties in the Republic of Ghana ("Ghana"). To date the Company has no revenue stream, and the Company announced the start of commissioning and operation of the Bibiani process plant in early June 2022. Commercial production at the Bibiani Gold Mine began in July 2022.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration, development, and production programs will result in profitable mining operations. The Company's continued existence is dependent upon the preservation of its interests in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company's ability to dispose of its interests on an advantageous basis. The Company's resource properties, which are located outside of North America, are subject to the risk of foreign investment, foreign political influence, including increases in taxes and royalties, renegotiation of contracts, expropriation and currency exchange fluctuations and restrictions.

2. BASIS OF PREPARATION AND GOING CONCERN

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance and compliance with IAS 34, Interim Financial Reporting ("IAS 34"). The IAS 34 condensed interim consolidated financial statements do not include all of the information required for annual financial statements, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended January 31, 2022 which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on September 14, 2022.

b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial instruments measured at fair value. These condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The condensed interim consolidated financial statements are presented in Canadian dollars, which is also the Company's functional currency. The functional currency of the Company's wholly owned subsidiaries is the United States dollar. The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the condensed interim consolidated financial statements are disclosed in Note 4.

c) Going Concern of Operations

The Company has not generated revenue from operations. The Company incurred a comprehensive loss of \$36,101,088 during the six months ended July 31, 2022 (July 31, 2021: \$889,014) and as of July 31, 2022, the Company's accumulated deficit was \$54,154,587 (January 31, 2022: \$16,593,315). The Company is intending to raise further financing through the further issuance of debt and equity.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
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2. BASIS OF PREPARATION (CONTINUED)

c) Going Concern of Operations (continued)

These condensed interim consolidated financial statements have been prepared on a going concern basis, which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. As the Company is in the exploration, development, and early production stage, the recoverability of the costs incurred to date on exploration and mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration, development, and production of its properties and upon future profitable production or proceeds from the disposition of the properties. The Company has to periodically raise funds to continue operations and was successful in raising \$102 million in March 2022. The Company will require additional financing for the upcoming fiscal year in order to maintain its operations, exploration, and development activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The global pandemic outbreak of COVID-19 has had limited impact on the day-to-day activities of the Company thus far, and various exploration and production programs including geophysics, trenching, auger drilling and diamond drilling have continued. The recent progress globally with the distribution of vaccines is anticipated to have a further mitigating effect, and although the pandemic could continue to impact the volatility of stock markets, including trading prices of the Company's shares and its ability to raise new capital, the most recent capital raise of \$102 million and the recent listing on the Ghana Stock Exchange are indicators that operations can continue despite difficult conditions. Nevertheless given the spread of COVID-19 variants, the possibility of a more significant impact on the Company's operations cannot be excluded. Management has given consideration as to the impact of COVID-19 on the Company and concluded that the financial statements appropriately reflect and disclose management's best estimate and uncertainty regarding the impact of COVID-19 on the Company's future operations and financial results.

d) Basis of Consolidation

The condensed interim consolidated financial statements include the financial statements of the Company and the following subsidiaries:

Name	Jurisdiction	Percentage owned	
		July 31, 2022	January 31, 2022
Asante Gold Corporation (GH) Limited	Barbados	100%	100%
ASG Mining Limited	Ghana	100%	100%
Asante Gold (Ghana) Ltd.	Ghana	100%	100%
Mensin Bibiani Pty. Ltd	Australia	100%	100%
Mensin Gold Bibiani Ltd	Ghana	90%	90%
Noble Mining Ghana Limited	Ghana	100%	100%
Drilling and Mining Services Limited	Ghana	100%	100%

All intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - unaudited

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Foreign Currency Transactions

Items included in the condensed interim consolidated financial statements of the Company and its subsidiaries are measured using the currency of the primary economic environment in which the entity operates (“the functional currency”). The condensed interim consolidated financial statements are presented in Canadian dollars. Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the functional currency by the use of the exchange rate in effect at that date. At the year-end date, monetary assets and liabilities are translated into the functional currency by using the exchange rate in effect at the year-end date and the related translation differences are recognized in net income. Exchange gains and losses arising on the retranslation of monetary financial assets are treated as a separate component of the change in fair value and recognized in net income.

Non-monetary assets and liabilities that are measured at historical cost are translated into the functional currency by using the exchange rate in effect at the date of the initial transaction and are not subsequently restated. Non-monetary assets and liabilities that are measured at fair value or a revalued amount are translated into Canadian dollars by using the exchange rate in effect at the date the value is determined and the related translation differences are recognized in net income (loss) or other comprehensive income (loss) consistent with where the gain or loss on the underlying non-monetary asset or liability has been recognized.

The financial results and position of foreign operations whose functional currency is different from the presentation currency are translated as follows:

- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at average exchange rates for the period.

Exchange differences arising on translation of foreign operations are transferred directly to the Company’s accumulated other comprehensive income (loss) and are recognized in other comprehensive income (loss) in the period.

b) Mineral, Development, and Exploration and Evaluation Properties

Pre-exploration Costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and Evaluation Expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures (“E&E”) are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and amortization on plant and equipment used during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. When a project is deemed to no longer have commercially viable prospects to the Company, exploration and evaluation expenditures in respect of that project are deemed to be impaired. As a result, those exploration and evaluation expenditure costs, in excess of estimated recoveries, are written off to profit or loss.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is classified as ‘mines under construction’. Exploration and evaluation assets are also tested for impairment before the assets are transferred to development properties.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - unaudited

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b) Mineral Exploration and Evaluation Expenditures (continued)

Mines under construction and development costs

When technical feasibility and economic viability of projects have been determined and the decision to proceed with development has been approved, the expenditures related to construction are capitalized as mines under construction and classified as a component of mine properties, plant and equipment. Costs associated with the commissioning of new assets, in the pre-commercial period before they are operating in the way intended by management, are capitalized. Commercial production is deemed to have occurred when management determines certain production parameters are met.

In order for production to occur, the Company must first obtain exploitation and other permits on such properties. Such permits are subject to the approval of the local government and government controlled entities. Unless and until such permits are obtained there can be no assurance that such permits will be obtained. As such, permits need to be obtained before costs are reclassified from exploration and evaluation properties to mines under construction.

Mine properties

Once a mineral property has been brought into commercial production as intended by management, costs of any additional work on that property are expensed as incurred, except for large development programs, which will be deferred and depleted over the remaining useful life of the related assets. Mine properties include deferred stripping costs and decommissioning and restoration costs related to the reclamation of mine properties. Mine properties are derecognized upon disposal, or impaired when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss on disposal of the asset, determined as the difference between the proceeds received and the carrying amount of the asset is recognized in profit or loss.

Costs of producing mine properties are depreciated and depleted on the UOP basis using estimated resources. Depreciation or depletion is recorded against the mine property only upon the commencement of commercial production.

Exploration expenditures are expensed as incurred at mine properties, unless the nature of the expenditures are to convert mineral resources into mineral reserves or in the absence of a mineral resource estimate, are to define areas to be included in the mine plan. Any amounts deferred in this regard are depreciated based on the UOP method. Mine properties are recorded at cost, net of accumulated depreciation and depletion and accumulated impairment losses and are not intended to represent future values. Recovery of capitalized costs is dependent on successful development of economic mining operations or the disposition of the related mineral property.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers, non-compliance with regulatory requirements or title may be affected by undetected defects.

c) Stripping Costs

Stripping costs incurred during the development of a mine are capitalized in mine properties. Stripping costs incurred subsequent to commencement of commercial production are variable production costs that are included in the costs of inventory produced during the period in which the stripping costs are incurred, unless the stripping activity can be shown to give rise to future benefits from the mineral property, in which case the stripping costs would be capitalized. Future benefits arise when stripping activity increases the future output of the mine by providing access to a new ore body. Capitalized stripping costs are depleted based on the UOP method, using mineral reserves as the depletion base.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three and six months ended July 31, 2022
Expressed in Canadian Dollars - unaudited

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d) Inventories

Inventories include stockpiled ore, gold-in-circuit (“GIC”), gold doré, and materials and supplies inventory. The value of all production inventories includes direct production costs and attributable overhead and depreciation incurred to bring the materials to their current point in the processing cycle. General and administrative costs for the corporate office are excluded from any inventories. All inventories are valued at the lower of weighted average cost and net realizable value. Net realizable value is determined with reference to market prices, less estimated future production costs (including royalties) to convert inventories into saleable form.

Stockpiled ore represents mined ore on the surface or underground that is available for further processing. Stockpiled ore value is based on the costs incurred, including depreciation, in bringing the ore to the stockpile. Costs are added to the stockpiled ore based on current mining costs per tonne and are removed at the average cost per tonne of ore in the stockpile.

GIC inventory represents ore that is being treated in the processing plant to extract the contained gold and to convert it to a saleable form. The amount of gold in the GIC inventory is determined by assay values and by measures of the various gold bearing materials in the recovery process. The GIC inventory is valued at the average cost of the beginning inventory and the cost of material fed into the processing plant plus in-circuit conversion costs including applicable mine-site overheads, and depreciation.

Gold doré inventory is gold in the form of saleable doré bars that have been poured. The valuation of gold doré inventory includes the direct costs of mining and processing operations as well as direct mine site overheads and depreciation.

A periodic review is undertaken of material and supplies inventory to determine the extent of any provision for obsolescence. Major spare parts and standby equipment are included in property, plant and equipment when they are expected to be used during more than one period and if they can only be used in connection with an item of property, plant and equipment.

e) Property, Plant and Equipment

On initial recognition, property, plant and equipment are valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Company, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

Property, plant and equipment are subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not amortized. Depending on the nature of the item of property, plant and equipment, depreciation is calculated on the straight-line basis to write off the cost of each asset to its residual value over its estimated useful life or it is calculated using the units of production (“UOP”) basis.

The Company’s mineral properties are amortized over the estimated life of the mine using the UOP basis based on the recoverable ounces from the indicated resources and probable reserves. Depreciation of plant and equipment is calculated on the straight-line basis over its estimated useful life. The estimated useful lives of plant and equipment are as follows:

Vehicles	5 years on a straight line basis
Office furniture and equipment	5 years on a straight line basis
Field tools and equipment	5 years on a straight line basis
Mining plant and equipment	7 years on a straight line basis

The cost of replacing part of an item of plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of plant and equipment are recognized in profit or loss as incurred.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) Property, Plant and Equipment (continued)

An item of property, plant and equipment 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 profit or loss for the period.

The Company conducts an annual assessment of the residual balances, useful lives and depreciation methods being used for property, plant and equipment and any changes arising from the assessment are applied by the Company prospectively. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items. Expenditures incurred to replace a component of an item of property, plant and equipment, including major inspection and overhaul expenditures, are capitalized.

f) Deferred revenue

The Company recognizes deferred revenue in the event it receives payments from customers in consideration for future commitments to deliver metals and before such sale meets the criteria for revenue recognition. The Company will recognize amounts in revenue as the metals are delivered to the customer. Specifically, for the metal agreement entered into with Bank of Ghana, the Company will determine the amortization of deferred revenue to the condensed interim consolidated statement of loss on a per unit basis using the estimated total quantity of metal expected to be delivered to Bank of Ghana over the term of the agreement.

There is a significant financing component associated with the forward gold loan recognized as deferred revenue as funds were received in advance of the delivery of concentrate. When a significant financing component is recognized, finance expense will be higher and revenues will be higher as the larger deferred revenue balance is amortized to revenues.

g) Recent Accounting Pronouncements

The following is a listing of amendments, revisions and new International Financial Reporting Standards issued but not yet effective. The Company is currently assessing the impact of adopting the following standards on the condensed interim consolidated financial statements, as described below:

- IAS 1 - Presentation of Financial Statements: On January 23, 2020, the IASB issued an amendment to IAS 1, *Presentation of Financial Statements* providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or non-current depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity, instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.
- IAS 16 - Property, Plant and Equipment: On May 14, 2020, the IASB issued an amendment to IAS 16, *Property, Plant and Equipment* to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the financial statements in the year in which the amendments are first applied. The amendment is effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions that may affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income or loss in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

The areas in which the Company has exercised critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed interim consolidated financial statements in future financial years are discussed below:

a) Rehabilitation Provision

The Company assumed certain rehabilitation provisions in connection with the acquisition of Mensin (Note 5). Based upon the prevailing economic environment, assumptions have been made which management believes are reasonable upon which to estimate the future liability. These estimates will take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs which will reflect the market condition at the time the rehabilitation costs are actually incurred. The final cost of the rehabilitation provisions may be higher or lower than currently provided for.

b) Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure has been capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off to profit or loss in the period the new information becomes available.

c) Mineral Resources Estimation

The carrying value and recoverability of mineral properties requires management to make certain estimates, judgments and assumptions about each project. Management considers the economics of the project, including the latest resources prices and the long-term forecasts, and the overall economic viability of the project. The determination of mineral resources also requires the use of estimates. The Company estimates its mineral resources based on information compiled by Qualified Persons as defined in accordance with Canadian Securities Administrators National Instrument 43 -101, Standards for Disclosure of Mineral Projects. There are numerous uncertainties inherent in estimating mineral resources and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecasted prices of commodities, exchange rates, production costs or recovery rates may change the economic status of resources and may result in changes to resource estimates.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

d) Depreciation and Depletion

Plants and other facilities used directly in mining activities are depreciated using the units-of-production (“UOP”) method over a period not to exceed the estimated life of the ore body based on recoverable ounces to be mined from estimated resources. Mobile and other equipment are depreciated, net of residual value, on a straight-line basis, over the useful life of the equipment to the extent that the useful life does not exceed the related estimated life of the mine based on estimated recoverable resources.

The calculation of the UOP rate, and therefore the annual depreciation and depletion expense, could be materially affected by changes in the underlying estimates. Changes in estimates can be the result of actual future production differing from current forecasts of future production, expansion of mineral reserves through exploration activities, differences between estimated and actual costs of mining and differences in gold price used in the estimation of mineral reserves.

Significant judgment is involved in the determination of useful life and residual values for the computation of depreciation and depletion and no assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

e) Inventories

Expenditures incurred, and depreciation and depletion of assets used in mining and processing activities are deferred and accumulated as the cost of ore in stockpiles, ore on leach pads, in-process and finished metal inventories. These deferred amounts are carried at the lower of average cost or net realizable value (“NRV”). Write-downs of ore in stockpiles, ore on leach pads, in-process and finished metal inventories resulting from NRV impairments are reported as a component of current period costs. The primary factors that influence the need to record write-downs include prevailing and long-term metal prices and prevailing costs for production inputs such as labour, fuel and energy, materials and supplies, as well as realized ore grades and actual production levels.

Costs are attributed to the leach pads based on current mining costs, including applicable depreciation and depletion relating to mining operations incurred up to the point of placing the ore on the pad. Costs are removed from the leach pad based on the average cost per recoverable ounce of gold on the leach pad as the gold is recovered. Estimates of recoverable gold on the leach pads are calculated from the quantities of ore placed on the pads, the grade of ore placed on the leach pads and an estimated percentage of recovery. Timing and ultimate recovery of gold contained on leach pads can vary significantly from the estimates. The quantities of recoverable gold placed on the leach pads are reconciled to the quantities of gold actually recovered (metallurgical balancing), by comparing the grades of ore placed on the leach pads to actual ounces recovered. The nature of the leaching process inherently limits the ability to precisely monitor inventory levels. As a result, the metallurgical balancing process is constantly monitored and the engineering estimates are refined based on actual results over time. The ultimate recovery of gold from a pad will not be known until the leaching process is completed.

The allocation of costs to ore on leach pads and in-process inventories and the determination of NRV involve the use of estimates. There is a high degree of judgment in estimating future costs, future production levels, proven and probable reserves estimates, gold and silver prices, and the ultimate estimated recovery for ore on leach pads. There can be no assurance that actual results will not differ significantly from estimates used in the determination of the carrying value of inventories. Such inventories are included in development costs until commercial production is achieved.

f) Title to Mineral Property Interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company’s title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects or in renewals or extensions of licences which may take considerable periods to effect. Government notice of termination is given 30 days in advance to provide time for any noted deficiencies to be corrected. The Company operates on the basis that title is secure unless notified of cancellation, and to date the Company has not received notice that any of the mineral titles it operates have been cancelled.

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENT (CONTINUED)

g) Deferred revenue

The Company entered into a Forward Gold Purchase Agreement (“Forward Gold”) with Bank of Ghana on July 12, 2022. The upfront payment for the Forward Gold discussed in Note 14 has been accounted for as deferred revenue, as management has determined that the agreement is not a derivative as it will be satisfied through the delivery of non-financial items gold from the Company’s potential future production), rather than cash or financial assets. A market-based discount rate is utilized at the inception of the forward agreement to determine a discount rate for computing the interest charges for the significant financing component of the deferred revenue balance. As product is delivered, the deferred revenue amount including accreted interest will be drawn down. The draw down rate requires the use of proven and probable reserves and certain resources in the calculation that are beyond indicated and inferred resources which management is reasonably confident are transferable to proven and probable reserves. Key estimates used in determining the significant financing component include the discount rate and the reserve and resources assumed for conversion.

h) Contingencies

Due to the size, complexity and nature of the Company’s operations, various legal and tax matters are outstanding from time to time. In the event that management’s estimate of the future resolution of these matters changes, the Company will recognize the effects of the changes in its consolidated financial statements on the date such changes occur.

i) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company’s current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. Utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

j) Going Concern Assessment

The Company applies judgments in assessing whether material uncertainties exist that would cause significant doubt as to whether the Company could continue to exist as a going concern. The Company will require additional financing for the upcoming fiscal year in order to maintain its operations and exploration activities. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern (see Note 2c).

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5. ACQUISITION OF MENSIN BIBIANI PTY. LTD AND MENSIN GOLD BIBIANI LTD

In August 2021, the Company completed the acquisition of all of the issued and outstanding common shares of Mensin Bibiani Pty. Ltd (“MB PTY”) and its subsidiary Mensin Gold Bibiani Ltd (“MGBL”) (as a group “Mensin”) for consideration of US\$90 million from Resolute Mining Limited (“Resolute”). Pursuant to the agreement and amended on August 24, 2022 (Note 24), the Company is required to make payments of US\$30 million (paid \$38 million) on closing, US\$30 million on or before 6 months from closing (paid \$38 million), US\$10 million on September 19, 2022, US\$10 million on October 19, 2022, and US\$12.7 million on November 18, 2022 (Note 24). Mensin is an exploration, development and production company which holds the Bibiani Gold Mine property located in Ghana. The acquisition resulted in Mensin becoming a wholly-owned subsidiary of the Company, and the Ghanaian government retains a 10% free carried interest in the Bibiani Gold Mine. As a result, the Company recorded a non-controlling interest of \$12,176,810. In addition, the Company incurred \$185,267 in transaction costs relating to the acquisition and these costs were capitalized as part of the acquisition of the development properties. The acquisition of Mensin has been treated as an acquisition of assets.

The total consideration for the acquisition of the assets and liabilities of Mensin assumed on acquisition was as follows:

	Total
Consideration:	
Cash paid	\$ 37,890,000
Present value of deferred payments	71,516,026
Transaction costs	185,267
Total consideration	\$ 109,591,293
Allocated as follows:	
Cash	\$ 598,908
Prepaid expenses and deposits	242,828
Inventories	2,082,893
Plant and equipment	68,070,702
Development properties	92,069,969
Reclamation bonds	3,466,243
Trade and other payables	(917,416)
Current tax liabilities	(22,355,201)
Other current liabilities	(9,851,400)
Rehabilitation provision	(11,280,339)
Other liabilities	(359,084)
Non-controlling interest	(12,176,810)
	\$ 109,591,293

6. MARKETABLE SECURITIES

Marketable securities are comprised of the following:

	July 31, 2022		January 31, 2022	
	Shares #	Fair Value \$	Shares #	Fair Value \$
Roscan Gold Corporation (“Roscan”)	29,586,121	5,917,224	22,086,121	7,509,281

In October 2021, the Company subscribed for 22,086,121 common shares of Roscan at a price of \$0.29 per share as a strategic investment. In March 2022, the Company subscribed for an additional 7,500,000 common shares of Roscan at a price of \$0.40 per share. During the six months ended July 31, 2022, the Company recorded an unrealized loss on investment of \$4,592,057 (July 31, 2021 - \$nil).

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7. INVENTORIES

Inventories are comprised of the following:

	July 31, 2022	January 31, 2022
	\$	\$
Ore stockpiles	17,863,949	-
Materials and supplies	6,312,009	2,052,761
	<u>24,175,958</u>	<u>2,052,761</u>

8. RECLAMATION BONDS

Reclamation bonds of \$3,466,243 (January 31, 2022 - \$3,466,243) consist of bonds held as security by the government of Ghana, with regards to the Bibiani Property described in Note 11.

9. PROPERTY, PLANT AND EQUIPMENT

	Field tools and equipment	Office furniture and equipment	Vehicles	Mining plant and equipment	Subtotal plant and equipment	Mineral properties - Bibiani	Total
Cost							
Balance, January 31, 2021	3,213	4,779	69,082	-	77,074	-	77,074
Additions	58,891	1,882	887,797	97,507,371	98,455,941	-	98,455,941
Disposals	-	-	(35,561)	-	(35,561)	-	(35,561)
Currency translation adjustment	(2,310)	(2,490)	7,432	214,731	217,363	-	217,363
Balance, January 31, 2022	59,794	4,171	928,750	97,722,102	98,714,817	-	98,714,817
Additions	-	4,935	2,136	136,354,689	136,361,760	101,789,915	238,151,675
Currency translation adjustment	494	96	7,694	674,877	683,161	-	683,161
Balance, July 31, 2022	60,288	9,202	938,580	234,751,668	235,759,738	101,789,915	337,549,653
Accumulated depreciation							
Balance, January 31, 2021	3,213	4,779	33,724	-	41,716	-	41,716
Depreciation	5,338	188	45,037	1,160,802	1,211,365	-	1,211,365
Disposal	-	-	(35,561)	-	(35,561)	-	(35,561)
Currency translation adjustment	(3,131)	(2,515)	(102)	2,557	(3,191)	-	(3,191)
Balance, January 31, 2022	5,420	2,452	43,098	1,163,359	1,214,329	-	1,214,329
Depreciation	6,002	442	92,841	13,919,384	14,018,669	-	14,018,669
Currency translation adjustment	72	20	763	17,327	18,182	-	18,182
Balance, July 31, 2022	11,494	2,914	136,702	15,100,070	15,251,180	-	15,251,180
Net Amount							
As at January 31, 2022	54,374	1,719	885,652	96,558,743	97,500,488	-	97,500,488
As at July 31, 2022	48,794	6,288	801,878	219,651,598	220,508,558	101,789,915	322,298,473

Mineral properties - Bibiani

In August 2021, following the acquisition of Mensin (Note 5), the Company holds a 90% interest to the Bibiani gold mine situated in the western region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations. In July 2022, the Company began commercial production at the Bibiani Gold Mine.

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10. EXPLORATION AND EVALUATION ASSETS

	Fahiakoba	Betanase	Sraha	Ayiem	Kubi	Other	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at January 31, 2021	3,924,070	324,258	891,181	87,658	506,299	-	5,733,466
Acquisition and sustaining fees	59,323	2,835	3,681	3,681	82,924	-	152,444
Drilling	-	-	-	-	1,114,222	-	1,114,222
Field expenses	25,374	12,631	11,484	12,299	548,106	-	609,894
Assaying testing and analysis	-	-	-	-	11,558	-	11,558
General and administrative	88,990	85,466	88,512	87,298	164,900	-	515,166
Geology and geophysics	52,510	49,958	41,200	34,473	416,566	-	594,707
Currency translation adjustment	(43,267)	25,641	(7,618)	(195)	(188,547)	-	(213,986)
Balance at January 31, 2022	4,107,000	500,789	1,028,440	225,214	2,656,028	-	8,517,471
Acquisition and sustaining fees	696,630	-	162,500	162,500	-	-	1,021,630
Field expenses	7,880	7,215	7,383	7,480	116,410	2,127	148,495
General and administrative	50,496	49,372	49,756	49,756	33,504	-	232,884
Geology and geophysics	16,870	24,466	3,732	3,963	148,003	2,913	199,947
Currency translation adjustment	67,958	(4,637)	5,526	(7,589)	263,853	101	325,212
Balance at July 31, 2022	4,946,834	577,205	1,257,337	441,324	3,217,798	5,141	10,445,639

Fahiakoba

In June 2011, the Company entered into a Purchase Agreement with Goknet Mining Company Limited (“Goknet”) to acquire the Fahiakoba Concession, in the Ashanti and Central Regions in the Republic of Ghana, whereby the Company acquired a 100% interest in the Fahiakoba Concession (subject to a royalty interest) by paying Goknet the sum of US\$51,976 (C\$50,630) and by agreeing to expend US\$1 million over a five year period. This commitment has been met in full. The Company also granted Goknet a 3% net smelter return royalty on production from the Fahiakoba Concession. The prospecting license for this property is in the process of being renewed by Goknet and further exploration will be planned and conducted once the title of the license is renewed and transferred to the Company. Due to the prohibitive transfer costs, final transfer of the title will be effected on discovery of significant resources. The Ghanaian Government will retain a 10% free carried interest in the mining lease once it has been granted.

Betanase

In August 2015 and as amended in May 2018, the Company entered into an Option and Sale Agreement with Perseus Mining (Ghana) Limited (“Perseus”) to acquire up to a 100% interest in their Betanase Prospecting License (pending) in Ghana. The Company may exercise the option to earn a 100% interest in Betanase (subject to 10% being reserved for the Government of Ghana, and a 1% underlying NSR royalty) by completing US\$1 million in exploration within four years of December 31, 2019 and by paying US\$1 million to Perseus. Perseus is in the process of renewing a portion of the Dunkwa prospecting license, to be called on issuance the Betanase prospecting license. The license adjoins to the east of the Kubi Mining Lease.

Sraha and Ayiem

In September 2016, the Company announced that it had entered into an agreement with Sikasante Mining Company Limited, a private Ghana corporation, to earn up to a 100% interest in their Keyhole Gold Project which consists of the Sraha license and the Ayiem license application. Asante is to issue 250,000 shares (issued) in its capital stock to Sikasante on final issuance of the Ayiem license to Sikasante and receipt by Sikasante of all necessary permits required to commence a drilling program (completed), and is required to complete \$500,000 in work over four years (completed) in order to earn a 50% interest. Asante may earn an additional 50% interest by granting Sikasante a 2% net smelter returns royalty (the “Sika NSR Royalty”), and on the assignment of the Sikasante licenses to Asante (subject to the consent of the Minister of Lands and Natural Resources), a final payment of one million shares in the capital stock of Asante. Sikasante and the Company are related by one common director. All negotiations and final terms of agreement have been approved by a Special Committee of the Directors of Asante. The Ghanaian Government will retain a 10% free carried interest in the mining lease once it has been granted.

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10. EXPLORATION AND EVALUATION ASSETS (CONTINUED)

Kubi

The Company has executed an Option Agreement between the Company, Goknet Mining Company Limited (“Goknet”), Kubi Gold (Barbados) Limited (“Kubi”) and Asante Gold Corporation (GH) Limited to formalize the letter agreement of September 29, 2014 as amended December 29, 2014, and January 29, 2015, to earn a 50% interest in Kubi with the right to increase such interest to 75% and ultimately 100% upon completion of certain conditions.

In December 2016, the Company finalised the agreement with Goknet to close the acquisition of the Kubi Mining Leases, subject to receipt of Government approvals by issuing seven million shares and reserving for future delivery to Goknet a total of 8,000 ounces of gold, and thereafter granting Goknet a 2% Net Smelter Return Royalty (the “Kubi NSR”). Royal Gold Inc. holds a 3% Net Proceeds of Production royalty. The Minister of Lands and Natural Resources approved the transfer of the Kubi Mining Lease to Asante Gold (Ghana) Limited in April 2022. The Ghanaian Government retains a 10% free carried interest in the mining lease.

The agreement also grants the Company the option to acquire Goknet’s interests in eight prospecting licences: two adjoining to the west of the Kubi mining leases, and six contiguous licences located on the Asankrangwa Gold Belt (the “Ashanti II” concessions) to the south west and along the strike of the Galiano-Goldfields mine. To purchase the licenses the Company will issue up to a maximum of three million shares, pro rata on a license by license basis if, as and when title is registered in the name of the Company. Goknet will retain a 2% Net Smelter Return royalty on each license. The Company is continuing to source funding to develop Kubi.

11. DEVELOPMENT PROPERTIES

	Bibiani
	\$
Balance at January 31, 2021	-
Acquisition costs	92,069,969
General and administrative	1,230,829
Balance at January 31, 2022	93,300,798
Acquisition costs	5,410,626
General and administrative	3,078,491
Transferred to mineral properties	(101,789,915)
Balance at July 31, 2022	-

Bibiani

In August 2021, following the acquisition of Mensin (Note 5), the Company holds a 90% interest to the Bibiani gold mine situated in the western region of Ghana. The Ghanaian Government retains the remaining 10% free carried interest in the mining operations. Following the commencement of commercial production at the Bibiani gold mine, the Company transferred the carrying value to mineral properties.

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12. DEFERRED PAYMENTS

Pursuant to the acquisition of Mensin and the subsequent amendment agreement, the Company shall pay US\$30 million on closing (paid), US\$30 million on or before 6 months from closing (paid), US\$10 million on September 19, 2022, US\$10 million on October 19, 2022, and US\$12.7 million on November 18, 2022 (Note 5). As at July 31, 2022, deferred payments of US\$32.7 million were measured by discounting the future installments using an incremental borrowing rate of 8%.

	\$
Recognition of deferred payments	71,516,026
Finance charges	2,545,464
Foreign exchange adjustment	527,359
At January 31, 2022	74,588,849
Recognition of deferred payments	3,466,243
Repayment of deferred payment	(38,229,000)
Finance charges	1,581,227
Foreign exchange adjustment	386,600
At July 31, 2022	41,793,919

The principal payment required under the deferred payments for the current fiscal is as follows:

September 19, 2022	\$ 12,824,000
October 19, 2022	12,824,000
November 18, 2022	16,343,485

13. REHABILITATION PROVISION

As at July 31, 2022, the Company recorded a long term portion of \$10,412,567 (January 31, 2022: \$10,412,567) and a current portion of \$1,391,909 (January 31, 2022: \$1,391,909) as a provision for the estimated costs of site reclamation relating to the Bibiani Gold Mine property (Note 5). The rehabilitation provision estimates the cost at an annual inflation rate of 7.48%, which is discounted at a rate of 2.53%.

	\$
Balance, January 31, 2021	-
Initial recognition of rehabilitation provision	11,280,339
Changes in estimate	524,137
	11,804,476
Less: current portion	(1,391,909)
Balance, January 31, 2022 and July 31, 2022	10,412,567

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14. DEFERRED REVENUE

In July 2022, the Company completed the first US\$100 million tranche of a US\$140 million financing package from strategic financial institutions in Ghana (the “Financing Institutions”) The Company entered into a forward gold purchase agreement, whereby the Company received an upfront cash payment of US\$100,000,000, pursuant to which the Company will deliver gold production from the Bibiani Gold Mine over four equal installments of US\$26.88 million of principal and interest with the final payment due July 12, 2023. Settlement will be in US funds by delivery of gold and sold at the then Bloomberg BGN XAUUSD spot market price less 7%. The annual interest rate of this gold forward facility is 7.53%. The upfront payment for the Forward Gold proceeds received has been accounted for as deferred revenue as the agreement will be satisfied through the delivery of non-financial items gold from the Company’s production, rather than cash or financial assets. The repayments of the deferred revenue will be credited to future sales in the corresponding periods.

	\$
Balance, January 31, 2022	-
Proceeds from deferred revenue	130,150,000
Finance charge	500,219
Foreign exchange adjustment	(1,907,767)
Balance, July 31, 2022	128,742,452

The Company paid an advisory fee of US\$4,300,069 (\$6,163,215) in relation to this financing package.

15. SHARE CAPITAL AND RESERVES

a) Common Shares

The Company is authorized to issue an unlimited number of common shares without par value.

During the six months ended July 31, 2022:

In March 2022, the Company issued 58,431,914 common shares at \$1.75 per share for gross proceeds of \$102 million in connection with a private placement. In connection with the financing, the Company paid finders’ fees of \$3.2 million and incurred issuance costs of \$22,411.

In July 2022, the Company issued 250,000 common shares with a fair value of \$325,000 in accordance with the option agreement for Sraha and Ayiem (Note 10).

The Company issued 4,299,167 common shares in connection with the exercise of 4,299,167 warrants with a weighted average exercise price of \$0.11 for total proceeds of \$479,217. As a result, the Company transferred \$39,552 representing the fair value of the exercised warrants from reserves to share capital. The Company also issued 550,000 common shares in connection with the exercise of 550,000 stock options with an exercise price of \$0.15 for total proceeds of \$82,500. As a result, the Company transferred \$72,835 representing the fair value of the exercised options from reserves to share capital.

During the year ended January 31, 2022:

In August 2021, the Company issued 106,642,857 common shares at \$0.70 per share for gross proceeds of \$75 million in connection with a private placement. In connection with the offering, the Company issued 2,275,714 common shares with a fair value of \$2,298,471 as finders’ fees and incurred issuance costs of \$39,849.

In April 2021, the Company issued 46,775,100 units at \$0.15 per unit for gross proceeds of \$7,016,265 in connection with a private placement. Each unit consists of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one additional common share at an exercise price of \$0.25 until April 15, 2023. In connection with the offering, the Company issued 935,502 finders units with a fair value of \$354,549 with the same terms as the financing and incurred issuance costs of \$30,057.

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15. SHARE CAPITAL AND RESERVES (CONTINUED)

a) Common Shares (continued)

The Company issued 6,428,951 common shares in connection with the exercise of 6,428,951 warrants with a weighted average exercise price of \$0.07 for total proceeds of \$469,443. As a result, the Company transferred \$20,100 representing the fair value of the exercised warrants from reserves to share capital. The Company also issued 2,711,348 common shares in connection with the exercise of 2,711,348 stock options with a weighted average exercise price of \$0.12 for total proceeds of \$327,905. As a result, the Company transferred \$192,834 representing the fair value of the exercised options from reserves to share capital.

b) Share Purchase Warrants

The following table summarizes warrants and finders warrants issued from February 1, 2021 until July 31, 2022 together with their valuations.

Issuance date	15-Apr-21
Number of warrants	46,775,100
Allocation of proceeds based on residual fair value	\$nil
Number of finders warrants	935,502
Estimated fair market value	\$134,706
Model used to estimate fair value	Black Scholes
Share price at date of issuance	\$0.235
Exercise price	\$0.250
Risk free interest rate	0.24%
Estimated annual volatility	125.20%
Expected dividends	\$nil
Warrant fair value	\$nil
Finders warrant fair value	\$0.1400

A summary of changes to share purchase warrants outstanding is as follows:

	Number of warrants #	Exercise price \$
Balance at January 31, 2021	27,369,953	
Issued April 15, 2021	46,775,100	0.25
Finders warrants	935,502	0.25
Exercised	(6,428,951)	0.06 to 0.15
Expired	(261,039)	0.15
Balance at January 31, 2022	68,390,565	
Exercised	(4,299,167)	0.06 to 0.25
Balance at July 31, 2022	64,091,398	

Details of share purchase warrants outstanding at July 31, 2022 is as follows:

Number of warrants #	Exercise price \$	Expiry date
1,875,100	0.08	September 4, 2022
672,363	0.15	September 17, 2022
1,000,000	0.15	September 18, 2022
13,500,000	0.22	October 21, 2022
46,108,433	0.25	April 15, 2023
935,502	0.25	April 15, 2023
64,091,398	0.23	

As at July 31, 2022, the weighted average remaining life of outstanding warrants is 0.57 years.

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15. SHARE CAPITAL AND RESERVES (CONTINUED)

c) Nature and Purpose of Equity and Reserves

The reserves recorded in equity on the Company's consolidated statement of financial position reflect the value of stock options granted and share warrants. 'Reserve for share-based payments' and 'Reserve for warrants' are used to recognize the value of stock option grants and share warrants respectively, prior to exercise. 'Accumulated other comprehensive income' is used to record the cumulative translation adjustments arising from translating foreign operations to the presentation currency. 'Accumulated deficit' is used to record the Company's change in deficit from profit or loss from period to period.

d) Loss Per Share

Outstanding stock options, warrants, DSUs and RSUs have been excluded from the calculation of diluted loss per share as the effect would be anti-dilutive. The net effect of applying the treasury-stock method to the weighted average number of common shares outstanding had an anti-dilutive effect for the six months ended July 31, 2022 and 2021.

16. SHARE-BASED PAYMENTS

a) Stock Options

The Company has an omnibus equity incentive plan ("the Plan") under which non-transferable options, deferred share units ("DSUs"), and restricted share units ("RSUs") may be granted to directors, officers, employees or service providers of the Company. Under the plan, the maximum number of shares which may be reserved for issuance is 10% of the number of issued and outstanding common shares.

The following table summarizes stock options granted from February 1, 2021 until July 31, 2022 together with their valuations.

Grant date	4-Mar-21	9-Aug-21	17-Feb-22	17-Feb-22	7-Mar-22	21-Mar-22
Number of options	1,100,000	6,900,000	5,739,340	1,300,000	500,000	1,000,000
Estimated fair value of compensation	\$92,532	\$4,031,028	\$9,077,451	\$1,604,763	\$719,311	\$1,477,956
Model used to estimate fair value	Black Scholes					
Share price at date of grant	\$0.115	\$0.100	\$1.70	\$1.70	\$1.55	\$1.59
Exercise price	\$0.115	\$0.150	\$1.75	\$1.75	\$1.75	\$1.75
Risk free interest rate	0.23%	0.25%	1.79%	1.57%	2.42%	\$2.42
Estimated annual volatility	132.7%	135.0%	161%	155%	161%	\$161
Expected dividends	\$nil	\$nil	\$nil	\$nil	\$nil	\$nil
Option fair value	\$0.075	\$0.084	\$1.582	\$1.234	\$1.439	\$1.478

A summary of changes to stock options outstanding is as follows:

	Number of options #	Exercise price \$
Balance at January 31, 2021	7,446,348	
Granted March 4, 2021	1,100,000	0.15
Granted August 9, 2021	6,900,000	0.75
Exercised	(2,711,348)	0.08 to 0.20
Expired/cancelled	(740,000)	0.17
Balance at January 31, 2022	11,995,000	
Granted February 17, 2022	7,039,340	1.75
Granted March 7, 2022	500,000	1.75
Granted March 21, 2022	1,000,000	1.75
Exercised	(550,000)	0.15
Expired	(300,000)	0.15
Balance at July 31, 2022	19,684,340	

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16. SHARE-BASED PAYMENTS (CONTINUED)

a) Stock Options (continued)

Details of stock options outstanding at July 31, 2022 is as follows:

Grant date	Expiry date	Exercise price \$	Number of options #	Vested and exercisable #
June 5, 2018	June 4, 2023	0.10	825,000	825,000
March 21, 2019	March 20, 2024	0.10	500,000	500,000
August 28, 2019	August 27, 2024	0.10	450,000	450,000
July 7, 2020	July 5, 2025	0.10	370,000	370,000
July 21, 2020	July 20, 2025	0.10	500,000	500,000
August 18, 2020	August 17, 2025	0.10	350,000	350,000
September 21, 2020	September 20, 2025	0.15	150,000	150,000
December 21, 2020	December 20, 2025	0.115	350,000	350,000
March 4, 2021	March 3, 2026	0.15	750,000	750,000
August 9, 2021	August 8, 2026	0.75	6,900,000	6,900,000
February 17, 2022	February 17, 2027	1.75	5,739,340	2,295,736
February 17, 2022	February 17, 2024	1.75	1,300,000	520,000
March 7, 2022	March 7, 2027	1.75	500,000	200,000
March 21, 2022	March 21, 2027	1.75	1,000,000	250,000
		1.05	19,684,340	14,410,736

As at July 31, 2022, the weighted average remaining life of outstanding stock options is 3.72 years.

b) Restricted Share Units

In February 2022, the Company granted 1,515,760 RSUs with a fair value of \$2,576,792 to certain officers and consultants of the Company. 1,287,160 RSUs vest as follows: 1/3 on the first anniversary, 1/3 on the second anniversary, and 1/3 on the third anniversary and 228,600 RSUs vested immediately. During the six months ended July 31, 2022, the Company expensed a total of \$988,231 (July 31, 2021: \$nil) as share-based payments for values of RSUs vested.

	Number of RSUs
Outstanding at January 31, 2021 and 2022	-
Granted	1,515,760
Outstanding at July 31, 2022	1,515,760

c) Deferred Share Units

In February 2022, the Company granted 4,285,900 DSUs with a fair value of \$7,286,030 to certain directors of the Company. These DSUs vested immediately. During the six months ended July 31, 2022, the Company expensed a total of \$7,286,030 (July 31, 2021: \$nil) as share-based payments for values of DSUs vested.

	Number of DSUs
Outstanding at January 31, 2021 and 2022	-
Granted	4,285,900
Outstanding at July 31, 2022	4,285,900

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17. NON-CONTROLLING INTEREST

In August 2021, following the acquisition of Mensin (Note 5), the Company holds a 90% interest in MGBL with the Ghanaian Government retaining the remaining 10%.

	\$
Balance, January 31, 2020 and 2021	-
Initial recognition of non-controlling interest of Mensin (Note 5)	12,176,810
Changes in the proportion held by non-controlling interest	(129,182)
Currency translation adjustments	355
Balance, January 31, 2022	12,047,983
Changes in the proportion held by non-controlling interest	(795,398)
Balance, July 31, 2022	11,252,585

18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash, receivables, marketable securities, reclamation bonds, loans receivables, trade and other payables, due to related parties, deferred payments, deferred revenue, and other liabilities. The fair values of these financial instruments approximate their carrying values because of their current nature. All financial instruments carried at fair value were determined using Level 1 inputs. The following fair value hierarchy is applied in determining the fair value of financial instruments:

- Level 1 inputs, which are unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs, which are inputs other than quoted prices which are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs, which include management assumptions which cannot be corroborated with observable market data.

The Company's financial instruments are exposed to the following risks:

- i) **Credit risk:**
 Credit risk is the unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. With very limited receivables and cash on deposit with sound financial institutions, it is management's opinion that the Company is not exposed to significant credit risks arising from the financial instruments and overall the Company's credit risk has not change significantly from previous year.
- ii) **Liquidity risk:**
 Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at July 31, 2022, the Company had cash of \$108,572,704 (January 31, 2022: \$5,849,478) and current liabilities totaling \$302,181,425 (January 31, 2022: \$122,115,884). Liquidity risk is assessed as high. The Company has lowered the liquidity risk through the March 2022 financing of \$102 million and the July 2022 forward gold purchase agreement of \$129 million, and intends to continue to raise funds through equity and debt.
- iii) **Market risk:**
 Market risk is the risk that changes in market prices such as foreign exchange rates, and interest rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposure within acceptable parameters. The Company does not use derivative instruments to reduce its exposure to market risks.

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18. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

iv) Currency risk:

The Company is exposed to financial risk arising from fluctuations in foreign exchange rates and the degree of volatility of these rates. At July 31, 2022, the Company is exposed to currency risk through the following financial instruments denominated in foreign currencies:

	US Dollars	Ghana Cedis
Net Assets/(Liabilities)	\$ (247,253,184)	¢ 723,285,860
CAD foreign exchange rate	1.2824	0.1542
CAD equivalent	\$ (317,077,484)	\$ 111,508,981

A 10% increase in the Canadian dollar against the foreign currency at July 31, 2022 would result in an increase (a decrease) to net income in the amounts shown below, assuming that all other variables remain constant.

	US Dollars	Ghana Cedis
Change in net income	\$ (31,707,800)	\$ 11,150,900

The Company is also exposed to foreign currency risk because the Company's exploration and evaluation assets and property, plant and equipment are denominated in United States dollars. A 10% increase in the Canadian dollar against the United States dollar at July 31 30, 2022 would result in a decrease to other comprehensive income of approximately \$26,347,000 arising from the Company's exploration and evaluation assets and mineral properties.

v) 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 limited interest rate risk as it only holds cash. The Company is not exposed to interest rate risk with its deferred payments and deferred revenue as they are not subject to floating interest rates.

vi) Commodity price risk:

The ability of the Company to explore and develop its exploration and evaluation assets and development properties and the future profitability of the Company is directly related to the price of gold and other base metals. The Company monitors these metal prices to determine the appropriate course of action to be taken.

vii) Other risks:

As substantially all of the Company's exploration activities are conducted in Ghana, the Company is subject to different considerations and other risks not typically associated with companies operating in North America. These risks relate primarily to those typically associated with developing nations, and include political risk, changes in government's ownership interest, sovereign risk, and greater currency and inflation volatility.

19. CAPITAL RISK MANAGEMENT

The Company includes cash and equity, comprising of issued common shares, reserves for share-based payments and warrants, accumulated other comprehensive income and accumulated deficit, in the definition of capital. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

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 mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management and consultants to sustain future development of the business. The Company's properties are in the exploration and development stage and as such the Company is dependent upon external financing to fund activities. In order to carry out planned exploration and development and pay for administrative costs, the Company intends to raise additional funds as required. Management reviews its capital management approach on an ongoing basis and believes that this approach is reasonable given the relative size of the Company. There were no changes to the Company's approach to capital management during the six months ended July 31, 2022. The Company is not subject to any external covenants.

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20. RELATED PARTY TRANSACTIONS

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of members of the Company's Board of Directors and corporate officers and related companies and carried out the following transactions with related parties:

	For the six months ended July 31,	
	2022	2021
	\$	\$
Management and consulting fees	2,661,812	158,842
Professional services	225,499	38,500
Share-based payments	12,461,220	14,721
	15,348,530	212,063

- a) As at July 31, 2022, included in amounts due to related parties was \$1,944,752 (January 31, 2022: \$495,503) in expense reimbursements, director's fees, and professional service fees.
- b) As at July 31, 2022, \$nil (January 31, 2022: \$1,483,684) amounts due to related parties was included in short term loans.

These transactions have been entered into in the normal course of operations and are recorded at their exchange amounts, which is the consideration agreed upon by the related parties. Amounts due to related parties are unsecured and non-interest bearing.

21. SEGMENTAL REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition, exploration and evaluation, development, and production activities. The Company's property, plant and equipment, exploration and evaluation assets, and mineral properties are located in the Republic of Ghana.

22. OTHER CURRENT LIABILITIES

Amounts payable to historical Bibiani creditors

In June 2014, Mensin Gold Bibiani Ltd, Drilling and Mining Services Limited and Noble Mining Ghana Limited (collectively referred to as the "Companies") entered into court approved Schemes of Arrangement ("Scheme") with their creditors and employees ("Scheme Creditors"). The Scheme enabled Resolute to secure with the endorsement of the Ghanaian government, ultimate ownership of the Bibiani Gold Mine with protection from those liabilities which had been incurred at a time when the mine was under the control of the prior owner (Noble Mineral Resources Limited). The Scheme set out the timing and amounts of payments that were to be made by the Companies to a Scheme Fund and to a Future Fund, from which funds, payments are to be made to the Scheme Creditors. The Scheme Creditors arise from transactions that occurred prior to the Companies becoming part of the Resolute Group. The Scheme Fund and the Future Fund are effectively administered by representatives of KPMG.

Subject to the issue discussed below regarding two Ghanaian creditors, the implementation of the Scheme had the effect of removing from the Companies' balance sheets all historical liabilities relating to amounts payable to Scheme Creditors and replacing those liabilities with an obligation to fund the Scheme Fund and Future Fund, as and when necessary. The unconditional obligations to make payments to the Scheme Fund were paid in 2014. In addition to those unconditional obligations to pay into the Scheme Fund, the Scheme imposed following contingent liabilities to provide funding to the Scheme Fund and Future Fund:

- 1) Payment to the Scheme Fund of US\$3.6 million if, following receipt of the Feasibility Study, the Board of Resolute, in its absolute discretion, made a decision to proceed with the development of the Bibiani Gold Mine; and

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22. OTHER CURRENT LIABILITIES (CONTINUED)

- 2) Payment to a Future Fund of up to US\$7.8 million conditional upon the generation of free cashflow from Bibiani mine operations for the period of 5 years from the date that Commercial Production is declared (“Future Cashflow Payment”). Free Cashflow means 25% of effectively, Project Revenue for that year less Permitted Payments for that year, which Permitted Payments include:
- a) operational expenses and capital costs paid in connection with the mining operations; and
 - b) repayment of principal and interest relating to funds advanced to Mensin up to the commencement of mining operations.

The Scheme provided that if Commercial Production had not been achieved by June 2019, then the Bibiani Gold Mine had to be sold and the proceeds applied in the manner set out in the Scheme. On the basis that, in late 2018 it became clear that Commercial Production would not be achieved by June 2019, and in order to avoid the need to sell the Bibiani Gold Mine, an Amended Scheme was proposed to Scheme Creditors, which effectively allowed additional time to commence mining at Bibiani. In consideration for the Scheme Creditors agreeing to the extended timeframe to commence mining, the Amended Scheme provided that upon the Amended Scheme becoming operative, the payment of US\$3.6 million (\$4.8 million) referred to at 1 above would be immediately payable (i.e. it would not be dependent upon the decision of the board of Resolute to proceed with the development of Bibiani). At the meetings of Scheme Creditors to consider the Amended Scheme in April 2019, the Scheme Creditors approved the Amended Scheme, which was subsequently approved by the Court and became operative in May 2019. As a consequence, in mid-2019 Resolute paid the sum of US\$3.6 million under the Amended Scheme. The obligation to make the Future Cashflow Payment of up to US\$7.8 million in the circumstances described at 2 above remains in place under the Amended Scheme.

Notwithstanding the Scheme’s approval by the Ghanaian High Court, the Scheme Creditors, and the Ghanaian Minister of Mines, two Ghanaian creditors (being Riasand and Scan Minerals) sought to circumvent the operation of the Scheme (and Amended Scheme) and are seeking to enforce a winding up order against Mensin, on the basis of debts incurred prior to implementation of the Scheme. The Company is defending Mensin’s right to unencumbered debt free ownership of the Bibiani Gold Mine, which was a key element of the Scheme supported by both Resolute and the Ghanaian government at the time of the Resolute acquisition. The appeal proceedings involving Riasand have been settled on the basis of a payment to Riasand. Orders giving effect to the settlement (including vacating the stayed winding up order) are expected to be made at a hearing in the Ghanaian High Court within the coming months.

In May 2022, Scheme Creditors unanimously voted to accept payments of claims of approximately US\$7.8 million and to wind up the Scheme and the Company paid the accepted claims of the Scheme. During the six months ended July 31, 2022, the Company paid US\$7,967,270 (\$10,273,795) in connection to the final settlement of the Scheme and Amended Scheme. As at July 31, 2022, the Company recorded the other current liabilities balance of \$nil (January 31, 2022: \$9,851,400) to reflect the payments made in full.

23. PROPOSED TRANSACTION

In April 2022 and subsequently amended in August 2022, the Company entered into a share purchase and sale agreement with Kinross Gold Corporation (“Kinross”) and, subsequently closed in August 2022, to acquire a 90% interest in the Chirano Gold mine (“Chirano”) for a total consideration of US\$225 million (the “Chirano Acquisition”). The Ghanaian government retains the remaining 10% interest in Chirano.

The upfront consideration for the Chirano Acquisition comprised of US\$60 million in cash (paid subsequently) and US\$36.2 million in common shares (issued subsequently) of Asante (“Asante Shares”) based on the 30-day volume-weighted average price of the Asante Shares prior to closing of the Chirano Acquisition (“Closing”) on August 10, 2022. Kinross will also receive total deferred payments of US\$128.8 million in cash, with US\$55 million payable on the six months of Closing, approximately US\$36.9 million payable on the first anniversary of Closing, and approximately US\$36.9 million payable on the second anniversary of Closing. Kinross has agreed that it will hold its Asante Shares, which represent a 9.9% ownership interest in Asante on a non-diluted basis, for at least 12 months following the Closing. The Government of Ghana has issued a Letter of No Objection to the change of control of Chirano and the transaction is not subject to a financing condition. The closing of the Chirano Acquisition has been temporarily delayed pending resolution of certain outstanding administrative matters.

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24. SUBSEQUENT EVENTS

- a) In August 2022, the Company closed the Chirano Acquisition (Note 23) by acquiring all of the issued and outstanding shares of Red Back Mining Pty Ltd, which indirectly holds a 90% interest in Chirano pursuant to a share purchase and sale agreement and as amended. The Ghanaian government retains the remaining 10% interest in Chirano. The Company paid and issued the upfront consideration comprising of US\$60 million in cash and US\$36.2 million in common shares of the Company, respectively, based on the 30-day volume-weighted average price of the Asante Shares prior to Closing.

Under a finders' fee agreement with Induusi Resources Public Limited, the Company acknowledged Induusi's prior interest in the Chirano Acquisition. Induusi also owns prospecting licences near the Chirano mining lease. It was agreed between the parties that Induusi will assign its interest in the Chirano Acquisition and further sell to the Company the Induusi owned prospecting licences together with further Induusi owned options over additional prospecting licences. In consideration for the assignment of the Chirano interest and sale of properties and property options, it was agreed on closing of the Chirano Acquisition to issue to Induusi a finder's fee consisting of US\$1 million in cash, 5,000,000 common shares in the capital of the Company and a 2% net smelter returns royalty over the Induusi prospecting licences to be transferred to the Company. The transaction has not been signed off by either party at this time.

- b) In August 2022, the Company granted 1,540,000 stock options to certain consultants and employees of the Company at an exercise price of \$1.50. These options were granted for a period of five years, vested as follows: 1/5 on the date of grant, 1/5 on the three months from the date of grant, 1/5 on the six months from the date of grant, 1/5 on the nine months from the date of grant, and 1/5 on the first anniversary.
- c) In August 2022, the Company entered into an amendment letter agreement with Resolute providing for a 90 day extension for the final tranche of deferred payment of US\$30 million plus US\$2.7 million in respect of an environmental bond in connection to the acquisition of Mensin. The revised payment terms include an interest rate of 11% per annum on outstanding amounts from August 22, 2022 and provide for payment of US\$10 million on September 19, 2022, US\$10 million on October 19, 2022, and US\$12.7 million on November 18, 2022.
- d) Subsequent to July 31, 2022, the Company issued 2,747,463 common shares in connection with the exercise of 2,747,463 warrants with a weighted average exercise price of \$0.10 for total proceeds of \$280,862. Also, the Company issued 200,000 common shares in connection with the exercise of 200,000 stock options with an exercise price of \$0.75 for total proceeds of \$150,000.